



Exploring management perceptions of unspent infrastructure grants in selected municipalities in the Pixley ka Seme District

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DECLARATION

I **Rodney Masao Rahlano** hereby declare that the mini-dissertation submitted herewith to the North-West University in partial fulfilment of the requirements for the Master of Business Administration (MBA) degree is my own original work. It has been text-edited in accordance with professional communication standards and has not been previously submitted to any other institution for evaluation purposes.



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42860512

12/03/2026

DEDICATION

This study is dedicated to my wonderful family for their undying support, encouragement, and love that was a catapult behind this process. This work could not have been possible without the regular motivation and inspiration that they provided.

Firstly, my beloved wife, Mrs Makgwale Doris Mamokone as a sign of my gratitude to her love, patience, and understanding during my academic journey. Her active encouragement and assistance made me to strive during the tough moments. She is the rock on my side, and i owe her my eternal debt.

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LIST OF ACRONYMS AND ABBREVIATIONS

NFR	National Revenue Fund
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act (56 of 2003)
MIG	Municipal Infrastructure Grants
SALGA	South African Local Government Association
DORA	Division of Revenue Act
NT	National Treasury

TABLE OF CONTENTS

Abstract.....	ix
1.1. Introduction.....	1
1.2. Background to the study	1
1.3. Problem statement of the study	3
1.4. Research objectives of the study	4
1.4.1. Primary objective.....	4
1.4.2. Secondary objectives	4
1.6. Scope of the study.....	5
1.7. Significance of the study	6
1.8. Limitations of the study.....	6
1.9. Layout of the study	7
1.10. Conclusion.....	7
2. Literature review.....	8
2.1. Introduction.....	8
2.2. Theoretical orientation of the municipal infrastructure grants	8
2.2.1. Municipal Infrastructure Grants in the South African Context.....	9
2.2.2. Importance of municipal infrastructure grants for municipalities	11
2.2.3. Benefits of the municipal infrastructure grant for municipalities.....	12
2.2.4. Relationship between infrastructure grants and service delivery in municipalities	13
2.2.5. Relationship between infrastructure grants and socio-economic development in municipalities.	14
2.2.6. Relationship between infrastructure grants and investor attraction in municipalities	16
2.2.7. Relationship between infrastructure grants and infrastructure development in municipalities	17
2.3. municipal grant in the south African context	19
2.3.1. Spending of municipal infrastructure grants in the South African context – practice.....	19
2.3.2. Spending of municipal infrastructure grants in the South African context – challenge.....	21
2.3.3. The impact of unspent MIGs on service delivery	23
2.3.4. The impact of unspent municipal grants on infrastructure development and maintenance.....	24
2.3.5. The impact of unspent municipal grants on socio-economic development	25
2.3.6. The impact of unspent municipal grants on investor attraction.....	26
2.4. Municipal infrastructure grants in the selected municipalities of Pixley ka Seme District: challenges, Impact and strategies.....	27
2.4.1. Challenges encountered by municipalities in Pixley ka Seme District.	28
2.4.2. The impact of unspent municipal infrastructure grants in Pixley ka Seme District	30
2.4.3. Implementation Of municipal infrastructure grants strategies by the selected municipalities of Pixley ka Seme District.....	31
2.5. Conclusion.....	33
3. Research methodology	34
3.1. Introduction.....	34
3.2. research methodology of the study	34
3.3. Research Paradigm of the study	35
3.4. Research Approach.....	35
3.5. research Design	35
3.6. Target Population, data sample and Sampling	36
3.6.1. Target Population	36
3.6.2. Data Sample	36
3.6.3. Sampling	36
3.7. Recruitment strategy of participants.....	37
3.7.1. Initial contact	37
3.7.2. Participant identification	37

3.7.3.	Invitation to participants	37
3.7.4.	Informed consent.....	37
3.8.	inclusion and eXclusion criteria of participants	37
3.8.1.	Inclusion criteria of participants in the sample	37
3.8.2.	Exclusion criteria of participants in the sample	37
3.9.	Data collection methods	38
3.9.1.	Primary sources	38
3.9.2.	Secondary sources.....	38
3.10.	Data collection tools	39
3.10.1.	Semi-structured interviews	39
3.10.2.	Gathering of biography information	40
3.10.3.	Literature review.....	40
3.11.	Data Analysis	40
3.12.	Data analysis process	41
3.12.1.	Data analysis tools	42
3.12.2.	Data Trustworthiness	42
3.12.3.	Data Credibility	43
3.12.4.	Ethical considerations	43
3.12.5.	Consent form.....	43
3.12.6.	Confidentiality.....	44
3.12.7.	Anonymity.....	44
3.12.8.	Power relations.....	44
3.13.	Conclusion.....	45
4.	Data presentation and results.....	46
4.1.	Introduction.....	46
4.2.	Research results from biographic information	46
4.2.1.	Gender	46
4.2.2.	Age	47
4.2.3.	Working experience distribution of participants	48
4.3.	RESEARCH RESULTS FROM SEMI-STRUCTURED INTERVIEW	49
4.4.	Presentation results from the literature	54
4.5.	Presentation of research findings.....	55
4.6.	Management implications of the study.....	56
4.7.	Conclusion.....	58
5.	Summary of results, conclusions and recommendations	59
5.1.	Summary of results	59
5.2.	Conclusion.....	60
5.3.	Recommendations of the study.....	61
	REFERENCES LIST.....	64
	Annexures.	72

List of Figures

Figure 1: Selected municipalities.....	5
Figure 2: Research Onion.....	34
Figure 3: Data analysis process.....	41
Figure 4: Gender distribution of respondents	47
Figure 5: Age distribution of respondents.....	48

Figure 6: Working experience distribution of respondents.....	49
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List of Annexures

Annexure A- Ethics Approval by the University.....	72
Annexure B -Permission letters by Emthanjeni municipality.....	73
Annexure C -Permission letters by Kareeberg municipality.....	75
Annexure D -Permission letters by Umsobomvu municipality.....	79
Annexure E -Permission letters by Siyathemba municipality.....	78
Annexure F -Permission letters by Thembelihle municipality.....	79
Annexure G – Interview guide.....	80
Annexure H – Language editor’s letter.....	84
Annexure I – Plagiarism report.....	85

ABSTRACT

The research explored management perceptions on unspent municipal infrastructure grants in selected municipalities within the Pixley ka Seme District, Northern Cape of South Africa. The study was aimed at establishing the factors that led to unspent grants, management perception on the reasons behind underutilized infrastructure grants, the impact of unspent grants on infrastructure development and service delivery, and recommendations on how to improve the infrastructure grants spending.

The qualitative research method was used in the study where the interviews were conducted through semi-structured interviews with the municipal management officials that is, the Technical Directors, Chief Financial Officer and the Project Managers of the selected municipalities of Pixley ka Seme District. The themes were analysed with the help of the thematic analysis, and the results were provided in the form of narration.

The research found that bureaucratic sluggishness, lack of funding, insufficient ability, and poor contracts management are key issues that lead to unspent municipal infrastructure grants. Lack of technical capacity; technical expertise, contract management, and grant management negatively affect proper utilization of grants. Unspent grants affect the development of infrastructure and the service delivery in a negative way which leads to delayed delivery of projects or abandoned projects, underdeveloped infrastructure development and substandard maintenance of the existing infrastructure. The municipal managers acknowledged the importance of having capacity building programs that will help them to improve their skills and expertise on the areas of grant management, project management, and infrastructure development.

The research points out the necessity to focus on the challenges of grant spending, capacity growth and infrastructure development in municipalities. The implications are profound to the policy and practice in that capacity building, improved financial management and better institutions of governance and accountability are essential in ensuring the successful utilization of grants and delivery of services. The research makes recommendations that can be adopted by the municipalities, national, and provincial governments to improve grants management and the development of infrastructures that will eventually lead to the better living standards of the communities in the Pixley ka Seme District.

Keywords

Municipal Infrastructure Grant,

National Treasury

Basic Services Delivery

Conditional Grant

Municipal infrastructure

Chapter 1

1.1. INTRODUCTION

In South Africa, infrastructure grants are essential for enabling service delivery and promoting socio-economic growth (Matabane, 2017; Tshoshi, 2022; Maake, 2017). Nonetheless, the unspent infrastructure grants continue to affect municipalities' capacity to meet community demands and clear essential infrastructure backlogs (Maake, 2017). This study aimed at exploring management perceptions on unspent infrastructure grants in selected municipalities of the Pixley ka Seme District in the Northern Cape Province of South Africa. Understanding management perceptions is important since they are key stakeholders influencing municipal grant spending for project implementation and municipal infrastructure development.

Like many other districts, Pixley ka Seme District is faced with developmental challenges relating to the provision of infrastructure, which includes sanitation, water, roads and other important infrastructure projects which impact the wellbeing and encourage local economic development. Unspent grants can be an indication of potential inefficiencies in planning, budgeting, procurement or project implementation processes within municipalities (National Treasury, 2023). Gathering management perceptions can provide first-hand insights into the underlying factors contributing to unspent infrastructure grants in municipalities in South Africa.

Understanding management perceptions in selected municipalities of the Pixley ka Seme District may uncover contextual challenges and opportunities that can improve grant spending and infrastructure outcomes. The study's findings may guide efforts to improve municipal capacity, grant management, and ultimately improve service delivery.

1.2. BACKGROUND TO THE STUDY

In South Africa, municipalities provide basic services to their communities through various funding channels from the national government (Tshoshi, 2022; Matabane, 2017; Maake, 2017). One such funding channel is municipal infrastructure grants (MIG). These grants are a critical source of funding for infrastructure for municipalities. Here, the grants assist municipalities in delivering the infrastructure to their communities to improve their sanitation systems, water networks and roads. Since the end of apartheid, municipalities were amalgamated into non-racial municipalities with poor or underdeveloped infrastructure for the provision of services to communities (Oosthuizen and Thornhill,

2017). In this regard, the importance of municipal infrastructure grants cannot be overstated since they are essential for the development of communities and the delivery of basic services to the community (Maake, 2017).

However, the capacity of municipalities to use these grants is under scrutiny (Maake, 2017). There has been a growing underutilisation of the grants by municipalities since 1994, and they remain unspent even today, despite efforts to improve capacity. There are numerous factors attributed to the grants' underutilisation. They include, but not limited to, inefficient management practices, inadequate capacity and poor planning (Tshoshi, 2022; Maake, 2017). According to Maake (2017:60), the underutilisation of municipal infrastructure grants by municipalities is a challenge that requires attention to enable municipalities to operate effectively. In agreement, Tshoshi (2022:6) argues that it is essential to identify further the causes of unspent municipal infrastructure grants to address them. Hence, this study sought to explore perceptions of municipal managers in this regard, as no study has been taken to the researcher.

Even though municipalities are underutilising their infrastructure grants, communities continue to experience service delivery and maintenance backlogs that weaken economic growth and development in municipalities (Rakabe and Mabugu, 2024; Van der Waldt, 2014). Between 2019 and 2023 financial years, a significant number of municipalities failed to spend a substantial portion of their infrastructure grant allocations (Auditor General, 2022/23). As a result, communities experienced poor service delivery and maintenance backlogs, often leading to community dissatisfaction (Seate, 2016). It is common knowledge that when most South African communities are not happy about the quality of services, they embark on disruptive protests that often damage the already ailing infrastructure. As alluded to earlier, municipalities in the Pixley ka Seme District are struggling to spend their infrastructure allocations, resulting in growing dissatisfaction and protests. In the 2022/23 financial year, some municipalities received letters of intention to stop and reallocate a portion of their municipal infrastructure grants (DoRA, 2023; MFMA, 2003). The stopping and reallocation were because of poor spending during the first six months of the financial year. The stopped amounts were reallocated to other municipalities within the province (DoRA, 2023).

According to the National Treasury (2022), the underutilisation of municipal infrastructure grants is a significant national service delivery issue. This is so because unspent funds at the end of the financial year are returned to the National Revenue Fund (NRF), thereby

depriving communities of the much-needed infrastructure projects (National Treasury, 2022). Municipal managers play a critical role in overseeing the utilisation of these grants. However, the underutilisation of these grants raises concerns regarding the decision-making processes, technical capabilities and management practices of municipalities (Fourie *et al.*, 2011). It is a concern that unspent grants by municipalities happen despite clear prescriptions for their spending (DoRA, 2023; MFMA, 2003).

Thus, despite the growing research on the causes of underutilisation of municipal infrastructure grants, no study has been done to hear the views of the management of municipalities on the possible reasons for the underutilisation of the infrastructure grants. Thus, the need arises to explore management perceptions on unspent municipal infrastructure grants to address this problem. This study therefore, sought to explore management perceptions on unspent infrastructure grants in selected municipalities of Pixley ka Seme District, Northern Cape province, as depicted in picture 1 under section 1.5 of this chapter.

1.3.PROBLEM STATEMENT OF THE STUDY

The unspent municipal infrastructure grants are a widespread problem in South African municipalities, particularly in the Northern Cape province. Most municipalities are struggling to spend municipal infrastructure grants allocated to them through the national government grant system. As alluded to in paragraph 3 of section 1.1, this matter has significant implications for economic development, service delivery and overall well-being of the communities in municipalities (Make, 2017). These implications include, but are not limited to, community service delivery protests, poor economic growth, unemployment, dissatisfied communities and poor service delivery.

Municipalities in the Northern Cape province are struggling to spend their infrastructure grants, as reported in the Department of Cooperative Governance and Traditional Affairs (COGTA) reports of 2019 - 2023. This problem has been going on for some time according to COGTA reports. Municipalities in Pixley ka Seme District are not an exception to the problem. For the past five years, communities of municipalities in the district were denied adequate service delivery due to the cancerous problem of unspent municipal infrastructure grants by local municipalities in the district.

The persistent challenge of unspent infrastructure grants underscores a broader issue of ineffective public resource management, which compromises the ability of municipalities

to deliver essential services and drive local economic development (National Planning Commission, 2022). The lack of capacity, poor project management and inadequate planning within municipalities exacerbate the problem, leading to persistent unspent conditional grants and underachievement of community needs (SALGA, 2020). Furthermore, as stated above, the unspent conditional grants not only reflect poorly on municipal governance but also deprive communities of critical infrastructure investments, perpetuating socio-economic disparities and undermining the government's efforts to promote inclusive growth and development.

This being the case, however, the problem of unspent municipal infrastructure grants facing local municipalities in the district has not been explored to obtain perceptions of municipal management. Obtaining management perceptions is important because municipal managers possess first-hand knowledge of the challenges and operational realities that affect infrastructure grant spending. Their views provide practical insight into the root causes of underspending, which provides an opportunity for targeted solutions. By understanding their perceptions, this study can develop specific strategies to improve grant management. Furthermore, the study can develop best practices from their insight to improve municipal grant performance and ultimately benefit the community.

1.4. RESEARCH OBJECTIVES OF THE STUDY

To address the research problem of the study, the following objectives have been formulated.

1.4.1. Primary objective

The primary objective of this proposed study is to explore management perceptions on unspent municipal infrastructure grants in selected local municipalities of Pixley ka Seme District in the Northern Cape province.

1.4.2. Secondary objectives

- to identify the factors contributing to unspent municipal infrastructure grants from the perceptions of municipal management of selected local municipalities in Pixley ka Seme District.
- to establish the impact of unspent grants on infrastructure development and service delivery from management perceptions of selected local municipalities in Pixley ka Seme District.

1.5. RESEARCH QUESTIONS

The following are the research questions based on objectives of the study

- What are the factors contributing to unspent municipal infrastructure grants from the perceptions of municipal management of selected local municipalities in Pixley ka Seme District?

What is the impact of unspent grants on infrastructure development and service delivery from management perceptions of selected local municipalities in Pixley ka Seme District?

1.6. SCOPE OF THE STUDY

The scope of the study is to explore management perceptions on unspent infrastructure grants in selected municipalities of Pixley ka Seme District. Picture 1 below depicts the selected municipalities of the Pixley ka Seme District for the study, and they are marked 1 – 5 for ease of reference. They have been selected for participation in the study based on their willingness and commitment to share their perceptions, insights and experiences with the researcher.



Figure 1: Map showing the municipalities in Pixley ka Seme District. **Source:** *Pixley ka Seme IDP, 2024.*

Pixley ka Seme District is situated in the southeast of the Northern Cape province and shares its borders with three other provinces, namely, Free State to the east, Eastern

Cape to the southeast and Western Cape to the southwest. The district has a population of 196, 000 and 103, 410 square kilometres in total area (Pixley ka Seme IDP, 2024:37). It makes up 16.4% of the Northern Cape province's total population (Pixley ka Seme IDP, 2024/25:37). In 2019, the yearly population growth rate was 1.5% with 61, 296 house households in the district overall, with a population density of 2.4 persons per square kilometre (Pixley ka Seme IDP, 2024:37). The study focussed on five (5) selected municipalities in the Pixley ka Seme District, namely: Umsobomvu, Emthanjeni, Kareeberg, Thembelihle and Siyathemba. These municipalities have been chosen due to their persistent challenges with municipal infrastructure spending and their willingness to be part of the study.

1.7. SIGNIFICANCE OF THE STUDY

Municipalities receive grants from various levels of government to support community-oriented projects. However, many municipalities fail to spend these funds, which are meant to enhance community well-being and economic development. However, management perceptions of the selected local municipalities on why there are unspent municipal infrastructure grants have not been explored in South African municipalities. This study aimed to bring to light the insights or views of management of municipalities on the underspending of municipal infrastructure grants. The obtained perceptions of management would assist municipal policymakers to better understand the problem of unspent municipal infrastructure grants and develop better strategies/plans to improve the spending of infrastructure grants. The study would also help management of municipalities to better realign their municipal operations to address the problem of unspent municipal infrastructure grants. The problem of unspent municipal grants is a significant issue with severe consequences for the effective delivery of public services at the local level.

1.8. LIMITATIONS OF THE STUDY

- **Time:** the researcher has a time constraint allocated for the completion of the study.
- **Resources:** the researcher has financial constraints relating to funding for travelling and accommodation expenses during the collection of data, as well as paying for a statistician during data analysis stages.
- **Space:** the researcher is limited by the prescribed space allocated to perform the research.

- **Unavailability of participants:** some of the identified participants could not take part in the study due to their unavailability and tight schedule.

1.9.LAYOUT OF THE STUDY

The study is broken down into five (5) chapters.

Chapter 1 introduces the study by presenting section 1.2 which is about general background of the study up to section 1.9 which concludes chapter 1 of the study

Chapter 2 reviews literature associated with the study from theoretical and empirical orientations of the study.

Chapter 3 details research methodology of the study starting with discussion on research paradigm and ending with the ethical consideration pertaining to the study. of the chapter.

Chapter 4 presents data analysis, research results and research findings of the study

Chapter 5 provides the summary of the results, conclusions and recommendations of the study.

1.10. CONCLUSION

This chapter provided introductory remarks about the study from presenting the general background of the study up to the outline of the chapter. The next chapter presents the literature review of the study.

2. LITERATURE REVIEW

2.1. INTRODUCTION

In South Africa, specifically in rural municipalities, the utilisation of municipal infrastructure grants is an important part of delivering essential services (Van Der Waltd, 2014). The National Government introduced the infrastructure grants to deal with backlogs in infrastructure and increase accessibility to basic essential services like water, electricity and roads (National Treasury, 2014). However, despite the importance of municipal infrastructure grants (MIG) funding, most municipalities struggle to effectively spend these funds, resulting in unspent grants and inadequate service delivery (Oosthuizen and Thornhill, 2017).

The selected municipalities in Pixley ka Seme District face unique challenges in spending municipal infrastructure grants, which impact the delivery of essential services to the communities. In this regard, understanding management perceptions from these selected municipalities on unspent municipal infrastructure grants is critical to identify the root causes of these challenges and would assist in developing effective solutions. The chapter is broken down into five (5) sections, of which section 2.1 introduces the chapter. Section 2.2 presents the theoretical orientation of the municipal infrastructure grants. Section 2.3 provides empirical orientation of municipal grants in the South African context. Section 2.4 presents the challenges, impact and strategies relating to municipal infrastructure grants in the selected municipalities of Pixley ka Seme District. Section 2.5 concludes the chapter.

2.2. THEORETICAL ORIENTATION OF THE MUNICIPAL INFRASTRUCTURE GRANTS

This section introduces the theoretical orientation of the study, discussing the conceptual frameworks underpinning the approach to the municipal infrastructure grant management, the theoretical issues behind underspending and its implications on infrastructure development and service delivery in the South African context.

The study is grounded in the theoretical framework of institutional theory, which holds that institutional norms, rules and practices shape the behaviour and decision-making of individuals and organisations. By grounding this study in institutional theory, the researcher was able to gain a deeper understanding of the management perceptions of

selected local municipalities on unspent municipal infrastructure grants in the Pixley ka Seme District, Northern Cape Province.

Through the application of the institutional theory to this research, the researcher was able to have a clearer insight into the perceptions and actions of municipal managers employed in the Pixley ka Seme District of the Northern Cape Province with respect to the unspent municipal infrastructure grants. The institutional theory provided a basis through which to consider the ways in which external factors, for example, government policies, funding requirements, and community demands, influence the decision making of the local municipal managers in the selected municipalities of Pixley ka Seme District. Here, the institutional theory argues that some norms and practices may compel municipal managers to conform to some norms instead of innovating on how the grants can be used, thus resulting in unspent grants (Scott, 2008).

In addition, institutional theory explains the impact of different variables on the decisions made by the municipal managers in the distribution and use of infrastructure grants, such as policy inefficiencies and personal motives. In this regard, when the policies regulating MIGs use are seen to be too bureaucratic or restrictive, managers are then less likely to spend the money appropriately, leading to unspent grants. Also, personal benefits (like the need to be noticed or promoted) can contribute to the way managers manage grants. The knowledge of these dynamics is important to reveal the obstacles which do not allow the effective use of MIGs (North, 1990).

2.2.1. Municipal Infrastructure Grants in the South African Context

In South Africa, the sharing of revenue generated by the national government is important. It ensures that the distribution of resources among the three spheres of government, namely national, provincial, and local, is done fairly and equitably. The sharing of revenue is regulated by Section 214 of the Constitution and implemented by the annual Division of Revenue Act (DoRA). The Municipal Infrastructure Grants (MIGs) rationale is strongly embedded in this framework, as the sources of revenue that fund these grants are collected nationwide and specifically allocated to the municipalities to assist in developing and maintaining infrastructure.

As alluded to above, it could be seen that MIGs are an essential part of the local government finances in South Africa. They give the vital financial assistance to municipalities, which provides them the ability to develop and maintain the infrastructure

to provide them with basic services in their community. The National Treasury (2022) reports that these grants do play a pivotal role in fulfilling the infrastructure requirements of local governments, especially in those regions which have traditionally been underserved. Municipalities have the financial support of MIGs to implement crucial projects, which are important to improve the wellbeing of people and the standard of living in a community such as constructing roads, water supply facilities, and sanitation facilities.

The significance of MIGs is additionally highlighted by the Department of Cooperative Governance and Traditional Affairs (2019) which explains that it is namely such grants which are aimed at amending the past of apartheid. The apartheid system led to a high level of inequality in terms of infrastructure development and service delivery, especially among the marginalized populations. The purpose of introducing MIGs is to make sure the basic services and infrastructure are equally distributed to different regions to enhance social justice and inclusiveness. This equity orientation is essential in a nation that has been scarred by historical injustices in the socio-economic fabric.

The National Planning Commission (2012) points out that the inequality in terms of infrastructural development in the apartheid era has produced long-term consequences on communities, especially in the rural and disadvantaged urban regions. MIGs can be used to fill these gaps so that the municipalities are able to prioritize the projects that will meet the needs of the community. As an example, MIG funds can be used by municipalities to enhance access to clean water and sanitation, which are human rights and necessities for health. Through investment in these areas, the municipalities are not only improving service delivery but are also helping to boost the economy of their areas in general.

Additionally, the justification of MIGs is not just limited to the development of infrastructure but extends to the overall aim of promoting economic advancement and poverty alleviation. Municipalities can develop a business-friendly environment through the enhancement of infrastructure. Increased infrastructure enables trade, increases access to markets, and draws investment, which may result in employment and economic empowerment of local communities. This is in line with the overall goals of the government in ensuring sustainable development and raising the living standards of the people of South Africa.

In addition, MIGs are categorized as conditional grants, for example, that municipalities need to satisfy certain requirements to obtain and use these funds efficiently. The conditionality makes sure that the grants are spent for the intended purpose in the provision of the basic infrastructure to poor households. The emphasis on conditional grants is especially relevant to the South African situation, as a lot of households continue to be deprived of the necessities. The government can also make sure that funding goes up to certain results so that they can be distributed in an efficient and effective way to meet the immediate needs of the community.

2.2.2. Importance of municipal infrastructure grants for municipalities

Municipal Infrastructure Grants play a critical role in South Africa in many ways. In the first instance, the grants become a crucial source of financing for infrastructure development and maintenance that is critical to the efficient work of municipalities. The Department of Cooperative Governance and Traditional Affairs (2019) states that MIGs offer municipalities with funds that they need to carry out major infrastructure projects, including roads, bridges, and other constructions. As an example, municipalities that fully spent their MIGs allocations have seen the improvement of transport systems that not only make a municipality more accessible to its inhabitants but also make businesses more accessible. This is in the rural municipalities where poor infrastructural systems may restrain economic potential and access to services.

Moreover, according to the South African Local Government Association (2020), MIGs can assist municipalities to develop infrastructure that provides communities with basic services. This involves basic services such as water supply, sanitation and electricity. The presence of these services is a prerequisite for the economic growth and increasing the quality of life of the residents. In another instance, by investing in water supply networks, which are funded by MIGs, municipalities not only provide communities with clean drinking water, but also promote the health of the population by lowering waterborne diseases. This, in its turn, contributes to a healthier workforce, which is necessary to stimulate economic productivity and minimize levels of poverty (World Bank, 2018).

Besides financing new infrastructure, MIGs offer the much-needed financing for the maintenance of the existing infrastructure. The infrastructure should be maintained regularly to make sure that it is always safe and operational for the users. Lack of maintenance may cause deterioration, thus leading to expensive repairs or even failure

of the infrastructure systems. With MIGs enabling municipalities to spend money on maintenance, it will be possible to extend the life span of their infrastructure and make the best out of the investment, as well as make sure that the resources are allocated most efficiently.

In addition, MIGs assist municipalities in eliminating infrastructure backlogs. The problem of poor infrastructure exists in many municipalities of South Africa, as it may also hinder service delivery and economic development. With the assistance of MIG financing to clear these backlogs, municipalities will have an opportunity to focus on projects that may provide the most important impact on the community. As an example, the accomplishment of the road construction project in an underdeveloped area can also improve access to markets, schools, and health facilities, which will eventually lead to the general development of the area.

MIGs further contribute to community engagement and involvement in the development process of localities. Municipalities that are getting funding to undertake infrastructure projects usually engage the local communities in the planning and implementation stages. Such a participatory strategy not only empowers the residents but also ensures that the infrastructure that has been developed is able to address the unique needs of the community. This can be achieved by working with residents to come up with more sustainable and acceptable solutions because community members are likely to support projects in which they have been involved in formulating.

2.2.3. Benefits of the municipal infrastructure grant for municipalities

MIGs have many benefits to the municipalities, which greatly affect their capability of delivering the basic services and community development (Maake, 2017). The South African Cities Network (2019) conducted a study showing that MIGs may improve service delivery, economic growth, and poverty reduction. Such grants play a crucial role in assisting municipalities to cater for urgent infrastructure requirements and hence contribute to the well-being of the community in general.

To improve access to basic services, including water and sanitation, Municipal Demarcation Board (2020) suggests that MIGs have played a key role in South Africa. As an example, the funding has promoted the building of water supply networks and sanitation in underdeveloped municipalities, which is essential to the health of people and their quality of life. Better access to such services not only serves the immediate needs

of the residents but also preconditions the further development of the community over the long-term perspective.

In addition, MIGs help to create jobs and develop the economy according to the South African Local Government Association (2020). MIG-funded infrastructure projects usually involve labour intensive projects, thus providing employment opportunities to local communities. The grants not only assist in the process of reducing the rate of unemployment, but they also boost local economies by raising the amount of disposable income and motivating people to spend in the community. Taking the case of roads and other social facilities, for instance, thus more businesses are given the opportunity to develop the economies of their respective local regions.

The general objective of municipal infrastructure grants is to assist municipalities in delivering the much-needed services to their communities as emphasized by (Maake, 2017; Tjebane, 2004; Rachidi 2018). MIGs, in effect give local governments the mandate to invest in infrastructure so that they can deliver essential services effectively. This is especially essential to historically deprived regions where the lack of infrastructure has always been a setback to development. By bridging these gaps, MIGs become a significant force towards equity and social justice in service delivery.

2.2.4. Relationship between infrastructure grants and service delivery in municipalities

MIGs play an important role in supporting municipalities to deliver basic services and develop infrastructure which satisfies the demands of the communities (Rakabe, 2024). The grants are meant to empower the local governments by providing them with the resources they need to improve access to basic services, improve the quality of the services and the efficiency of the operations in terms of improving the infrastructure. The Department of Cooperative Governance and Traditional Affairs (2019) notes that MIGs play a critical role in financing projects that directly affect the lives of communities, thus promoting sustainable development at the municipal level.

One of the most significant effects of MIGs is their role improving access to water and sanitation services. Here, the Water Research Commission (2020) notes that MIGs have contributed significantly to the delivery of these essential services in South African municipalities. As an example, in rural communities, the carrying out of MIG-funded projects has resulted in the development of water supplies and sanitation, which did not

exist before. This has not only enhanced the society of those living there but also minimized cases of waterborne diseases, hence advancing the health of the population.

Moreover, the World Bank (2019) notes that the MIGs assist municipalities in achieving better health results and alleviating poverty in communities. Municipalities through MIGs can ensure that they provide an environment that is favourable to economic development and social welfare by funding infrastructures like roads, schools and health facilities. As an example, the construction of access roads through MIGs has enabled the rural communities to have easier access to the markets, schools, and healthcare services. Such improved accessibility may increase economic opportunities and improve the standard of living of the communities.

MIGs have also played a key role in improving access to energy in municipalities besides water and sanitation (Matabane, 2017). An example of how MIGs have been used to fund projects to electrify the under-served areas is the increase in living standards and productivity of both households and businesses due to this solution. Households are propelled by the basic needs, which are achieved through the provision of dependable electricity which in turn enables economic activities, including small businesses, local enterprises, job creation, and economic resilience.

In addition, one can note that the relationship between MIGs and service delivery can be seen in the housing development (Sethu and Mafunisa, 2022). Municipalities have made use of MIG funding to come up with low-cost housing projects that curb acute housing crunches in low-income communities. Supply of appropriate housing will enable the municipalities to enhance the general living standards of people, minimize homelessness and enhance social stability.

2.2.5. Relationship between I infrastructure grants and socio-economic development in municipalities.

MIGs have a strong connection with the socio-economic development of municipalities (Maake, 2017). They are a driving force to increase the economic growth, generate job prospects, and increase the overall quality of life of the communities (Kopung, 2017b). The National Treasury (2022) argues that MIGs are crucial in financing the infrastructure projects that directly influence the socio-economic environment of communities. Thus, with the grants, municipalities can create an environment that promotes growth and success by investing in basic services and infrastructure.

Improvement of local economies due to infrastructure investment is also one of the great contributions of MIGs to socio-economic development (Maake, 2017; Tshoshi 2022). An example is the development of transportation and roads financed by MIGs, thus assisting local businesses to access markets easily. The improved transportation system minimizes the time and costs of travelling, allowing companies to be more efficient and accessible to a wider community (South African Institute of International Affairs, 2020). This spurs local economic activity and becomes an incentive for entrepreneurship, which is key to sustainable economic growth.

Moreover, MIGs help in job creation, which plays a vital role in solving unemployment and poverty in municipalities. These grants usually require a large number of workers in infrastructure projects, and local people are employed. As an example, the building of water supply systems, sanitation, and housing development not only covers the much-needed services delivery but also generates employment in the construction and maintenance industries (National Planning Commission, 2012). This is important in improving the socio-economic conditions of communities, as the objective of the municipal infrastructure grant is to solve infrastructure gaps in the process of offering livelihoods.

MIGs further play a key role in improving the quality of life of residents since they have access to basic amenities such as clean water, sanitation, and electricity. These are basic services to the health and well-being of the population. In the example of MIG-funded sanitation programs in the country, a decrease in the occurrence of waterborne diseases in rural regions due to the adoption of such programs has significantly led to better health outcomes among communities (World Bank, 2018). Better access to clean water and sanitation amenities not only plays a role in promoting health, but also in promoting productivity, since healthier people are better able to join the workforce.

The socio-economic effect of MIGs is reflected in the housing development programs. Municipalities have applied MIG funding to building low-cost housing to solve the severe housing crises of low-income communities. Adequate housing allows municipalities to improve the living conditions, decrease homelessness and advance social stability (Department of Cooperative Governance and Traditional Affairs, 2019). Not only does this investment in housing help to improve the living standards of people living in the

countries, it also improves the local economies by promoting the demand for goods and services.

The beneficial impacts of MIGs are spread to community development and social cohesion. Including the local communities in the development and execution of the infrastructural projects will help the municipalities to create a feeling of ownership and pride in the communities. Besides increasing the effectiveness of projects, this participatory approach also builds a stronger connection with the community and promotes collaboration between its residents (Tjebane and Rachidi, 2018). As an example, the involvement of the community in the process of developing communal spaces, including parks and other recreational facilities, may result in better social interactions and a feeling of belonging to the community.

2.2.6. Relationship between infrastructure grants and investor attraction in municipalities

MIGs play a critical role in attracting investors to municipalities. According to the South African Local Government Association (2020), investing in infrastructure can improve the business environment, attract investments and support economic growth. The South African Local Government Association (2020) suggests that investing in infrastructure is crucial to a conducive environment in which businesses can flourish. Better infrastructure not only makes the operations of those already in operation efficient, but also makes the municipalities attractive to potential investors seeking to have a viable location to base their operations or even enter the markets.

Development of essential infrastructure, such as roads, utilities, and communication systems, is one of the main avenues of attracting investors by MIGs. As an example, building efficient transportation systems financed by MIGs could go a long way in cutting logistics expenses of businesses. This was seen in the municipalities, which used MIG funds to modernize road networks, which enhanced the accessibility of markets and suppliers (International Monetary Fund, 2020). This leads to improved operation of a business, making it more profitable and appealing to investors. The International Monetary Fund (2020) established that municipalities that have strong infrastructure have a greater chance of attracting foreign direct investment (FDI), as investors are willing to find places where they can easily and efficiently conduct their business activities.

Besides, investor confidence is directly related to the quality of infrastructure. MIGs also help to enhance the quality of infrastructure, thus minimizing the chances of infrastructure breakages and improving service delivery (National Treasury, 2022). To illustrate this, municipalities that have been invested in by MIGs in the form of modern water supply and sanitation systems can assure the potential investors of the presence of sound access to these basic services. This dependability is essential to industries like manufacturing and hospitality, where orchestrated service provision is expected to achieve success in operations (World Bank, 2018). Investors are willing to invest in municipalities that are willing to maintain and enhance their infrastructure.

Moreover, the existence of well-manned public amenities (parks, recreation centres, and community centres) financed by MIGs can make a municipality more generally appealing. Such facilities not only improve the quality of life of the residents but also form a vibrant community that is attractive to potential investors (Department of Cooperative Governance and Traditional Affairs, 2019). An example is that municipalities which have developed a public space with MIG funds tend to have a higher number of businesses interested in other areas like retail and tourism, as these spaces have made them attractive to residents and visitors.

Moreover, strategic application of MIGs could result in the creation of infrastructure initiatives which could be in line with the demands of particular industries. As an illustration, governments might give preference to the development of infrastructure that contributes to the expansion of technological centres or industrial estates (Tjebane & Rachidi, 2018). This means that municipalities can prepare themselves as a desirable investment destination by aligning infrastructure investments with the needs of targeted sectors. Such strategic alignment has the capacity to increase significantly the chances of attracting investors who would seek places that favour their business models.

2.2.7. Relationship between infrastructure grants and infrastructure development in municipalities

MIGs play a vital role in the infrastructure development of the municipalities in South Africa (Matabane (2017). These grants provide funding for the development and maintenance of infrastructure and improve the quality of infrastructure developments in general (Department of Cooperative Governance and Traditional Affairs, 2019). The role of MIGs cannot be overestimated because it serves as an important financial source of infrastructure development and maintenance for municipalities.

The promotion of the new infrastructure is one of the primary roles of MIGs. This encompasses activities like building roads, bridges, water supply and sanitation. Municipalities can invest in these key areas to improve access to important services for the citizens. As an example, the Municipal Demarcation Board (2020) emphasises that MIGs have played a significant role in better infrastructure development within the municipalities, especially in underdeveloped areas where infrastructure shortages in the past would be significant barriers to accessibility of basic services. New infrastructure is not only used to cater to the short-term needs, but it also prepares the groundwork for long-term economic growth and development of the community.

Apart from new infrastructure development, MIGs also play a significant role in the maintenance of facilities (Matabane, 2017). Maintenance is essential because infrastructure will always be in operation and in a safe position to be used by the people. Infrastructure may wear out because of insufficient money to carry out maintenance, causing delays in the service delivery and resulting up paying higher prices to fix. MIGs provide local governments with financial means to perform regular repairs and renovations, which in turn extend the useful life of the existing infrastructure and ensure that it can still address the needs of the community (National Treasury, 2022). This is a preventive measure of infrastructural management that is core to the continued service delivery and improvement of the living standards of the residents.

Moreover, the infrastructure is greatly improved by utilising MIG grants effectively. Effective service delivery and economic development need quality infrastructure to facilitate them. As an example, a properly run water supply system and road infrastructure lead to a higher population health and active economic processes. According to the World Bank (2018), MIGs not only play a significant role in terms of better infrastructure development but also in economic growth, improvement of the service delivery system, and poverty reduction. The interrelationship between these factors brings out the importance of sound infrastructure in sustainable development.

Additionally, the impact of MIG on the development of infrastructure is not just limited to construction and maintenance. Such grants also improve community involvement and participation in the process of development. Municipalities and local communities can use this public participation to make sure that infrastructure projects developed should be able to address the needs and priorities of communities by involving them in the planning

and implementation of the projects. Such a participative strategy not only helps to increase the effectiveness of infrastructure projects but also encourages ownership and pride in the members of the community (Tjebane and Rachidi, 2018). In the development process, the municipalities can engage the residents in the planning process by giving them a chance to actively participate in the process so that the infrastructure is commendable to the community.

In summation, the theoretical orientation of the municipal infrastructure grants (MIGs) under the institutional theory gives a good idea of the complexities of management and utilization of such funds in the Pixley ka Seme District of South Africa. Comprehending the role of institutional norms, rules, and practices in determining the decision-making of municipal managers, the study has identified the critical role of external factors in influencing the effective utilization of MIGs; government policies, funding requirements and community demands. The results highlight the importance of addressing the constraints on MIG's, which are crucial for addressing historical imbalances and promoting socio-economic growth. Despite their necessity, MIG's are often hindered by bureaucratic inefficiencies and self-interest among municipal managers. Thus, it is crucial to identify and respond to such dynamics to increase the effectiveness of MIGs, which will ultimately result in better infrastructure, improved service delivery, and increased economic opportunities within marginalised communities. This knowledge not only informs policy and practice, but it also highlights the importance of a more participatory approach where local communities are involved in the development process, such that they develop a sense of ownership and that the infrastructure projects address the local needs of the populations served by the project.

2.3.MUNICIPAL GRANT IN THE SOUTH AFRICAN CONTEXT

The MIGs play an important role in South Africa's development, especially in addressing the legacy of apartheid and fostering the delivery of basic services, infrastructure development and socio-economic development (Maake, 2017). This section discusses the empirical orientation of the study from practice, challenges and impact of the spending or underspending of municipal infrastructure grants in the South African context.

2.3.1. Spending of municipal infrastructure grants in the South African context – practice

MIGs are one of the important local governance grants in South Africa. They assist municipalities in resolving the high levels of infrastructure shortages in municipalities.

MIGs allocation and its usage are regulated by the principles presented in the Division of Revenue Act (DoRA), according to which the finances should be spent on certain infrastructure projects that allow the improvement of service delivery (National Treasury, 2022). But the real-world application of these grants usually shows that they face difficulties that can impede their success.

The other major issue regarding the allocation of spending of MIGs is the bureaucracy that has to be overcome by the municipalities. Tjebane and Rachidi (2018) suggest that due to the complexity of grant management, the implementation of the project can be delayed because municipalities are frequently not comfortable with compliance requirements and reporting demands. This red tape may lead to the amounts of money that go to waste, eventually denying the grants their intended purpose. As an example, research conducted by the South African Cities Network (2019) identified that most municipalities did not correctly use their MIG allocations because of inefficiency in their administration and thus missed out on opportunities to develop infrastructure.

Additionally, local municipalities usually do not have the resources and skilled staff to ensure that they manage and spend MIGs successfully. As mentioned by the Municipal Demarcation Board (2020), several municipalities, especially rural ones, have serious issues related to human capital and technical knowledge. Such an inability may slow down the planning and implementation of infrastructure projects, leading to delays and inefficient results. As an example, most municipalities might not be able to come up with holistic project proposals that satisfy the requirements stipulated by the national government and thus find it hard to access and exploit MIG funding.

The amount of MIGs spent is also affected by the political conditions in municipalities, in addition to administrative and capacity problems. The political factor may also influence the decision-making process, where the local municipal managers may be found giving priority to projects on the basis of political expediency, instead of the needs of the community (Josie, 2008). This may result in a mismatch of MIG funds and the real infrastructure requirements of communities. In case, as an example, politicians are preoccupied with projects that are most likely to be supported by the public instantly, they can ignore important infrastructure demands that involve long-term investment.

Although these issues have been experienced, it is possible to identify remarkable examples of municipalities that have managed to leverage MIGs to spur the development

of infrastructure and improve the process of service provision. An example is the City of Cape Town, which has initiated numerous MIG-financed projects to improve water distribution and sanitation services in the undeveloped communities. Such projects have not only helped to enhance access to basic services but also helped in the creation of employment and local economic growth (Department of Water and Sanitation, 2021). The above examples show that if managed well, MIGs can be transformative to communities.

Moreover, the role of community participation in MIGs expenditure cannot and should not be underestimated. Engaging the local communities in the design and execution of infrastructure projects would yield more useful results and be more satisfying to the local people. The South African Local Government Association (2020) argues that the more municipalities focus on the involvement of the community in the decision-making process, the more they are likely to be able to align their projects with the real needs of their constituents. This participatory method not only increases the efficiency of the infrastructure expenditure but also instils a sense of ownership and responsibility on the part of the community.

2.3.2. Spending of municipal infrastructure grants in the South African context – challenge

The South African context presents a unique challenge regarding the allocation of municipal infrastructure grants. Although such a grant is critical in the development of the infrastructure and the improvement of the service delivery to the community, most municipalities have difficulties in the effective utilization of this grant. Mngomezulu (2025) states that MIGs were established to improve infrastructure development in the local governments, especially in the rural municipalities, to reduce unemployment, inequality, and poverty (Vyas-Doorgapersad, 2025). But despite these good intentions, most of the municipalities are heavily constrained in terms of utilizing these grants fully in terms of their financial resources.

The major issue that municipalities are facing is the inability to spend their allocation efficiently. According to the report prepared by the National Treasury on medium-term infrastructure expenditure, most municipalities cannot spend all their MIG funds (National Treasury, 2022). The problem is widespread, affecting all municipalities irrespective of the location. The Northern Cape municipalities, particularly those of the Pixley ka Seme district, are not an exception to these struggles. Failure to spend MIGs hampers

implementation of infrastructure projects required to facilitate the development and growth of the local communities.

Kopung (2017) emphasizes that MIGs are essential in making the rural economies more open, especially by constructing roads and other key infrastructures. Nevertheless, in rural municipalities, the lack of proper infrastructure provision usually compromises their economic capabilities. Poor infrastructure restricts access to markets, services and opportunities and subsequently contributes to the cycles of poverty and inequality. According to Maake (2017), MIGs are designed to help the poor with access to infrastructure, it can only be spent on the projects that provide the most basic levels of service. This weakness emphasizes the need to have proper planning and implementation to ensure that the intended benefits of MIG are delivered to communities that require them the most.

The problems that relate to the MIG's expenditure are further aggravated by the problems of poor management, governance, and administrative inefficiencies. The National Treasury (2022) believes that MIGs tend to be underutilised because of the failure to plan the projects, lack of capacity, and the absence of responsible conduct in municipalities. Maake (2017) and Dullah Omar Institute (2025) also echo this sentiment. They state that, despite all the efforts of the government, including creating a Municipal Infrastructure Support Agency dedicated to supporting municipalities, the inability to comply with the law and the absence of political will have frequently sabotaged such initiatives. As a result, poor services and poor construction of infrastructure have direct impacts on the quality of life to the people in such municipalities.

Understaffing has also been cited as one of the major causes of unspent MIGs. According to Maake (2017) and Makamu (2024b), municipalities, particularly rural ones such as those in Pixley ka Seme District, have difficulties in attracting officials possessing the expertise and skills to manage large infrastructure grants. Inability to plan and execute MIG projects due to the lack of skilled personnel, impedes the ability of municipalities to plan, manage, monitor and implement such projects, leading to delays and unspent infrastructure grants. The failure to attract and retain competent personnel is a key impediment to the effective use of MIGs.

Moreover, the research conducted by the National Treasury (2022) and the Dullah Omar Institute (2024) has listed staff turnover as one of the prevalent problems, which is

frequently aggravated by corruption and political interference. The turnover rates may hamper continuity of the project management and institutional knowledge, and hence increase challenges in spending the MIG effectively. This situation of instability might mean that there are opportunities missed in the infrastructure development, and this will finally affect the communities that depend on such important services.

2.3.3. The impact of unspent MIGs on service delivery

Inefficient utilisation of grants can result in delays or incompleteness of infrastructure projects, insufficient provision of essential services like water, sanitation and electricity and may increase the risk of service delivery protests. According to Maake (2017), in the Pixley ka Seme District, the poor utilization of MIG funds may hinder development in terms of access to basic services, which eventually affects the quality of life of people living in the area. This scenario shows a dire need to have municipalities focus on the effective use of MIG funds so that they can ensure that the essential services are rendered promptly and efficiently.

The impact of the unspent MIGs is not limited to delays in what; it contributes to the risk of service delivery protests. Prolonged backlog in service delivery is a fact that communities tend to manifest their displeasure using protests, which may disrupt local governance and create friction between the locals and the municipalities. The National Treasury (2022) and Dullah Omar Institute (2025) report that municipal authorities often get away with not spending the MIGs allocations. This is a worrying development, and it compromises the relationships between communities and the local governments. In the general report of the Auditor General (2024), it is again pointed out that some of the municipalities do not use their allocation at all, whilst others misuse their funds on projects that are not in compliance with the conditions of the grants. This poor management not only intensifies issues in service delivery but also casts doubt on the governance and oversight processes that are in existence in the municipalities.

In addition, it is the legislative mandate of mayors and councillors to hold the municipal officials to account, but in most cases, this is not effectively done by the council. The inability to hold anyone accountable results in an atmosphere of complacency, wherein officials will not be encouraged to work towards spending the MIGs effectively. As Kopung (2017a) notes, the fact that MIGs have been exhausted is never equivalent to the complete elimination of service delivery backlogs. This would necessitate the government

to invest more in infrastructure delivery due to high levels of infrastructure delivery within the country.

The service delivery backlogs happen despite the existence of MIGs booklet to guide spending by municipalities. In fact, MIGs booklet by the Department of Provincial (2004); Local Government (2007) is aimed at guiding the sustainable provision and management of municipal infrastructure to support socio-economic growth requirements of communities. This is where the significance of using the funds as well as making sure that the funds are used to bring in some permanent benefits to the residents, lies. The MIGs are particularly utilised to provide basic services such as water and sanitation, roads, storm water systems and also electrification infrastructure to the poor households.

A survey by Seate (2016) found that there were huge backlogs in the delivery of the basic services, which included safe drinking water, road networks, sanitation and electricity. He also observed that water shortage is an urgent problem, which affects the provision of all other services. This shortage underscores the interdependence of service delivery, where, without a sufficient supply of water, the efficiency of sanitation and health services is affected. Golden and Reynolds (2008) are also of the view that communities reported that there has been improvement in service delivery, but the quality of the service delivery is mostly compromised. As an example, the quality of drinking water has decreased in certain locations, despite the possibility of more people getting access to water. Likewise, although there is increased access to electricity, the sustainability of the electricity supply is at stake because of the poor infrastructure and maintenance.

2.3.4. The impact of unspent municipal grants on infrastructure development and maintenance.

The MIGs are very important in the provision of basic services. The National Treasury (2023) argues that unspent grants slow down the development and maintenance of critical infrastructure, causing growth in backlogs and unserved community needs. This is not only a situation that impacts on the immediate provision of services but also has a long-term impact on the welfare of the community and economic growth.

The impacts of the unspent MIGs can be seen especially in delays or abandonment of infrastructure projects. Municipal Infrastructure Grants (MIGs) are tailor-made to provide basic infrastructure to poor communities so that they are not deprived of basic services. Nevertheless, when these grants are not managed by the municipalities, the delivery of

essential services like water, electricity, and roads becomes grossly undermined, especially to the poorest groups (South African Local Government Association, 2022). An example here is that the postponement of water supply projects may result in a shortage of the water supply, and this will directly affect the health and sanitation of the population. Equally, the unspent grants, which are to be used in maintaining the roads, may lead to poor road conditions, rendering transportation hard and risky for the residents.

Besides, the impact of the unspent MIGs is not only limited to the short-term services delivery challenges, but it also has a lasting impact on the local economy and quality of life of the communities. Infrastructure is a key facilitator of economic activity, and when companies delay or give up on projects, they affect growth prospects. Fourie and Malan (2012) cite challenges relating to infrastructure caused by unspent grants as a way of discouraging investment in municipalities. It also means that investors will not invest heavily in a region with poor infrastructure or unstable because of underdevelopment and stagnation of the economy. The result of this under-investment worsens the situation of municipalities in terms of dealing with the infrastructure backlog and responding to the needs of communities.

Failure to use MIGs effectively not only deters infrastructure development but also negatively affects the trust of the population in the local government. Societies characterized by the constant failure of service delivery could grow mistrust about their local governments, thereby raising levels of frustration, and they may end up erupting into civil disturbances. The interaction between the communities and the local government plays a critical role in creating a collaborative atmosphere where the needs of the local community are prioritised. Lack of fulfilment by the municipalities in relation to their promises may result in the failure of this relationship, hence making it harder to solve the problem of infrastructure.

2.3.5. The impact of unspent municipal grants on socio-economic development

In South Africa, unspent MIGs have a significant and diverse impact on socioeconomic development, affecting critical key aspects of economic growth, poverty alleviation and community development. MIGs play a crucial role in financing the services and infrastructure that support essential needs such as community facilities, water supply, sanitation and roads. The unspent MIGs have repercussions across different socio-economic aspects and disproportionately impact vulnerable communities.

Unspent MIGs result in deficiencies in the provision of critical services, exacerbating ongoing backlogs that affect quality of life and economic growth (National Treasury, 2023). Infrastructure problems resulting from the inadequate expenditure impact both service delivery and overall economic prospects. Businesses and industries depend on operational municipal infrastructure, and deficiencies may deter investments and impact local economic development (South African Local Government Association, 2022). Furthermore, infrastructure projects financed by grants have the capacity for job creation, unspent grants result in missed employment opportunities and as a result exacerbate the unemployment issues prevalent in many South African communities (Mothebe, 2018).

Unspent MIGs undermine community development, primarily when grants are directed towards poverty alleviation and addressing inequalities. Spatial inequalities may worsen if grants intended for neglected areas are not fully utilised. Marginalised communities, particularly those residing in informal settlements, endure major consequences such as a lack of essential services like water and electricity from infrastructure underspending (Fourie and Malan, 2012).

Unspent MIGs can have far-reaching socio-economic implications, including limited development opportunities, economic growth, increased unemployment rate, poverty and decreased quality of life for communities (Vyas-Doorgapersad, 2025). Furthermore, Vyas-Doorgapersad (2025), stated that the socioeconomic demography of a municipality impacts the delivery of services within its area of jurisdiction, with poverty, unemployment and service delivery protests being major concerns in South African municipalities.

According to Dullah Omar Institute (2024), the failure to spend monies that are earmarked for economic stimulation and job opportunity creation negatively affects the local economy. Furthermore, delays in the project Implementation further exacerbate the socioeconomic challenges and affect the communities. There is a need to implement stricter enforcement measures and consequences management for poor spenders.

2.3.6. The impact of unspent municipal grants on investor attraction.

Unspent MIGs have a major impact on South Africa's economic growth and ability to attract investors. Underspending of municipal infrastructure grants discourages investment by sending a message to prospective investors about the incompetence of local government employees. This was confirmed by Rakabe and Mabugu (2023),

highlighting systematic challenges such as corruption, poor service delivery, failing governance structures and inefficiencies as investment push factors discouraging investors from investing in municipalities with poor infrastructure development and management. Thus grant underspending undermines the strong infrastructure, effective regulatory framework and dependable basic services that businesses demand (National Treasury, 2023).

The development of roads, water, sanitation and other important infrastructure depends heavily on grants like Municipal Infrastructure Grants. Underspending of MIGs impedes growth, hampering economic benefits and job creation opportunities associated with these projects (South African Local Government Association, 2022). Furthermore, because grant-funded infrastructure projects have the potential to boost local economies, unspent grants result in job opportunities and broader economic implications. The ripple effect impacts municipalities dependent on grant-funded development and emergency repairs, such as those covered by the Municipal Disaster Recovery Grant.

Capacity constraints are one of the factors causing underspending; municipalities frequently lack qualified staff such as engineers and competent procurement officers (Mothebe, 2018). Project implementation is disrupted by governance challenges such as political instability and leadership changes. MIGs spending is further hampered by bureaucratic inefficiencies such as slow procurement and planning obstacles. Inadequate financial management is also a factor; poor budgeting and poor management lead to unspent grants (Fourie and Malan, 2012).

Concern over the low spending rate is seen in government reactions. Interventions such as stopping funding and reallocating to municipalities that are performing better have been emphasised by the National Treasury (National Treasury, 2023). Performance-based funding schemes are increasingly becoming more popular to reward municipalities with sound management.

2.4. MUNICIPAL INFRASTRUCTURE GRANTS IN THE SELECTED MUNICIPALITIES OF PIXLEY KA SEME DISTRICT: CHALLENGES, IMPACT AND STRATEGIES

Municipalities in the Pixley ka Seme District face significant challenges in managing municipal infrastructure grants, which are more important for promoting infrastructure development and service delivery. This section discusses the practices (strategies),

challenges and impact of the spending or underspending of municipal infrastructure grants in the context of selected municipalities in Pixley ka Seme District.

2.4.1. Challenges encountered by municipalities in Pixley ka Seme District.

The Pixley ka Seme District has several challenges that hamper municipalities in the Pixley ka Seme District in their efforts to properly spend the municipal infrastructure grants (MIGs). The National Treasury (2024) reports that the problem of unutilised municipal infrastructure grants is an urgent situation in all South African municipalities, which badly affects the provision of necessary services to the community. Even though municipal infrastructure is in shambles, municipalities have always had difficulties in spending the funds allocated to them. According to the National Treasury (2024), 59 percent of the R42.5 billion received by municipalities as of March 2024 had been spent, which illustrates the inefficiency of using these grants.

Poor planning and project preparation are some of the major challenges that have led to underspending of MIGs. According to Minnaar (2024), poor planning may contribute to major delays during the project implementation, which will lead to unspent municipal infrastructure grants. If municipalities do not prepare properly for infrastructure projects, they can be faced with unexpected challenges that hinder time-constrained projects. Such unpreparedness may be caused by inadequate feasibility studies, poor stakeholders' participation, and the inability to match projects with the needs of the communities.

Furthermore, the processes in the supply chain management, such as the procurement and the late contracting of service providers, contribute to the challenges in MIG spending. According to Minnaar (2024), these delays may have an adverse effect on municipal infrastructure expenditure, as they lead to bottlenecks that lead to project stagnation. By taking excessive time before starting any procurement processes, municipalities can fail to take advantage of important windows in project implementation that may result in unspent municipal infrastructure grants and unfulfilled community needs.

The other issue that is critical in influencing the utilization of municipal infrastructure grants is the inability of local governments to have the capacity and relevant skills. Makamu (2024a) refers to this as one of the significant difficulties because it is observed that most municipalities are understaffed and fail to attract workers with the required

technical skills to handle large-scale infrastructure projects. Such a skills deficiency may cause poor planning, ineffective execution and insufficient monitoring of projects. Municipalities will struggle to negotiate the challenges of grant management and infrastructure development without qualified personnel.

Political instability and interference are also a factor that contributes to the problems experienced by municipalities within the Pixley ka Seme District. Political interference with the administrative procedures and the frequent change of leadership can derail service delivery and alter the successful use of MIGs (Minnaar, 2024). In case the technical decision-making is obscured by the political dynamics, the misallocation of resources and the absence of continuity in the project management can occur, further exacerbating the problems of unspent grants.

The consequence of unspent city infrastructure grants is terrible to communities, Rakabane and Mabugu (2024). The inability of municipalities to use these grants successfully may cause the slow provision of basic essential services such as electricity, water, and sanitation, which increases inequality and poverty (SA News, 2024). Furthermore, the surrendering of unspent MIGs to the national revenue fund has adverse consequences for the communities, which are expected to be enjoying the infrastructure projects, as elaborated by the Daily Investor (2024). Not only does this deny communities the services required but also destroys their confidence in local government.

The way to solve the problem of unspent municipal infrastructure grants is to focus on correct planning and project management by the municipalities. As Moneyweb (2025) notes, regular monitoring and evaluation of project spending of grants is necessary to identify areas of improvement and to determine that municipal infrastructure grants are used properly. Through effective monitoring systems, the municipalities will be able to increase their accountability and transparency and eventually improve service delivery results.

According to Seate (2016), the execution of laws is critically connected to service delivery. The South African government establishes norms and standards of the quality of services, and it funds through grants with certain restrictions on how to use the grants. Local governments are given the mandate of ensuring the provision of basic services and fostering socio-economic development as provided in Chapter 7 of the Constitution, especially Sections 152 and 153. Consequently, municipalities should make sure that

they incur expenditure according to these constitutional requirements, which enhance the socio-economic well-being and provide quality services to society.

2.4.2. The impact of unspent municipal infrastructure grants in Pixley ka Seme District

The impact of unspent MIGs within the Pixley ka Seme District is far-reaching and diverse, touching on many issues surrounding the community's well-being and municipal governance. Unspent municipal infrastructure grants are a missed opportunity for the development of the critical infrastructure. It also hampers the successful attainment of sustainable development and the improvement of the quality of life of the residents. The impact of unspent municipal infrastructure grants can be seen in many ways, one of them being delays in service delivery, economic growth, community trust, and general socio-economic development.

Delays in the delivery of basic services are one of the most immediate impacts of unspent MIGs. The infrastructure projects under these grants are important in delivering quality essential services like supply of water, sanitation, electricity and maintenance of road networks in the selected municipalities of Pixley ka Seme District. When these grants remain unspent, communities are often required to wait long to receive services, and this may cause aggravation and frustration. Using the example of the Pixley ka Seme District, failure to utilize allocated MIGs has led to insufficient clean water and sanitation services. In some municipalities, communities are still using the bucket system for the toilets, which has worsened people's health and deteriorated the well-being of the vulnerable population (National Treasury, 2023).

In addition, the unspent MIGs do not support economic development in the district. One of the significant sources of economic activity is infrastructure development, as it supports economic activities such as trade, attraction of investment and creation of employment opportunities. Poor spending of MIG allocations by the municipalities deprives them of the economic advantages that infrastructure projects are linked to. An example is that the development of roads and transport systems can increase connectivity and accessibility, which will allow businesses in the area to flourish. Nevertheless, economic growth may be stifled by delays in such projects as a result of the unspent grants, and the cycle of poverty may continue in the region (South African Local Government Association, 2022).

In cases where municipalities fail to meet their obligations in terms of the development of infrastructure, the same may contribute to the collapse of trust between people in the local government and between the community members and the municipal management and councillors. The communities will be disillusioned with their leaders, and more tensions will arise, and in certain instances, service delivery protests may occur. Such loss of trust may impede the future cooperation between municipalities and communities, making it more challenging to deliver an efficient solution to issues affecting the local communities (Rakabe & Mabugu, 2024).

Also, the implication of unspent MIGs is very severe in terms of socio-economic development. Inequity may be worsened by the lack of proper infrastructure, especially in communities that are marginalized and whose survival depends on municipal services. According to Maake (2017), the failure to spend infrastructure grants can hamper the provision of the critical services to the most vulnerable community members, thus continuing to create socio-economic disparities. Thus, such socio-economic injustices, if not addressed, may affect community cohesion and stability.

Along with these problems, systemic problems in municipalities often make the management of the unspent MIGs complex. The inability to efficiently use grant funding is caused by factors such as poor project planning, insufficient capacity, and bureaucratic inefficiencies (Mothebe, 2018). As an example, municipalities may experience a long procurement process or inadequate technical skills to address project challenges relating to large-scale infrastructure projects, which may delay the spending of grants and ultimately result in unspent infrastructure grants. It is important that such internal challenges are addressed to improve the ability of municipalities to spend infrastructure grants and provide the essential services to communities.

2.4.3. Implementation of municipal infrastructure grants strategies by the selected municipalities of Pixley ka Seme District.

The strategies that have been employed by Pixley ka Seme District municipalities in implementing MIGs are geared towards encouraging sustainable delivery and management of municipal infrastructure that meets the social and economic development requirements of communities. The MIG sub-programme is concerned with ensuring that infrastructure development is in tandem with the greater objectives of community improvement and economic sustainability. To ensure that the beneficial aspects of MIGs

are maximized and the local municipalities are able to satisfy their citizens, the successful execution of these strategies is important.

Appointing skilled personnel in municipalities is one of the significant strategies. Tjebane (2004) argues that municipalities, provincial and national departments should make reasonable efforts to ensure that competent persons are deployed to manage infrastructure projects. This involves contracting of engineers, project managers and procurement experts who have the required skills and expertise to handle intricate infrastructure projects. Municipalities can improve their planning, implementation and monitoring of infrastructure projects by giving priority to appointing competent employees, which will eventually result in improved outcomes to infrastructure grant spending.

The development and implementation of capacity-building programmes is another important strategy. The aim of these programmes is to enable the municipal officials to have the skills and knowledge necessary to handle MIGs effectively. Tjebane (2004) notes that continuous training and professional development are necessary in an effort to close the skills gap that usually exists in local governments. Through capacity building, municipalities will be able to enhance their efficiency in operations and make sure that their staff is well-equipped to go through the challenges of managing infrastructure.

Another important issue to address in implementing MIG strategies is the issue of political interference. The dynamics in politics could interfere with the planning and execution of infrastructure projects and cause delays and inefficiencies. Rachidi (2004) recommends that the policies ought to be modified to enable municipalities to appoint service providers at least a year before the implementation year. Such a proactive stance will perhaps assist municipalities to shun the snares of political interference, and that projects are carried out on technical merit and not political grounds. Municipalities can foster accountability and transparency in their operations by setting up effective guidelines on how to implement projects and procedures.

Additionally, municipalities need to start their procurements at the start of the financial year. Municipalities frequently do not begin procurement until the middle of the year, resulting in project schedule delays and unutilized MIG funds. Municipalities can make sure that they are in good shape to use their grants by simplifying procurement procedures and initiating them earlier. This proactive initiative will not only support the

execution of the project in a timely time, but also improve the overall management of MIG funds.

Another key strategy to the successful implementation of MIG projects is community consultation. Consultation of communities prior to, during and after implementation of projects assists in ensuring that the residents are aware of what is happening in their municipality. Such transparency can significantly minimize the chances of protest of service delivery, as communities will feel more engaged and knowledgeable about the development of progress. Municipalities can gain trust and support to the infrastructure efforts by openly communicating with residents and working together in a collaborative manner.

In order to enhance better spending of MIGs, municipalities need to implement consequences for poor spending and service delivery. Linking the infrastructure delivery with the performance management system of the municipality can introduce responsibility and motivate the officials to make the effective use of grants their priority. The local governments can create a culture of accountability and dedication to service delivery by making municipal officials liable for their performance.

Alongside internal solutions, the Development Bank of South Africa (DBSA) is also an important strategic partner in assisting poorly-resourced municipalities via non-lending support. The DBSA offers grants, which trigger funds to develop infrastructures, which helps the municipalities to improve project identification, prioritization, alignment, integration and budgeting. This assistance is crucial in the municipalities that might not have the resources or the experience needed to effectively handle infrastructure projects independently. Municipalities will be in a better position to provide the needed services and infrastructure as a result of their working with the DBSA, which will end up benefiting the communities that they serve.

2.5.CONCLUSION

This chapter presented the literature review of the study, comprising theoretical and empirical orientations of the study, which highlighted the practices, challenges and impacts of unspent municipal infrastructure in the South African and Pixley ka Seme District contexts. The next chapter discusses research methodology adapted for the study.

CHAPTER 3

3. RESEARCH METHODOLOGY

3.1. INTRODUCTION

This chapter presents the research methodology adopted by the study in exploring management perceptions on the underutilisation of municipal infrastructure grants in selected municipalities of Pixley ka Seme District. The chapter is divided into five (5) sections of which section 3.1 introduces the chapter. Section 3.2 presents research methodology of the study. Section 3.3 provides research paradigm. Section 3.4 presents research approach. Section 3.5 provides research design. Section 3.6 presents target population, data sample and sampling. Section 3.7 presents recruitment strategy. Section 3.8 provides inclusion and exclusion criteria. Section 3.9 presents data collection methods. Section 3.10 deals with data collection tools. Section 3.11 presents data analysis and Section 3.12 concludes the chapter.

3.2. RESEARCH METHODOLOGY OF THE STUDY

The importance of outlining the research methodology of the study cannot be over emphasised. It provided the framework for collecting and analysing data and for ensuring the validity and reliability of the study's findings (Saunders *et al.* 2009; Creswell, 2003).

The research methodology of this study was informed by the research onion depicted as shown below.

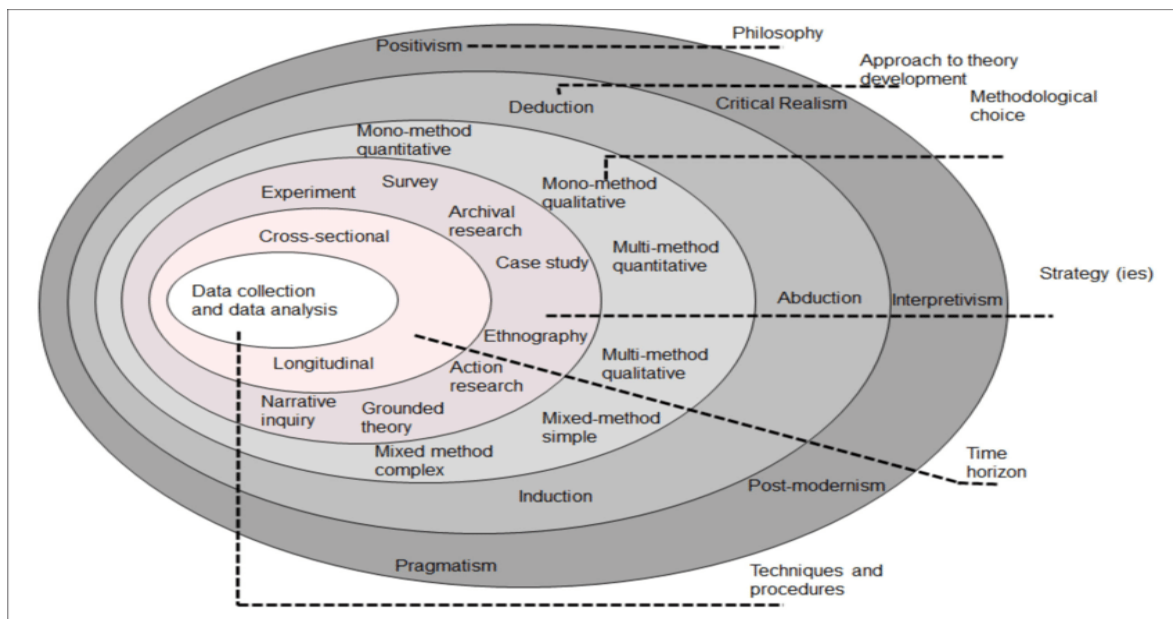


Figure 2: Showing Research Onion. Source (Saunders *et al.*, 2019).

3.3. RESEARCH PARADIGM OF THE STUDY

The study employed interpretivism, sometimes called interpretive research, as a research paradigm. Interpretivism is concerned with understanding the meanings and interpretations that individuals and organisations assign to their experiences and contexts (Guba and Lincoln, 1994). In this regard, interpretivism was chosen for this study to ground its philosophical understanding and interpretation of the unspent MIGs as a phenomenon. One of the advantages of interpretivism is that it responds to a multifaceted phenomenon rather than a single instrumental reality (Pham, 2018), and it entails researchers evaluating human interest and knowledge variables in a study (Alharahsheh, 2020).

3.4. RESEARCH APPROACH

This study adapted a qualitative research approach, which is exploratory in nature, to explore the perceptions of management of selected local municipalities on unspent MIGs in the Pixley ka Seme District. To ensure authenticity and replication, the researcher qualitatively analysed the data collected for the study. This approach assisted the researcher in identifying potential themes and patterns from the transcribed data to make findings and recommendations. It also allowed the researcher to see the data holistically and formulate ideas on the management perceptions of unspent MIGs in the selected local municipalities of the Pixley ka Seme District.

3.5. RESEARCH DESIGN

The study adapted a qualitative research design to explore management perceptions on unspent infrastructure grants in selected municipalities of Pixey ka Seme district. A qualitative research design was considered as appropriate for this study since it allowed the researcher to conduct an in-depth analysis of the phenomenon of unspent MIGs (Creswell, 2014). According to Babbie and Mouton (2003), a good qualitative research design would allow collection and analysis of data by the researcher in order to gain deeper insights into people's experiences and perceptions. This approach enabled the researcher to gather detailed and contextual data regarding management perceptions on unutilised MIGs.

3.6. TARGET POPULATION, DATA SAMPLE AND SAMPLING

3.6.1. Target Population

A population is a group of people that shares the same characteristics of the phenomenon being studied and from which a sample is drawn (Babbie & Mouton, 2003; Creswell, 2014). The target population for this study consisted of key municipal officials who play a crucial role in the management of MIGs in the selected municipalities within the Pixley ka Seme District. The target population of the study was drawn from municipal management comprising Technical Directors, Chief Financial Officers and Project Managers. These municipal officials were chosen to participate in the study because of their role in the management of MIGs. This made them the most suitable municipal officials to provide valuable insights into the challenges and opportunities relating to MIGs utilisation by municipalities.

3.6.2. Data Sample

A sample is a group of people selected from a larger population. In other words, it is a population of a group of people that was investigated in a study (Bryman *et al.*, 2014; Babbie & Mouton, 2003; Bless & Higson-Smith, 2000; Mouton, 1996). The sample size for the study was 10 participants from the selected local municipalities within Pixley ka Seme District, consisting of Technical Directors (4), Chief Financial Officers (4), and Project Managers (2) from participating selected local municipalities.

3.6.3. Sampling

Sampling is a process of deciding how to go about selecting participants for a particular study. The non-probability sampling is useful when the researcher wants to select participants based on their expertise or experience. Drawing from Bryman *et al.* (2014), the study employed a non-probability purposive sampling method to select participants. The researcher selected the participants based on their relevance and experience working with the MIGs in all selected local municipalities for the study. Choosing a sample based on the working experience with MIGs assisted the researcher in uncovering in-depth knowledge on the management perceptions of MIGs in selected local municipalities.

3.7. RECRUITMENT STRATEGY OF PARTICIPANTS

The following process was followed to recruit participants for the study:

3.7.1. Initial contact

The researcher established contact with municipal managers to request permission to conduct the study and identify potential participants.

3.7.2. Participant identification

The researcher identified potential participants through municipal organisational structures with the assistance of the municipal managers as the gatekeepers.

3.7.3. Invitation to participants

The selected participants received an invitation to participate in the study, including a brief overview of the research objectives.

3.7.4. Informed consent

The selected participants were required to provide their informed consent to participate in the study, ensuring they understood the purpose of the study, their role and the confidentiality measures in place.

3.8. INCLUSION AND EXCLUSION CRITERIA OF PARTICIPANTS

3.8.1. Inclusion criteria of participants in the sample

The inclusion criteria of participants in the study were restricted to:

- Municipal managers who are responsible for technical, financial management, planning and project management.
- Municipal managers who are directly involved in the management and implementation of infrastructure grants
- Municipal managers who have been involved in the planning, budgeting and implementation of infrastructure grant-funded projects

3.8.2. Exclusion criteria of participants in the sample

The exclusion criteria of participants in the study were restricted to:

- Municipal managers who are not directly involved in infrastructure grant management or implementation
- Municipal officials who are holding junior positions without decision-making authority or direct involvement in grant management

3.9. DATA COLLECTION METHODS

This study used primary and secondary sources for data gathering of primary and secondary data to achieve the objectives of the research. According to Creswell (2014:146), primary data refers to the original data or first-hand data collected directly by the researcher through semi-structured personal interviews, and secondary data involves existing data that has been previously collected and published, such as government reports, Auditor-General reports and previous studies.

3.9.1. Primary sources

Quinlan (2011) asserts that primary data sources offer a first-hand understanding of the data collected. In this regard, semi-structured personal interviews were used as a primary data collection technique to obtain perceptions of managers from the selected local municipalities on unspent MIGs in the Pixley ka Seme District, Northern Cape province. According to Kajornboon (2005), semi-structured interviews are helpful for gathering in-depth information from participants. Semi-structured personal interviews were conducted with ten local municipal management personnel, consisting of Technical Director (4), Chief Financial Officers (4) and Project Managers (2) drawn from selected municipalities of Pixley ka Seme District. The use of semi-structured personal interviews allowed the researcher to gain more insights and better understand the perceptions of management on unspent municipal infrastructure grants in selected municipalities.

3.9.2. Secondary sources

The term “secondary sources” refers to already published materials such as scholarly journals, textbooks, Auditor General reports and websites’ content. This study used these materials for the theoretical and empirical explanation of the phenomenon of unspent municipal infrastructure grants in selected local municipalities in the Pixley ka Seme District. Auditor General’s reports, Department of Corporate Governance reports, Provincial, National Treasury reports, and Municipal Reports (Annual Reports) formed part of the secondary resources for the study.

The use of secondary sources provided a comprehensive understanding of research on unspent MIGs in the selected municipalities of Pixley ka Seme District. It allowed the researcher to contextualize the findings. According to Creswell (2014), secondary data involves existing data that has been previously collected and published.

3.10. DATA COLLECTION TOOLS

This study used semi-structured personal interviews and a literature review to collect data on management perceptions on unspent municipal infrastructure grants in the Pixley ka Seme District, Northern Cape province.

3.10.1. Semi-structured interviews

Semi-structured personal interviews are a method of gathering information from people through talks in a methodical manner (Annum, 2016). They involve talking and listening to people and are helpful since they give the researcher the chance to ask for clarity and in-depth questions. The questions should always be neutral, avoiding leading or biased language, which ensures the data collected is trustworthy and unbiased (Annum, 2016).

The study used semi-structured personal interviews, which allowed the researcher to gain more insights and better understand the perceptions of management on unspent municipal infrastructure grants in the selected local municipalities within the Pixley ka Seme District. As alluded to under 3.6.2, ten local municipal management personnel, consisting of four (4) Technical Directors, four (4) Chief Financial Officers and two (2) Project Managers, were interviewed. Managers from five (5) selected local municipalities within the Pixley ka Seme District were interviewed for this study.

During the interviews, the researcher could observe their true emotions through both verbal and non-verbal cues. The interviews were semi-structured, deploying open-ended and closed-ended questions as per the interview schedule to enable participants to articulate their views and perceptions on the research topic, encouraging participants to share their thoughts and feelings in detail and to urge participants to express their ideas and views freely (Annum, 2016; Kajornboom, 2005).

Microsoft Teams was used to conduct interviews with the selected participants. This platform allowed for the sharing of screens, files, audio, and video charts and recording. Emails outlining the objectives, scope, and timeframes and requesting participants to take part in the research were sent to participants prior to the scheduled interview with each participant. The email contained an informed consent form detailing the study's ethical guidelines and protocols, including confidentiality and voluntary participation rights. Every participant was interviewed for 45 to 60 minutes in a calm environment. Throughout the interviews, notes were taken by the researcher, and interviews were audio recorded using Microsoft Teams as well as transcribed verbatim. This was because

the researcher may not be able to record everything a respondent says during an interview; therefore, during the reporting and analysis step, the researcher could listen to the information repeatedly via an audio or videotape recording (Flick, 2007:93).

3.10.2. Gathering of biography information

To ensure that the study captured relevant biographical information that may influence the perceptions and experiences of municipal managers regarding unspent MIGs, the following biographical details were gathered during the interviews:

Age - to understand if age has influence on the perceptions on grant management

Gender - to assess if gender plays a role in the experiences and challenges faced in managing infrastructure grants.

Educational background - to determine if educational qualification have impact on the understanding and management of infrastructure grants.

Years of experience - to evaluate if experience in municipal management influences perceptions on grant utilisation.

The biographical information was collected at the beginning of each interview as part of the interview guide. The collected biographical information was used solely for the purpose of this study. By gathering biographic information, the study aimed to provide a comprehensive understanding of how different factors influence perceptions of municipal managers regarding unspent infrastructure grants in selected municipalities of Pixley ka Seme District.

3.10.3. Literature review

For this study, literature review on unspent municipal infrastructure grants in municipalities was conducted using secondary data sources, as explained under 3.7.2 to understand the theoretical and empirical orientation of the phenomenon of unspent municipal infrastructure grants.

3.11. DATA ANALYSIS

Data analysis is the process of obtaining insight and meaningful information from data collected or gathered (Tshoshi, 2022:6; Matabane, 2017:1; Maake, 2017). It involves using various data analysis techniques, such as thematic and content analysis. For this study, data was analysed using thematic analysis, and data from literature reviews was analysed using content analysis. All these were done to identify patterns and draw

conclusions on unspent municipal infrastructure grants in selected municipalities of Pixley ka Seme District.

3.12. DATA ANALYSIS PROCESS

The data analysis process on unspent municipal infrastructure grants for this study was conducted as per the process outlined by Theron (2015) and De Vos *et al.* (2011), as depicted in diagram below.

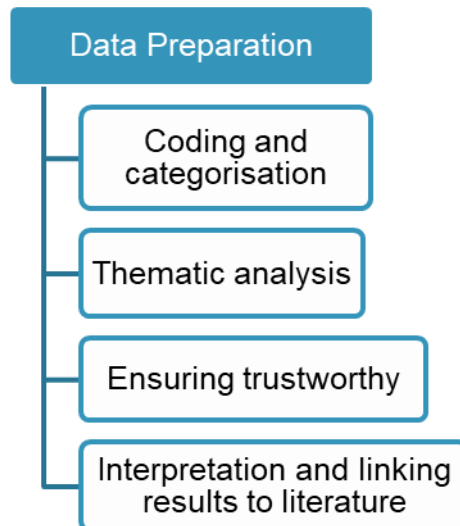


Figure 3: Data analysis process. Adapted from Theron (2015) and De Vos *et al.* (2011).

Below is an outline of how data was analysed for this study, as informed by the works of Theron (2015) and De Vos *et al.* (2011).

1. Data preparation

- Transcribed interviews verbally.
- Read through the data transcript multiple times for familiarisation.

2. Coding and categorisation

- use open coding to identify key phases, concepts or patterns emerging from responses.
- use axial coding to group related codes into broader themes.
- use selective coding to refine themes to align with research objectives and theoretical framework.

3. The thematic analysis process, as explained by Braun and Clarke (2006:77) was followed:

- Step 1: familiarisation-read transcripts note initial observations.
- Step 2: generate initial codes- label relevant data excerpts.

- Step 3: identify themes- group codes into broader categories.
 - Step 4: review themes - check for consistency and alignment with research objectives.
 - Step 5: define themes- ensure themes accurately capture the data's essence.
 - Step 6: write up findings: present themes with supporting quotes from participants.
4. A trustworthy process, as explained by Lincoln and Guba (1985) was followed:
- Credibility: the study used triangular (multiple data sources), peer debriefing or member checking.
 - Transferability: providing detailed descriptions so findings can be applied to similar context.
 - Dependability: maintaining an audit trail of coding decisions and interpretations.
 - Confidentiality: minimising researcher bias through reflexivity and clear documentation.
5. Interpretation and linking results to literature as explained by Hanelt *et al.* (2021:1159) was followed
- The study compared the themes with existing literature on municipal infrastructure grants.
 - The study identified patterns, contradictions or new insights that contribute to theory or practice.

3.12.1. Data analysis tools

The study used the Atlas.ti software application to analyse the data collected from the interviews and arranged them in themes from the transcribed data. The transcripts were loaded into Atlas.ti software was coded using inductive strategies such as pattern coding. The codes were classified into categories and subcategories according to their similarities and differences. The categories were further refined and reduced into themes that represent the core of the participants' experiences and interpretations.

3.12.2. Data Trustworthiness

For a qualitative study, it is important to ensure that the data collection and analysis accurately represent the perceptions of the participants. Flick (2018:92) states that the credibility and reliability of the study conclusions depend on the trustworthiness of the data. According to Lohr (2019:56), data trustworthiness of the study is important and has to be considered. To ensure the data trustworthiness of the study, permission letters were received from municipal managers to conduct the study.

3.12.3. Data Credibility

To ensure the credibility of data collected, the study maintained detailed records of the research process, including the development of the interview schedule, data collection and data analysis. This enabled the researcher to ensure that the findings are dependable and consistent. Furthermore, participants were requested to verify the accuracy of the findings to ensure that the results accurately reflect their experiences and perceptions.

3.12.4. Ethical considerations

According to Bless *et al.* (2006), ethical considerations help in the prevention of research misconduct and help researcher comprehend their roles as moral scholars. In accordance with the ethical standard practice and principles of the research, the researcher must obtain a clearance certificate from the institution under which the researcher is conducting the research (Creswell, 2003). For this study, the researcher obtained an ethics clearance letter to conduct the study from the university. A full disclosure of the purpose of the study was provided to the participating municipalities.

The compassionate and sensitive treatment of participants during the study (for example interviews), is emphasised by research ethics (Bless *et al.*, 2006). Reducing the participants' risk is the aim of study ethics (Bless *et al.*, 2006). For this study, informed consent, anonymity and confidentiality were ethical considerations that underpinned it. According to Bless *et al.* (2005), the consent form should be provided to each participant, and their signatures should be required as confirmation that they understand the explanation. The consent form should cover voluntary involvement, confidentiality, and anonymity (Leedy and Ormrod, 2010).

3.12.5. Consent form

Welman *et al.* (2005) state that after fully and honestly disclosing the reason for the interview and investigation to the respondents, the researcher should get their consent. For this study, the participants were informed about the study and the importance of undertaking it. In addition, Leedy and Ormrod (2010) suggest that an informed consent form should be provided to participants outlining the nature of the research endeavour and their involvement. For this study, participants were provided with a consent form that outlined the nature of the study and their involvement.

3.12.6. Confidentiality

According to Bless (2005), confidentiality is a requirement of ethics for research. The ethics of confidentiality require that sensitive information of participants should be kept private and only available to the researcher, and the information gathered must always be stored securely (Bless *et.al*, 2005:143). For this study, the researcher ensured the confidentiality of participants' information and data collected by storing it in a laptop and an external hard drive, in a folder that contains a password, which will be destroyed after five years. In addition, the researcher was compliant with the requirements of the Protection of Personal Information Act (POPIA) No. 4 of 2013 relating to storing and keeping of information to ensure confidentiality of participants' data and information. To further comply with the requirements of POPIA, the researcher ensured that all personal information collected during the study about the participants was handled with utmost care, confidentiality and in compliance with the Act. To protect the identity of participants, pseudonyms or codes were used to conceal their real names and any identifiable information about them, ensuring their anonymity and confidentiality throughout the research.

3.12.7. Anonymity

In any research, the anonymity of participants is very important. In this regard, Bless (2005:143) says data participants cannot directly and visibly be linked to that participant's name or any other. Bless further recommends that a number should be assigned to each participant to guarantee the confidentiality of the data (Bless 2005:143). For this study, the informed consent form that the participants signed prior to the interview's execution had a clause on anonymity, and each participant was linked to a number to hide their identity. In addition, the researcher was compliant with the requirements of POPI Act 2013 relating to the storing and keeping of information to ensure anonymity of participants' data and information.

3.12.8. Power relations

The researcher is not an employee of the selected local municipalities where participants for the study were drawn for the conduct of interviews by the researcher. As such, there was no foreseeable conflict of interest in the study that could compromise the study. Rather, the researcher's external position facilitated a more neutral and objective relationship with the participants, which allowed for open and honest discussion. The

participants felt more comfortable sharing their perceptions and experiences with an external researcher.

3.13. CONCLUSION

This chapter presented the research methodology of the study, starting with the research paradigm adopted for the analysis and ending with ethical considerations taken into account during the conduct of the study. The next chapter presents biographic information collected from participants, provides results from interviews conducted with participants, discusses results from the literature review, and provides the key findings of the study.

Chapter 4:

4. DATA PRESENTATION AND RESULTS

4.1. INTRODUCTION

This chapter is about presentation of the data collected and analysed, results and findings of the study. It is divided into seven (7) sections of which section 4.1 introduces the chapter, Section 4.2 presents results from biographical information collected from participants, Section 4.3 provides results from interviews conducted with participants. Section 4.4 discusses results from literature reviewed by the researcher. 4.5 presents research findings of the study, Section 4.6 provides management implications of the study. Section 4.7 concludes the chapter.

4.2. RESEARCH RESULTS FROM BIOGRAPHIC INFORMATION

This section presents demographic characteristics of participants in the study. The variables that were covered are gender, age and years of experience. These variables were covered to assess the relationship between them and decision-making regarding spending and underspending of municipal infrastructure grants in the selected municipalities of Pixley ka Seme District.

4.2.1. Gender

Figure 4 reflects the gender distribution of respondents throughout the study period. Out of ten respondents, 60% (N =6) were males, while 40% (N=4) were females. This clearly demonstrated that the most dominant respondents were males, and are responsible for decision making on how the infrastructure grants are spent in selected municipalities of Pixley ka Seme District.

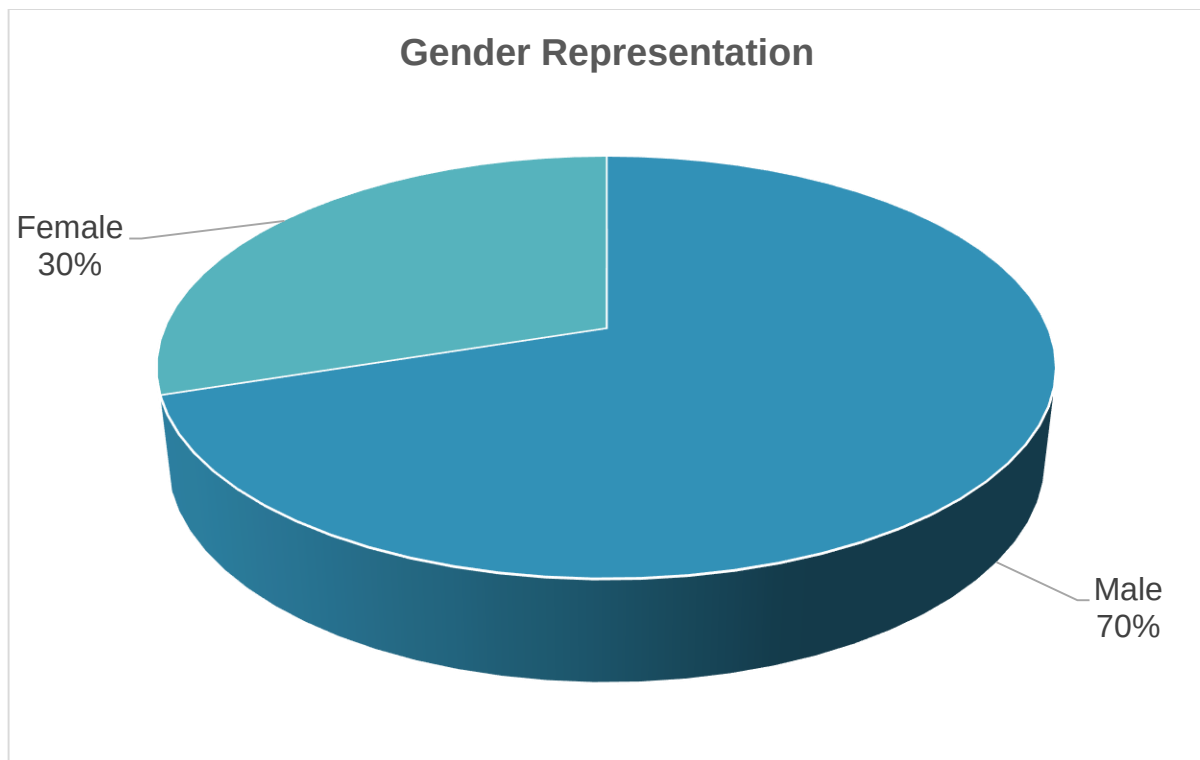


Figure 4: Gender distribution of participants.

4.2.2. Age

Figure 5 reflects the age distribution of respondents in the study. Out of ten respondents, 50% (N =5) were aged between 36 - 45 years, 20% (N=2) were aged 25 -30 years and 46 – 55 years, and 10% (N=1) was more than 55 years . This demonstrates that most of the respondents were aged between 36 – 45 years. It was established that the age category of 36 – 45 years generally dominated all other age categories in the decision-making process regarding the spending of infrastructure grants in selected municipalities of Pixley ka Seme District.

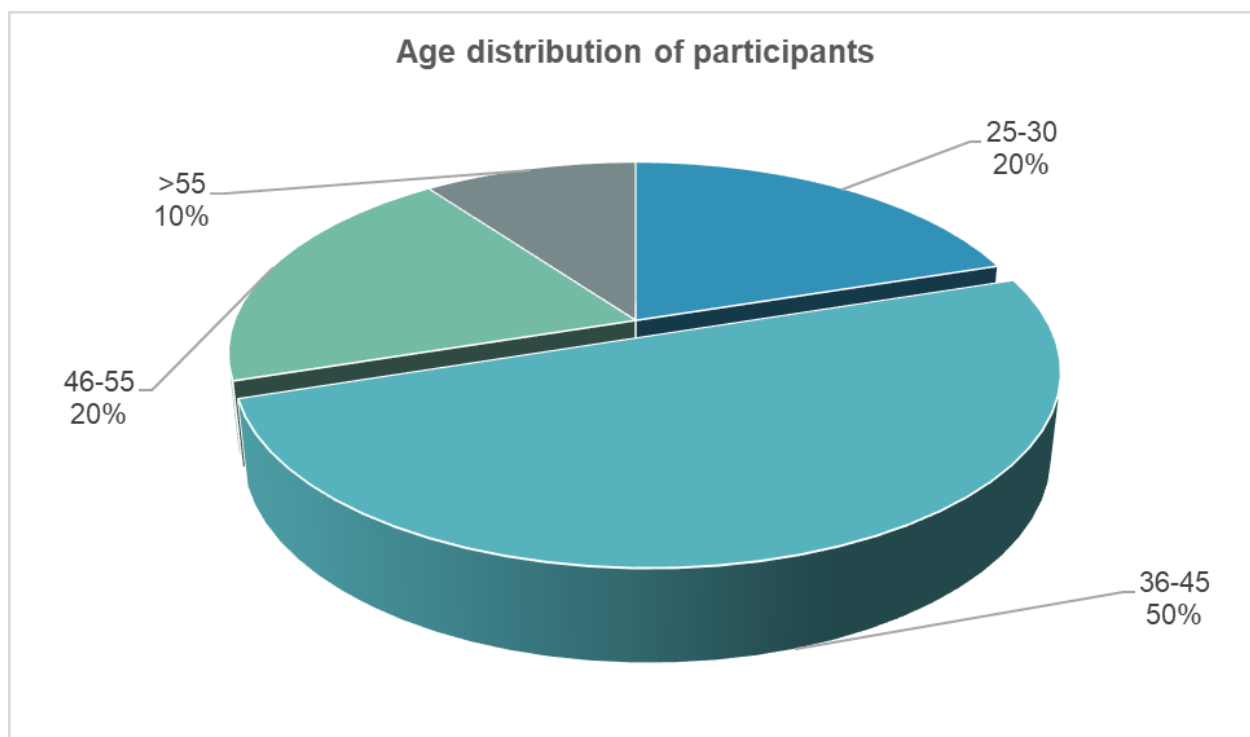


Figure 5: Age distribution of participants.

4.2.3. Working experience distribution of participants

Figure 6 reflects the working experience distribution of respondents in the study. Out of ten respondents, 70% (N =7) of the respondents have more than 12 years of working experience, while those between 4- 6 years, between 7 and 9 years and between 10 – 12 years of working experience constitute 10%. This demonstrated that most of the respondents had a working experience of more than 12 years. During this study, it was established that respondents with experience of more than 12 years generally dominated participants in other working experience categories, making decisions regarding how infrastructure grants are spent at Pixley ka Seme District.

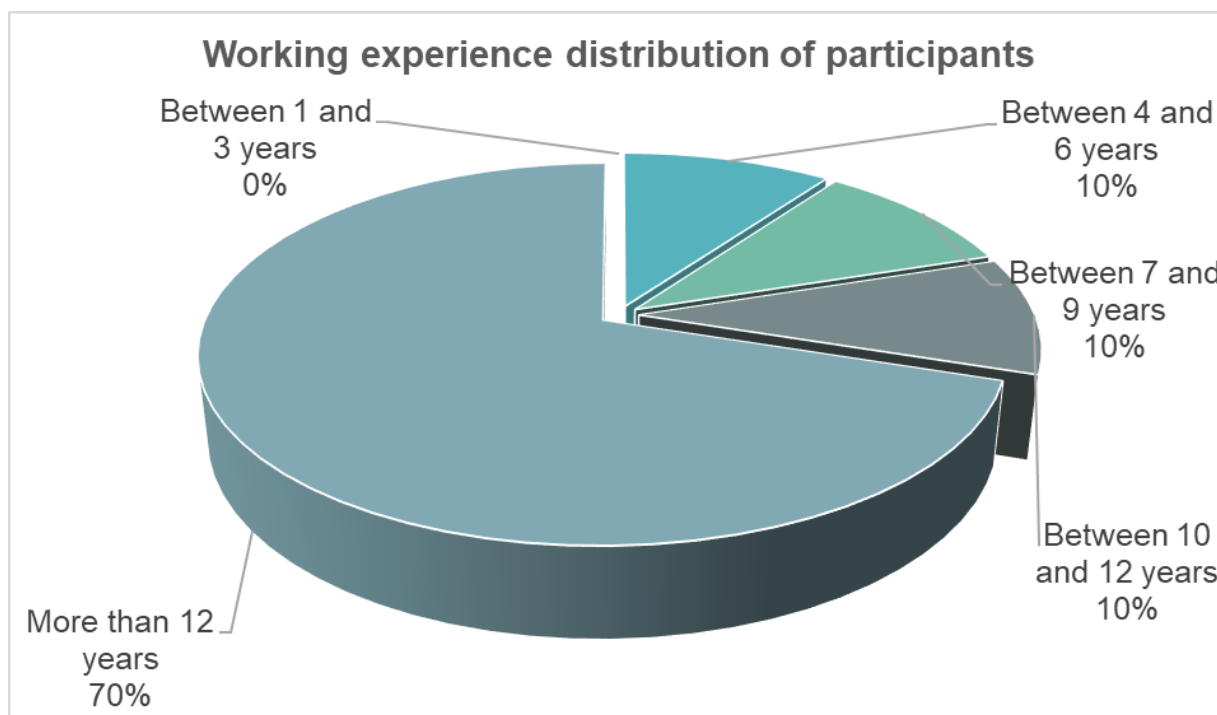


Fig 6: Working experience distribution of participants.

4.3. RESEARCH RESULTS FROM SEMI-STRUCTURED INTERVIEWS

This section provides responses of the participants obtained during semi-structured interviews conducted between August and September 2025. The responses of participants are broken down into the themes as discussed below.

3.3.1 Challenges in grant utilization in municipalities

The interview results showed that municipalities encountered serious challenges when it comes to spending MIGs. The participants raised a major issue of bureaucracy, which slows down the timely implementation of projects. Eight (8) respondents out of ten (10) mentioned cumbersome procurement procedures as the most challenges. They complained of the time-consuming approval processes that require several levels of approval and clearance. This bottleneck inefficiency mainly creates delays in the implementation of essential infrastructural projects. As an example, one of the participants commented, *“the procurement process is excessively long and bureaucratic; it slows down the implementation of projects. It takes time to pass through various levels of approval.”*

This feeling highlights the necessity to have simplified processes to increase efficiency. The delays caused by bureaucratic red tape frustrate municipal officials, whilst also preventing the communities from accessing essential services in time. This finding is

consistent with the views of Mthethwa (2016), who found that the bureaucratic processes delay the effective spending of the grant and implementation of projects.

Besides bureaucratic issues, six (6) respondents stated, “inadequate funding and poor planning are some of the barriers to successful implementation of municipal infrastructure grants funded projects”. Most municipal managers have reported that insufficient funding has forced them to prioritise service delivery projects, and thus they are unable to effectively spend their budget. One of the participants observed, “one of our greatest problems is insufficient financial resources. It is not always easy to prioritize the projects and spend the budget on them. Such a financial limitation frequently results in the delay in the delivery of essential infrastructure projects exacerbating the infrastructure backlogs”. Inadequate funding not only affects the implementation of infrastructure projects, but also has long-term implications for community development and service delivery. Ncube (2005) supports the aforementioned statement, noting the impact of inadequate funding on infrastructure development (see chapter 2, section 2.2, page 20).

In addition, five participants identified the lack of technical expertise and capacity as a major challenge. They stressed that without skilled employees, the local governments cannot successfully implement their infrastructure projects. One Chief Financial Officer said that “we do not have skills and expertise to handle infrastructure projects. We require the training and capacity building programs to sharpen up our skills”. This emphasises the urgency to target specific training programs that will assist municipal managers to acquire the necessary skills that will enable them to successfully overcome the complexities in grants management. The Lack of technical expertise results in mismanagement of grants and eventually results in unspent grants. This view is supported by Fourie (2018), who states that capacity constraints are an obstacle to effective grant management.

Lastly, four (4) respondents cited bad and limited knowledge about grant management and reporting requirements as a hindrance to successful municipal infrastructure grant spending. Such ignorance may create misappropriation of resources and failures in project implementation, making the already complex situation of municipal infrastructure development even more complicated. This emphasises that there is a need for capacity building programs that focus on contract management and implementation. These sentiments were stressed by the Municipal Demarcation Board (2020), which reported that a lack of expertise in contract management can lead to project failures and cost overruns.

3.3.2 Lack of technical capacity in municipalities

Participants mentioned that the lack of technical capacity in municipalities contributes to the weakness in the capacity of the municipalities to spend MIGs. Limited project management skills were identified as one crucial capacity gap by seven (7) respondents. They complained that failure to have trained project managers leads to poor planning and implementation of infrastructure projects. This need was explained by one (1) of the participants, thus, “we require training and capacity building programs to improve our skills in dealing with project management and infrastructure development. We do not have the technical skills to handle complicated projects”. The lack of technical know-how may result in poor spending of infrastructure grants. This is supported by Fourie and Malan (2012), who state that most municipalities lack the technical skills to design and implement infrastructure projects effectively.

Besides the competencies in project management, six (6) respondents identified poor technical experience in infrastructure development as a major problem in municipalities. This technical ignorance usually results in ill-designed projects that fail to address the needs of the community. One participant said, “*We are not skilled and experienced to handle contracts. We should have training and capacity building programs that would improve our skills*”. This highlights the need to have special training as supported by Fourie and Malan (2012), inadequate technical skills are a barrier to effective grant utilisation.

In addition, five (5) participants cited poor contract management as a significant capacity gap. They pointed out that where there are no good contract management practices, as such projects are usually delayed or fail to achieve their objective. One of the Project Managers highlighted the issue of training in this area by saying, “We need to work on our skills in grant management and reporting. We do not have the knowledge/ expertise to handle grants”. This puts a clear emphasis on the importance of extensive training programs that support efforts in contract management and grant reporting conditions. This sentiment is echoed by Vyas-Doorgapersad (2025), who states that effective contract management is critical for the successful implementation of infrastructure projects.

3.3.3 Impact of unspent grants on service delivery and infrastructure development

Another negative impact of unspent grants on service delivery and the well-being of communities was also brought to the fore during the interviews. Half of the ten participants

cited delayed or dropped projects as a direct result of unspent municipal infrastructure grants. They noted that such delays impede the provision of essential services to communities, especially worsening the level of inequalities that existed. One of the participants, *“Grants that are not being spent imply that we are not serving our communities; it is not tolerated. We should do a better job at spending the grants so that we can provide services to our communities”*. This highlights the importance of addressing the challenge of unspent grants to improve service delivery, as supported by Maake (2017). Unspent grants have far-reaching implications on service delivery, and further supported by the South African Local Government Association (2022), inadequate infrastructure development resulting from unspent grants exacerbates social inequalities in the communities.

Moreover, eight (8) participants emphasised poor development of infrastructure as one of the significant effects of unspent grants. They observed that the absence of investment in infrastructure maintains socio-economic differences in the community. One of the participants mentioned that *“our municipality is not developing in terms of infrastructure and that is contributing to the slow economic growth and lack of job creation. We should invest in infrastructural development to accelerate economic growth”*. This assertion indicates how close infrastructure investment is to the economic vitality, as stated by the South African Local Government Association (2022), inadequate infrastructure development hinders economic growth and exacerbates social inequalities. Furthermore, supported by the National Treasury (2023), infrastructure development is a key driver of economic growth.

3.3.4 Need for capacity building in municipalities

Project management was a major area of focus identified in the capacity building. Eight respondents noted the necessity of having better project management capabilities to do what. The municipal officials recognized that proper planning, execution and monitoring of infrastructure projects require adequate project management. One of the participants described the necessity for project management skills in the following way: *“we need capacity building programs that will help us improve in project management and infrastructure development. We do not have the technical know-how to handle complicated projects”*. This view shows the acuteness of the need in specific training programs, such as those that would help municipal managers to overcome the challenges of infrastructure development and make sure that the projects were completed in time and within the budget. This is supported by Tjebane and Rachidi (2018), who state that

effective project management is critical for the successful implementation of infrastructure projects by municipalities.

Other than project management skill sets, six (6) respondents indicated they need capacity building in contract management. Contract management plays a critical role in ensuring that projects are completed as per specifications as well as the agreed timeframes (Vyas-Doorgapersad, 2025). The shortage of contract management skills may cause mismanagement of the contracts and therefore, result in delays and cost overruns. One of the participants mentioned, *“training and development programs are the solutions to enhance our skills in grant management and reporting. We should sharpen our expertise to deal with grants properly”*. This view reiterates the essence of providing the right equipment to the municipal officials so that they can effectively manage contracts hence improving the overall effectiveness of the grants’ utilization. This is supported by the findings of the South African Local Government Association (2020), which states that municipalities struggle with contract management due to a lack of trained personnel.

In addition to contract management skills, five (5) of the participants mentioned financial management skills as an essential capacity building requirement. Financial management skills are key in ensuring that municipalities appropriately allocate resources and utilise allocated public funds efficiently and effectively. In this regard, one of the participants stated that; *“we should sharpen our financial management skills. We are not financially savvy in how we spend our money”*. This viewpoint brings out the need to have training sessions that are oriented towards financial literacy and financial management practices so that municipal managers can make informed decisions on budgetary allocation and expenditure. This assertion is supported by the National Treasury (2022), which states that effective financial management is critical for the sustainability and accountability of municipal operations.

Finally, four (4) participants said there was a need to capacitate municipalities with the infrastructure grant management and reporting skills. One of the participants said *“It is important to learn the complexities of grant management to guarantee adherence to the grant conditions and effectiveness of the available resources”* The lack of knowledge in grant management may result in the loss of money and opportunity to develop infrastructure, which will eventually bring the benefits to the community. This assertion is supported by the South African Local Government Association (2020), effective grant management is critical for ensuring compliance with grant conditions and maximising the impact of allocated resources.

4.4. PRESENTATION RESULTS FROM THE LITERATURE

This section presents results from a literature review conducted on municipal infrastructure grants (MIGs) utilisation by municipalities. Through content analysis, the data obtained was categorised into four (4) themes, which are presented and discussed below.

4.4.1 Challenges in Grant Utilization

From the literature, researchers have established that there are difficulties that municipalities face when using MIGs. The first difficulty relates to bureaucratic delays and complicated procurement procedures that govern the utilisation of MIGs by municipalities as stated by Tjebane and Rachidi (2018). The second difficulty concerns ineffective planning in the utilisation of MIG by municipalities, as noted by the National Treasury (2022). The third difficulty is about insufficient capacity and a shortage of technical expertise in the municipalities regarding spending of MIGs, as noted by the Municipal Demarcation Board (2020) and the South African Local Government Association (2020).

4.4.2 Lack of Technical Capacity

It was found that a lack of technical capacity is a barrier to the efficient use of grants for the implementation of projects in municipalities. One of the capacity gaps relates to poor project management skills as stated by Mothebe (2018). Another capacity gap concerns poor technical skills in infrastructure development, which negatively affects efficient spending of MIGs by municipalities, as established by Fourie and Malan (2012). Additionally, ineffective use of grants is a gap caused by poor management of the MIG contracts by municipalities, as indicated by Vyas-Doorgapersad (2025). The last gap is a lack of awareness of grant management and reporting requirements in the use MIGs by municipalities, as mentioned by the National Treasury (2022).

4.4.3 Impact of Unspent Grants

The researcher found that unspent MIGs have a negative impact on service delivery in municipalities. The first impact relates to delays or abandoned projects, as stated by Maake (2017). The second challenge is poor infrastructure development, as reported by the South African Local Government Association (2022). The third challenge is the low maintenance of existing infrastructure, as established by the National Treasury (2023). The fourth challenge is regarding local economic development. The last impact is about a reduction in investor confidence, as stated by Mothebe (2018).

4.4.4 Need for Capacity Building.

The researcher has established that there is a need for capacity building programmes in municipalities. One of the area that requires capacity building in municipalities relate to project management as stated by Tjebane and Rachidi (2018). Another area of capacity building is in contract management as mentioned by Vyas-Dooregapersad (2025). Finally, there is a need to build capacity in financial management as emphasised by National Treasury (2022).

4.5. PRESENTATION OF RESEARCH FINDINGS

This section provides overall research findings of the study in line with research objectives questions.

4.5.1 Factors contributing to unspent municipal infrastructure grants

The first finding of the study is that there are factors that contribute to underspending of MIGs in the selected municipalities of Pixley ka Seme District. The first factor relates to bureaucratic delays and complicated procurement processes, which cause bottlenecks in the procurement process, delays in the implementation of infrastructure projects and frustrations among municipal officials. The second factor is about financial constraints in the selected municipalities of Pixley ka Seme, which may cause delays and abandoned infrastructure grants. The third factor is about poor capacity at the selected municipalities of Pixley ka Seme District, resulting in mismanagement and underspending of the MIGs. The fourth factor is poor management practices in contract management which result in conflicts and project delays and the final factor includes ignorance of the grant management and reporting, which may lead to non-compliance with grant conditions and increase unspent MIGs.

4.5.2 Understanding causes of underutilized Infrastructure Grants

The second finding of the study is that there are causes of underutilisation of MIGs by municipalities in the Pixley ka Seme District. The first cause relates to poor capacity, which may lead to non-compliance with grant conditions and non-implementation of infrastructure projects. The second cause is deficiencies in technical skills, which may lead to delays in the implementation of infrastructure projects. The third cause is about poor contract management, which may result in projects being overrun and irregular. The fourth cause is inadequate planning, which leads to delays in the implementation of

infrastructure projects. The fifth cause is about poor communication, which leads to frustrations if incorrect messages are communicated to the officials.

4.5.3 Impacts of unspent grants on infrastructure development and service delivery

The third finding of the study is that unspent grants have an impact on infrastructure development and service delivery. The first impact is on the infrastructure project development process, which results in postponed or failed projects. The second impact is implementation, resulting in delays or non-implementation of infrastructure grants. The third impact is on the financial health of the municipalities, which may be negatively impacted due to the fact that the unspent grants are returned to the national revenue fund. The fourth impact is reputation, leading to a lack of trust between the municipalities and the communities they serve. The fifth impact relates to local economic development, the inability to develop infrastructure usually suppressing economic growth and job creation. The sixth impact is poor maintenance of existing infrastructure, which may lead to unreliable and dilapidated infrastructure. The seventh impact is investor confidence; poor infrastructure results in disinvestment by the private sector.

4.6. MANAGEMENT IMPLICATIONS OF THE STUDY

This section presents management implications from recommendations of the research conducted by the researcher on municipal infrastructure grants (MIGs) utilisation by municipalities. The management implications of this study are far-reaching, and it is important to note that the municipalities are required to deal with the challenges that relate to grant utilisation, capacity building, and infrastructure development. Through strategic steps, municipalities will be able to improve their operational efficiency and ensure that the municipal infrastructure grants are used in accordance with grant conditions.

The research found that bureaucratic delays, financial constraints, inadequate capacity and contract management are major factors contributing to unspent MIGs. Furthermore, poor management practices, lack of knowledge on grant management and reporting conditions were identified as significant barriers to effective grant utilisation.

4.6.2 Management Implications.

4.6.2.1 Bureaucratic Delays

Bureaucratic delays to timely project implementation are one of the main areas that should be improved. To eliminate such delays, municipalities should simplify their

procurement procedures so that projects can start and run without needless delays. This may be done through streamlining and speeding up the process of procurement, thus making it efficient. Moreover, it is essential to take steps to avoid corruption and encourage transparency in the procurement practices. Through a culture of responsibility, municipalities will be able to foster greater trust amongst stakeholders and ease the project implementation process.

4.6.2.2 Financial Constraints

Another important implication of the study is the need to improve financial management capacity. Municipalities should invest in training and capacity-building programs of municipal officials targeted at financial management and municipal infrastructure grants management. This training will empower the officials with skills to manage municipal grants effectively and ensure that grants are spent in accordance with grant conditions. Moreover, municipalities should ensure that they are sufficiently financed to fund infrastructure initiatives. By prioritizing infrastructure developments in their budgets, the municipalities will be able to invest in the essential projects and thus improve service delivery and community welfare.

4.6.2.4 Capacity constraints

The other central area that municipalities should address is the issue of capacity constraints. In order to effectively manage infrastructure projects and grant spending, the management must focus on recruiting and retaining skilled personnel with experience in these areas. Furthermore, continuous training and capacity building programs should be adopted to improve the technical competence of municipal officials. Municipalities can invest in human capital to create a competent workforce that would help in managing the complexities of infrastructure development.

4.6.2.5 Poor Contract Management

It is also important to strengthen contract management to avoid disputes and delays in project implementation. The municipalities ought to establish and adopt robust systems of contract management that define well-articulated guidelines and duties to all involved parties. Training and capacity building initiatives for municipal officials on contract management will further assist the municipal officials with handling their contractual obligations well. This proactive strategy will contribute to risk avoidance of contract disagreements and on-time and on-budget project completion.

4.6.2.6 Lack of knowledge on Grant Management

Improved grant management and reporting are important for ensuring that municipal officials are aware of and comply with municipal grant conditions. They should develop and implement training programs that educate municipal officials on the challenges of grant management, such as reporting requirements and compliance standards. With the culture of accountability and awareness, the municipalities would be better-equipped to effectively use grants and make the most of allocated funds.

4.7. CONCLUSION

This chapter presented, results and findings of the study from data collected and analysed and provided management implications of the study. The next chapter presents summary of results, conclusions and recommendations.

5. SUMMARY OF RESULTS, CONCLUSIONS AND RECOMMENDATIONS

5.1. SUMMARY OF RESULTS

The researcher established that age can affect the decisions on spending or underspending of infrastructure grants. The research discovered that those municipalities with officials over 55 years of age have a higher chance of making effective decisions than those headed by officials of younger ages. This suggests that experience can be an important factor in managing the grant where older officials can be better equipped to know the nuances of effective use of MIGs.

It seems the characteristics of gender have an impact on the spending and underspending of infrastructure grants. The study showed that there is a gender imbalance when it comes to the decision-making positions involving the spending of infrastructure grants in the selected municipalities of Pixley ka Seme District. Gender may affect the decision to spend infrastructure grants. The researcher has established that municipalities with women's leadership tend to perform better in decision-making processes. This implies that gender diversity when it comes to leadership matters may increase the efficacy of grant spending.

The research found bureaucratic delays as one of the significant obstacles to the MIGs spending. Municipalities' complicated procurement processes are a major setback when it comes to grant spending. Municipal officials are frustrated with the long approval processes that delay project implementation. This inflexibility of bureaucracy not only aggravates the municipal employees but also fails to provide them the opportunity to act immediately in response to the needs of the community. This highlights the importance of efficient procurement procedures that will increase efficiency.

Poor capacity among the municipal officials was also a significant challenge that influenced the successful spending of MIGs. The fact that municipal officials do not have the skills and knowledge required to effectively handle infrastructure projects affects the MIGs spending negatively. This capacity disparity has a serious consequence of reducing the ability of municipality to spend the MIGs. The results highlight the call to propose

capacity building programs that are aimed at improving the capacity of the municipal officials regarding the skills on project management, contract management and grant management.

It was established that the effects of unspent grants on the development of infrastructure and service delivery were devastating and far reaching. The delayed or stalled projects has direct impact on unspent grants by municipalities. The research established that delayed project may result in unspent infrastructure grants.

5.2. CONCLUSION

This study explored management perceptions on unspent municipal infrastructure grants (MIGs) in the selected municipalities within the Pixley ka Seme district. The management encountered a number of challenges in grants spending, capacity building and development of infrastructure. The results of this study create some key conclusions that highlight how difficult it can be to manage these key resources in instances where the city or the municipality is concerned. The Research objectives are being revisited below:

5.3.1 Objective 1:

To identify the factors contributing to unspent municipal infrastructure grants from the perceptions of municipal management of selected local municipalities in Pixley ka Seme District.

The research found that one of the biggest challenges facing the successful utilisation of infrastructure grants by the municipalities included bureaucratic delays, lack of financial resources, insufficient capacity, and bad management of contracts. These systematic problems generated a bottleneck leading to unspent grants, slow implementation of the projects, and which led/ resulted in poor service delivery. Failure to spend the allocated funds directly affects the delivery of essential services to the communities, overall development, which eventually increases the disparities already occurring at the areas.

Secondly, technical capacity turned out to be a significant limitation to grant utilisation. The municipal officials are not equipped with the technical skills and competencies needed to manage infrastructural projects. The lack of capacity gap frustrates the effective spending of grants and the provision of essential services to the communities

5.3.2 Objective 2:

To establish the impact of unspent grants on infrastructure development and service delivery from management perceptions of selected local municipalities in Pixley ka Seme District.

The research found that unspent grants affect service delivery negatively. The effects are that it will lead to delayed or unfinished projects, a lack of proper development of infrastructure and inadequate maintenance of existing infrastructure. Such challenges not only undermine the quality of service delivery to the communities, but also negatively impact on the local economy. The results show that unspent grants are likely to undermine the investors' confidence and deteriorate the image of the municipalities, further restricting the chances of economic growth and development. This underscores that urgent measures are required to deal with challenges around unspent grants and to put in place measures that can ensure good grant spending.

5.3.RECOMMENDATIONS OF THE STUDY

Based on the research results, a number of essential recommendations are suggested to improve the management of municipal infrastructure grants (MIGs) and resolving the challenges found during the research. These recommendations will improve the effective grant spending, strengthen capacity and eventually help the municipalities to effectively provide the necessary services to their respective communities.

5.4.1 Capacity Building Programs

Municipalities need to establish and carry out intensive capacity-building programs for municipal officials. These programs are supposed to be directed towards the development of skills and expertise in critical areas such as project management, contract management, financial management and grant management. The implementation of capacity-building programs can provide municipal officials with the required skills to manage infrastructure projects successfully.

5.4.2 Procurement Processes

Municipalities should streamline their procurement processes in order to reduce bureaucracy. The process of procurement should be optimised to cut down the project approval and implementation timelines. This should be through a reduction of the approval process that should promote transparency and accountability in the

procurement practices. The development of a lean procurement system at the municipalities will ensure that projects are undertaken and delivered in time and within the allocated budget to enhance service delivery.

5.4.3 Better Financial Management

The financial management practices are necessary in ensuring the successful spending of infrastructure grants. The municipalities need to be keen on establishing and adopting effective financial management systems to enable financial reporting that is timely and accurate. Enhanced internal controls will act to avert mismanagement of funds, as well as ensure that resources are used in the right areas. The municipalities should become more efficient in monitoring their spending and complying with grant conditions by means of better financial management.

5.4.4 Prioritization of infrastructure development

Municipalities are supposed to focus on infrastructure development projects which spur economic growth and improve service delivery. This means making investments that are directly related to the needs of the community, providing employment opportunities and working towards local economic growth. The municipalities should ensure that their investments are as productive as possible by ensuring that infrastructure projects are synchronized with the strategic objectives of the municipality and also in line with the needs of the community. Furthermore, municipalities should ensure that their Project implementation is guided by the IDP prioritisation list.

5.4.5 Improve Governance and Accountability

Municipalities should improve their governance and accountability systems to overcome poor infrastructure grant spending. These should involve the establishment of audit committees and internal audit to monitor financial practices, periodic audits and expeditious measures in the elimination of corruption and misappropriation of funds.

5.4.6 Assistance to Municipalities

The district municipalities, national and provincial governments should provide support to municipalities by closing the capacity gaps and improving the management of infrastructure grants. This support should include technical assistance, training and financial resources in order to increase the ability of the municipalities to deal with the implementation of grants effectively. Furthermore, government departments must assist

to ensure that municipalities have the capabilities to provide the much-needed services and economic development by providing support to local governments.

The recommendations will enhance the management of municipal infrastructure grants, resolve the challenges that were identified in the study, and ensure effective grant spending to provide services to communities and boost economic growth. These strategies will also enable the municipalities to increase their potential to address the needs of the residents and help to achieve sustainable development in the Pixley ka Seme district.

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ANNEXURES.

Annexure A: Ethics approval by the University



Private Bag X1290, Potchefstroom
South Africa 2520
Tel: 018 299-1111/2222
Fax: 018 299-4910
Web: <http://www.nwu.ac.za>
Senate Committee for Research Ethics
Tel: 018 299-484
Feziwe.Mseleni@nwu.ac.za

23 June 2025

ETHICS APPROVAL LETTER OF STUDY

Based on approval by the North-West University Economic and Management Sciences Research Ethics Committee (EMS-REC) on 23 June 2025, the Economic and Management Sciences Research Ethics Committee hereby approves your study as indicated below. This implies that the North-West University Senate Committee for Research Ethics (NWU-REC) grants its permission that, provided the special conditions specified below are met and pending any other authorisation that may be necessary, the study may be initiated, using the ethics number below.

Study title:	Exploring management perspectives on unspent infrastructure grants in selected municipalities of Pixley ka Seme District																															
Study leader/Supervisor (Principal investigator/Researcher):	Dr K. Mofuoa	University no.:	54439280																													
Student:	R.M. Rahlano	University no.:	42880512																													
Ethics number:	<table border="1"> <tr> <td>N</td><td>W</td><td>U</td><td>-</td><td>0</td><td>0</td><td>7</td><td>0</td><td>3</td><td>-</td><td>2</td><td>5</td><td>-</td><td>A</td><td>4</td> </tr> <tr> <td colspan="4">Institution</td> <td colspan="4">Study number</td> <td colspan="4">Year</td> <td colspan="2">Status</td> </tr> </table> Status: S = Submission; R = Re-submission; P = Provisional authorisation; A = Authorisation			N	W	U	-	0	0	7	0	3	-	2	5	-	A	4	Institution				Study number				Year				Status	
N	W	U	-	0	0	7	0	3	-	2	5	-	A	4																		
Institution				Study number				Year				Status																				
Application type:	Single study - Postgraduate research	Risk level:	Low/minimal risk																													
Commencement date:	6/23/25																															
Expiry date:	6/23/26																															
<i>Approval of the study is initially provided for a year, after which continuation of the study is dependent on receipt and review of the annual (or as otherwise stipulated) monitoring report and the concomitant issuing of a letter of continuation.</i>																																

Special in process conditions of the research for approval (if applicable):

None.

Annexure B: Permission letter from Emthanjeni municipality

DE AAR Tel: 053 632 9100 Fax: 053 631 0105 E-mail: info@emthanjeni.co.za Website: www.emthanjeni.co.za Postbus/P.O. Box 42, De Aar, 7000	 The logo features a stylized sun with rays, a person climbing a mountain, and the text 'EMTHANJENI LOCAL MUNICIPALITY' and 'Space Access Opportunity'.	Alle korrespondensie moet gerig word aan die MUNISIPALE BESTUURDER All Correspondence must be addressed to the MUNICIPAL MANAGER Kantoor van die Munisipale Bestuurder: Office of the Municipal Manager 4/1/2/3 Verw. Nr./Ref. No. 14 April 2025 Datum/Date: DH Molaole Navrte/Enquiries:
--	---	---

HANOVER
Tel: 053 643 0053 / 0026

BRITSTOWN
Tel: 053 672 0003/0202

Mr Rodney Rahlano
1 Oliver Road
KIMBERLEY
8300

Dear Mr Rodney Rahlano

APPROVAL TO CONDUCT RESEARCH STUDY

This letter serves as formal approval for you to conduct your research study title / Management Perspectives on the Underutilisation of Municipal Infrastructure Grants. We understand that this study aims to investigate the underutilisation of Municipal Infrastructure Grants in our organization and identify areas for improvement.

The terms of this approval are as follows:

- You are authorized to conduct the study at our institution, including conducting an audio-interview with a senior executive and distributing questionnaires to various organizational levels.
- You will ensure that all information collected is kept confidential and used solely for academic purposes.
- You will provide us with a copy of your final report and any publications resulting from this study.


VISION
"A centre for development and service excellence focused on economic viability in pursuit of a better life for all"

MISSION STATEMENT
"To provide a quality service at all times and:
Invest in our resources, both human and capital
Develop an active citizenry
Create a conducive environment for economic growth"

Please note that this approval is subject to your compliance with our institution's policies and procedures, including those related to confidentiality and data protection.

If you have any questions or concerns, please do not hesitate to contact us.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'DH Molaole', is written over a faint circular stamp or watermark.

DH MOLAOLE
MUNICIPAL MANAGER

/ts

Annexure C: Permission letter from Kareeberg municipality

Telefoon/Telephone:
(053) 3823 012
Faks/Fax:
(053) 3823 142
E-pos/E-mail:
kareeberg@xsinet.co.za
Webtuiste:
www.kareeberg.co.za



Privaatsak/Private Bag X226
Hanaustraart
Carnarvon
8925

Munisipaliteit / Municipality (Carnarvon, Vanwyksvlei, Vosburg)

20 March 2025

Rodney Rahlano
1 Oliver Road
Kimberley

Dear Sir

Re: Request for Permission to Conduct Research Study

This serves to inform you that Kareeberg Municipality would be honoured to be part of your research study.

I will concentrate my staff and will encourage them to participate in your journey.

Kareeberg Municipality welcomes any initiative that can contribute positive to the upliftment of its communities.

I trust that this will reach you positively.

Yours faithfully

MF MANUEL
MUNICIPAL MANAGER



Annexure D: Permission letter from Umsobomvu municipality



KANTOOR VAN DIE MUNISIPALE BESTUURDER
OFFICE OF THE MUNICIPAL MANAGER
Telefoon / Telephone: (051) 753 0777/8/9
Faks / Fax: (051) 753 0574

Privaatsak X6, Colesberg, 9795
Private bag X6, Colesberg, 9795
Alle kommunikasies moet aan die Munisipale Bestuurder gerig word. All
communications to be addressed to the Municipal Manager.

▼ VIR NAVRAE SPREEK ASSEBLIEF / FOR ENQUIRIES PLEASE SPEAK TO ▼

T Msengana (0517530040)

▼ VERWYSINGSNOMMER / REFERENCE NUMBER ▼

Mr. Rodney Rahlano
1 Oliver Road
Kimberley

Dear Sir

Re: Approval to Conduct Research Study

This letter serves as formal approval for you to conduct your research study titled "Management Perspectives on the Underutilisation of Municipal Infrastructure Grants". We understand that this study aims to investigate the underutilisation of Municipal Infrastructure Grants in our organization and identify areas for improvement.

The terms of this approval are as follows:

- You are authorized to conduct the study at our institution, including conducting an audio-interview with a senior executive and distributing questionnaires to various organizational levels.
- You will ensure that all information collected is kept confidential and used solely for academic purposes.
- You will provide us with a copy of your final report and any publications resulting from this study.

Please note that this approval is subject to your compliance with our institution's policies and procedures, including those related to confidentiality and data protection.

If you have any questions or concerns, please do not hesitate to contact us.

LET WEL: Op versoek gerig binne sewe dae na die datum van die brief, sal 'n soortgelyke brief in Afrikaans verskaf word.

PLEASE NOTE: On written request made within seven days after the date of this letter, a similar letter will be supplied in English.



Sincerely

A handwritten signature in black ink, appearing to be 'T.W. Msejana', with a stylized flourish at the end.

T.W. MSENGANA
MUNICIPAL MANAGER

Annexure E: Permission letter from Siyathemba municipality

SIYATHEMBA MUNICIPALITY

SIYATHEMBA MUNISIPALITEIT



KANTOOR VAN DIE BESTUURDER

Victoriastroat

Posbus

Prieska

8940

Telefoon (053) 492 3397

Faks (053) 353-1386

e-pos: mmvstaden@siyathemba.gov.za

Webwerf: www.siyathemba.gov.za

OFFICE OF THE MANAGER

Victoria Street

P O Box 16

Prieska

8940

Telephone (053) 492 3397

Fax (053) 353-1386

e-mail: mmvstaden@siyathemba.gov.za

Website: www.siyathemba.gov.za

Ref no:

146 April 2025

Verwys na:

Enquiries: TI Van Staden

Navraag:

1 Oliver Road
Kimberley
8300

Dear Mr. Rodney Rahlano

Re: Approval to Conduct Research Study

This letter serves as formal approval for you to conduct your research study titled "Management Perspectives on the Underutilisation of Municipal Infrastructure Grants". We understand that this study aims to investigate the underutilisation of Municipal Infrastructure Grants in our organization and identify areas for improvement.

The terms of this approval are as follows:

- You are authorized to conduct the study at our institution, including conducting an audio-interview with a senior executive and distributing questionnaires to various organizational levels.
- You will ensure that all information collected is kept confidential and used solely for academic purposes.
- You will provide us with a copy of your final report and any publications resulting from this study.

Please note that this approval is subject to your compliance with our institution's policies and procedures, including those related to confidentiality and data protection. If you have any questions or concerns, please do not hesitate to contact us.

Sincerely,

TI VAN STADEN
MUNICIPAL MANAGER
SIYATHEMBA LOCAL MUNICIPALITY

"Siyathemba undertakes to improve the standard of living for the entire community by delivering visible and affordable services"

Annexure F: Permission letter from Thembelihle municipality



THEMBELIHLE

Incorporating the towns of Strydenburg and Hopetown

Northern Cape Province, Republic of South Africa

Reference / Tshupelo / Isalathiso / Verw. :
Enquiries / Dipatlisiso / Imibuzo / Navrae : Ms K Gaborone

LOCAL MUNICIPALITY
PLAASLIKE MUNISIPALITEIT
U-MASIPALA WASEKUHALENI

Private bag X3 HOPETOWN 8750

Church Street HOPETOWN 8750

(053) 203 0005/8

Fax (053) 203 0490

Date: 15 April 2025

Rodney Rahlano
1 Oliver Road
Kimberley
8300

Dear Rodney Rahlano

Re: Approval to Conduct Research Study

This letter serves as formal approval for you to conduct your research study titled "Management Perspectives on the Underutilisation of Municipal Infrastructure Grants". We understand that this study aims to investigate the underutilisation of Municipal Infrastructure Grants in our organization and identify areas for improvement.

The terms of this approval are as follows:

- You are authorized to conduct the study at our institution, including conducting an audio-interview with a senior executive and distributing questionnaires to various organizational levels.
- You will ensure that all information collected is kept confidential and used solely for academic purposes.
- You will provide us with a copy of your final report and any publications resulting from this study.

Please note that this approval is subject to your compliance with our institution's policies and procedures, including those related to confidentiality and data protection.

If you have any questions or concerns, please do not hesitate to contact us.

Sincerely,

Name: Kealeboga Gaborone

Position: Municipal Manager

Thembelihle Local Municipality

Annexure G: Interview Guide

2 December 2025

DEAR PARTICIPANT

Thank you for agreeing to take part in the study.

My name is Rodney Masao Rahlano, student #42860512, I am an MBA student at the North West University Business School. I am conducting a research study on Exploring management perspectives on unspent infrastructure grants in selected municipalities of Pixley ka Seme district, Northern Cape Province as part of my master's degree in business administration under the business School.

The aim of the study is to explore management perspectives on unspent infrastructure grants in selected municipalities of Pixley ka Seme district. Your experience and perspective as a manager in your municipality will provide valuable insights into the problem of unspent MIGs and solution it.

The interview will last approximately for 45 -60 minutes. During the interview, with your permission, I will be taking notes and recording our conversation. I encourage you to feel free to share your thoughts and opinions openly with me.

The interview will take place on Microsoft teams as follows:

The interview will take place on Microsoft teams as follows:

Name of Municipality	Position to be interviewed	Date	Time
Ubuntu Local Municipality	Chief Financial Officer	11/08/2025	9:30-10:15
	Technical Director		12:00-12:45
	Project Management		14:30-15:15



Potchefstroom Campus: (+27) 18 299 1406

Mahikeng Campus: (+27) 18 389 2095

Vanderbijlpark Campus: (+27) 18 910 5011

The information collected during the interview will be kept confidential and anonymous. Your name and any identifying information will not be linked to your responses.

Before we start I need to confirm that you are willing to participate in this study. Please let me know if you have any questions or concerns.

1. Biographical information (3 minutes)

Please provide personal information by selecting one option per question below

1.1. Please select your age group in the approximate box

- a) 25 – 35 years
- b) 36 – 45 years
- c) 46 – 55 years
- d) More than 55 years

1.2. Please select your gender

- a) Male
- b) Female

1.3. How long have you been working?

- a) 1 – 3 years
- b) 4 – 6 years
- c) 7 – 9 years
- d) 10 – 12 years
- e) More than 12 years

2. General remarks on management of municipal infrastructure grants (7 minutes)

2.1. Are you involved in management of infrastructure grants in your municipality?

- a) Yes
- b) No

2.2. How long have you been involved in grant management in your municipality?

2.3. Can you describe your role in managing infrastructure grants in your municipality?

2.4. Can you describe your responsibilities in managing infrastructure grants in your municipality?

3. Factors contributing to unspent municipal infrastructure grants (7 minutes)

2.1. Which of the following factors do you think significantly contribute to unspent municipal infrastructure grants in your municipality?

- a) Inadequate planning
- b) Capacity constraint



- c) Regulatory requirements
 - d) Political influence
- 2.2. Which other factor contribute to underspending of infrastructure grants significantly in your municipality?
- 2.3. Explain how each of the factors you have identified contribute to unspent infrastructure grants in your municipality?
- 2.4. What factors do you believe contribute to the underspending of municipal infrastructure grants in your municipality?
- 3. **Understanding causes of unspent municipal infrastructure grants (5 minutes)**
 - 3.1. In your experience, what are the primary causes of unspent municipal infrastructure grants in your municipality?
 - 3.2. How often do project delays contribute to unspent municipal infrastructure grants in your municipality?
 - a) Always
 - b) Often
 - c) Sometimes
 - d) Rarely
 - e) Never
 - 3.4. Which of the following causes do you think are most significant in contributing to unspent grants in your municipality?
 - a) Poor project planning
 - b) Delays in procurement processes
 - c) Inadequate capacity or skills within the municipality
 - d) Changes in project scope or priorities
 - 3.5. How often do you think inadequate project management contributes to unspent grants in your municipality?
 - a) Always
 - b) Often
 - c) Sometimes
 - d) Rarely
 - e) Never
- 4. **The impact of unspent grants on infrastructure development and service delivery (10 minutes)**



- 4.1. service delivery
 - 4.1.1. How do unspent municipal infrastructure grants affect the delivery of essential services in your municipality?
 - 4.1.2. Can you describe any specific challenges or consequences that unspent grants have had on service delivery in your municipality?
 - 4.1.3. How significant is the impact of unspent municipal infrastructure grants on service delivery in your municipality?
 - a) Very significant
 - b) Significant
 - c) Not very significant
 - d) Not significant
 - 4.1.4. What specific challenges have you observed in service delivery due to unspent municipal infrastructure grants in your municipality?
- 4.2. infrastructure development
 - 4.2.1. How do unspent municipal infrastructure grants affect the delivery of essential infrastructure (e.g. water, roads and electricity) in your municipality?
 - 4.2.2. Can you describe any specific challenges or consequences that unspent grants have had on infrastructure delivery in your municipality?
 - 4.2.3. How significant is the impact of unspent municipal infrastructure grants on infrastructure development in your municipality?
 - a) Very significant
 - b) Significant
 - c) Not very significant
 - d) Not significant
 - 4.2.4. What specific challenges have you observed in infrastructure delivery due to unspent municipal infrastructure grants in your municipality?
5. Recommendation for improvement (8 minutes)
 - 5.1. What strategies would you propose to improve utilisation of infrastructure grants?
 - 5.2. How can national and provincial government support municipalities in addressing the challenges related to unspent grants?
 - 5.3. Would you support the implementation of stricter grant management regulations?
 - Yes
 - No
 - Unsure

6. Conclusion (5 min)



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Mahikeng Campus: (+27) 18 389 2095

Vanderbijlpark Campus: (+27) 16 910 3011

- 6.1. Is there anything else you would like to share regarding your experience with infrastructure grants?
- 6.2. Do you have any recommendations for future research or areas of focus?

Annexure H – Language editor's letter

Reg No: 2009/104465/23



Pandell
CONSULTING

Head Office 21 Maluti Ave Paulshof Johannesburg 2191	Mafikeng Office Office No 6. Aldo Office Park 40 First St, Ind. Site Mafikeng, 2745	Postal P. O. Box 3974 Rivonia, Sandton Johannesburg 2128
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Tel: 011 234 9447, Cell: 073 244 6977, Fax: 086 554 6193, E-mail: pdmusika@pandellgroup.com

English Editing Certification

04 December 2025

Document Author: Mr. Rodney Masao Rahlano

Document Title: Exploring management perceptions on unspent infrastructure grants in selected municipalities within the Pixley Ka Seme District.

TO WHOM IT MAY CONCERN

This letter serves to confirm that:

- I have edited the aforementioned thesis/dissertation.
- I am suitably qualified to edit the aforementioned thesis/dissertation; and
- I found it to be thorough and acceptable with respect to grammar and composition.

Should you have any questions regarding this service, please feel free to contact the undersigned.

Yours sincerely



Panganai Dell Musika, CA (SA), MBL (UNISA), Copy-Edit (UCT)
[Member of the Professional Editors' Guild (PEG)]
DIRECTOR

Annexure I – Plagiarism report



MASAO RAHLANO | 42860512:Mini_Desirtation_Rodney_Rahlano_Draft_Final_Dec_2025_(1).docx

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EXPLOING MANAGEMENT PERCEPTIONS ON UNSPENT INFRASTRUCTURE GRANTS IN
SELECTED MUNICIPALITIES WITHIN THE PIXLEY KA SEME DISTRICT

By

RODNEY MASAO RAHLANO

Match Overview

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