

# Design and implementation evaluation of the Urban Settlements Development Grant



The Urban Settlements Development Grant (USDG) was introduced as a supplementary capital allocation to municipalities in 2011 as part of the Division of Revenue Act grant framework. The grant replaced the Municipal Infrastructure Grant (MIG)-Cities allocation with the intention that it should find intergovernmental complementarity with the Human Settlements Development Grant (HSDG) in enabling infrastructure provision for housing and human settlements in cities.

PDG was appointed to undertake a mixed-methods design and implementation evaluation of the USDG to analyse the intervention logic and draw lessons from implementation. This included responsibility for all evaluation planning, data collection, analysis and presentations. A utilisation-focused approach to the evaluation was employed with an emphasis placed on the clarificatory review phase, including development of a previously implicit theory of change for the USDG. This included a local document and international literature review and semi-structured interviews with stakeholders involved in the grant design. An assessment of four of the eight metropolitan municipalities was undertaken including a review of documents, municipal reporting data, semi-structured interviews and focus groups with municipal and provincial officials and civil society representatives.

The USDG evaluation was one of the first joint evaluations undertaken by DPME and the DHS at a time when the National Evaluation System (NES) was still nascent. As such, the evaluation proved a valuable case study in how to manage an evaluation in a complex institutional environment with key stakeholders operating across all three spheres of government to jointly plan for, administer and implement a significant intergovernmental fiscal transfer.



The findings and recommendations identified areas for improvement in the USDG's design and monitoring framework and confirmed its importance as a supplementary capital allocation. The report proved central to a suite of evaluative work in the human settlements sector which has informed broader policy reform. The USDG evaluation has also contributed to an evidence-base for improved human settlements policy and programme implementation.

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## USDGE PROJECT:

**Project Profile:** Design and implementation evaluation of the Urban Settlements Development Grant

**Client:** Department of Planning, Monitoring & Evaluation & Department of Human Settlements

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