



cooperative
governance

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA



**The State of Provincial and Municipal Services in South
Africa:**

***Progress in Building Viable Provincial
and Municipal Infrastructure for Effective Delivery of Services
to Communities –***

Report to NCOP Preparatory Workshop



MINISTER T. NKADIMENG (6 SEPTEMBER 2023)

BACKGROUND AND PURPOSE

Background:

- Dealing with the system of apartheid planning has been a daunting task for the democratic government
- Prior to 1994, services were provided mainly to former white suburbs and main cities
- Post 1994 Government has and still prioritises eradication of backlogs on basic services (water, sanitation, electricity, refuse removal, housing roads, etc) across the country
- Municipal infrastructure plays a key role in supporting service delivery
- A lack of infrastructure and the inadequate maintenance of infrastructure not only negatively affect service delivery, but often also cause harm to communities and the environment

Purpose:

- To present progress on service delivery provision and interventions targeted at **supporting and capacitating** municipalities to improve state of service delivery,
- To provide details of **support and interventions** and strategic use of the Municipal Infrastructure Grant (MIG) to **accelerate the change** required to improve service delivery.

SERVICE DELIVERY REALITY

One in ten people do not have access to drinking water.

Nearly two in ten people do not have access to sanitation.

Three in ten people do not have access to solid waste management facilities.

Nearly two in ten people do not have access to electricity.

These numbers nearly always double in rural areas and even triple in remote rural areas.

These are the basics, and the most vulnerable (generally rural women and youth) in society are without these. This is inequality perpetuated.

Overview of Basic Services Standards (STATS SA, 2016).

Service Type	Level 1 Basic	Level 2 Intermediate	Level 3 Full
Water	Communal standpipes	Yard taps, yard tanks	In house water
Sanitation	Pit latrine and portable chemical toilets	VIP Latrine Septic tanks	Full water borne
Electricity	5-8 Amp or non-grid electricity	20 Amps	60 Amps
Roads	Graded	Gravel	Paved/tarred & kerbs
Stormwater drainage	Earth lined open channel	Open channel lined	Piped systems
Solid Waste disposal	Communal (Residents)	Communal (Contractors)	Kerbside

Levels of Access to Basic Infrastructure Services (STATS SA, 2018).

PROVINCE	WATER	SANITATION	SOLID WASTE	ELECTRICITY
WC	98,7	93,8	98,3	87,9
EC	75,1	88,0	48,9	87,4
NC	95,3	90,0	72,0	91,7
FS	91,1	85,5	70,6	91,2
KZN	86,6	81,4	56,5	83,5
NW	85,2	70,6	59,1	83,7
GP	97,1	91,8	94,0	77,7
MP	86,5	68,1	46,5	90,7
LP	74,1	58,9	27,3	92,7

STATE OF LOCAL GOVERNMENT: ASSESSMENT FRAMEWORK



Political



Governance



Administrative



Financial Management



Service Delivery



LED

<p>STABLE</p>	<ul style="list-style-type: none"> • Cohesion in council • Functional caucus • No intra-party-political division • No section 139 interventions over 5-year period 	<ul style="list-style-type: none"> • Council meeting regularly, as regulated • Council adopts IDP, budget, policies, annual financial statements on an informed and efficient basis • Council provides effective oversight over administration 	<ul style="list-style-type: none"> • Structure fully respondent to municipal needs • No vacancies in key and senior positions (positions occupied by competent individuals) • Full compliance with legislation, regulations & policies 	<ul style="list-style-type: none"> • Fully funded budget • Functional BTO • Effective application of credit control and debt collection policies • No or minimal outstanding debt to utilities & statutory obligations 	<ul style="list-style-type: none"> • Community consultation on service delivery priorities • Well capacitated and efficient infrastructure services department • Uninterrupted delivery of services due to well-maintained infrastructure • Quick response and turnaround time to service delivery complaints • Infrequent service delivery protests 	<ul style="list-style-type: none"> • Gross Value Added (GVA) by the municipality per capita improved • Employment rate improved • Updated LED strategy • LED unit positions filled • Economic Recovery plan activities included in the SDBIP • Regular scheduled meetings with the Business Forum(s) of the municipality
<p>LOW RISK</p>	<ul style="list-style-type: none"> • Robust and functional Council • No intra-party-political divisions 	<ul style="list-style-type: none"> • Council meeting as scheduled with no undue external influence • Reports on maladministration identified 	<ul style="list-style-type: none"> • Vacancies in key positions • Structure not respondent to municipal needs • Compliance to applicable Legislation, regulations and policies not fully met 	<ul style="list-style-type: none"> • Weak revenue collection • Debt owed to utilities & statutory obligations not fully services • Reliance on consultants for Annual financial statements 	<ul style="list-style-type: none"> • Repairs and maintenance not fully executed due to capacity and budget • Incapacity to response to service delivery complaints 	<ul style="list-style-type: none"> • Gross Value Added (GVA) by the municipality per capita stable • Employment rate stable • LED strategy not older than 3 years • LED unit minimal vacancies • Some Economic Recovery plan activities included in the SDBIP • Meetings with the Business Forum(s) of the municipality
<p>MEDIUM – HIGH RISK</p>	<ul style="list-style-type: none"> • Minimal in-fighting in council • Elements of factionalism • Regular Section 139 interventions 	<ul style="list-style-type: none"> • Council meeting as scheduled with some external interruptions • Reports on maladministration identified but not acted on by council • Oversight conducted not fully effective • Public participation not fully effective 	<ul style="list-style-type: none"> • Vacancies in some key positions • Structure not fully respondent to municipal needs • Compliance to applicable legislation, regulations and policies not fully met 	<ul style="list-style-type: none"> • BTO not fully capacitated – vacancies in some positions • Financial management policies in place, not fully implemented • Weak revenue collection • Debt owed to utilities & statutory obligations not fully serviced • Annual financial statements late • Qualified audit outcomes 	<ul style="list-style-type: none"> • Basic services backlogs not fully met • Repairs and maintenance not fully executed due to capacity and budget • Infrastructure grants not fully spent • Frequent service delivery protests • Inadequate response to service delivery complaints 	<ul style="list-style-type: none"> • Gross Value Added (GVA) by the municipality per capita little negative • Employment rate little decrease • LED strategy not older than 5 years • LED unit vacancies • Few Economic Recovery plan activities included in the SDBIP • Irregular Meetings with the Business Forum(s) of the municipality
<p>DYSFUNCTIONAL</p>	<ul style="list-style-type: none"> • In-fighting in councils • Intra-political party divisions in council • Divisions in caucuses • External political interference in councils • Persistent & frequent section 139 interventions • (esp. on dissolution of councils) 	<ul style="list-style-type: none"> • Council not meeting as regulated • Committees of council not meeting • Council taking wrongful decisions • No oversight by council on administration • Poor and weak decision-making by council • Councillors unduly interfering in administration • No consequence management on corruption, maladministration, nepotism & poor performance • Frequent Labour disputes and disruptions • Poor public participation processes 	<ul style="list-style-type: none"> • Vacancies in key positions • Bloated structure • Poor performance management and lack of consequence management • Non-compliance: legislation, regulations and policies 	<ul style="list-style-type: none"> • Unfunded budget • Incapacitated and incompetent Budget & Treasury Offices (BTO) • Excessive salary bills • Non submission or late submission of annual financial statements • Disclaimer & adverse audit outcomes • High debt to utilities and statutory obligations • Flouted SCM processes • Poor collection of revenue 	<ul style="list-style-type: none"> • High basic services backlogs • High number of informal settlements • No maintenance of infrastructure resulting in water and electricity supply interruptions and poor water quality • No technical capacity • Glaring service delivery issues • Perennial poor infrastructure grant expenditure • Persistent service delivery protests • Poor response: service delivery complaints • Court actions by interest groups on poor service delivery 	<ul style="list-style-type: none"> • Gross Value Added (GVA) by the municipality per capita decreasing • Employment rate decreasing • No LED strategy • LED unit dysfunctional • No Economic Recovery plan activities included in the SDBIP • No Meetings with the Business Forum(s) of the municipality

STATE OF LOCAL GOVERNMENT OVERVIEW 2021/2022 FY

Province	Total No.	High Risk		Medium Risk		Low Risk		Stable	
		2021	2022	2021	2022	2021	2022	2021	2022
Eastern Cape	39	11	11	14	14	14	14	0	0
Free State	23	11	11	11	11	1	1	0	0
Gauteng	11	2	2	7	7	1	0	1	2
Kwa-Zulu Natal	54	11	12	20	17	22	14	1	11
Limpopo	27	3	3	21	21	3	3	0	0
Mpumalanga	20	6	6	9	9	4	4	1	1
North-West	22	10	10	6	6	6	6	0	0
Northern Cape	31	9	9	16	16	5	5	1	1
Western Cape	30	1	2	7	6	10	10	12	12
Total Numbers	257	64	66	111	107	66	57	16	27

Dysfunctional increased: 64 to 66 **Medium-risk decreased: 111 to 107** , **Low-risk decreased: 66 to 57** **Stable increased: 16 to 27**

66 DYSFUNCTIONAL MUNICIPALITIES

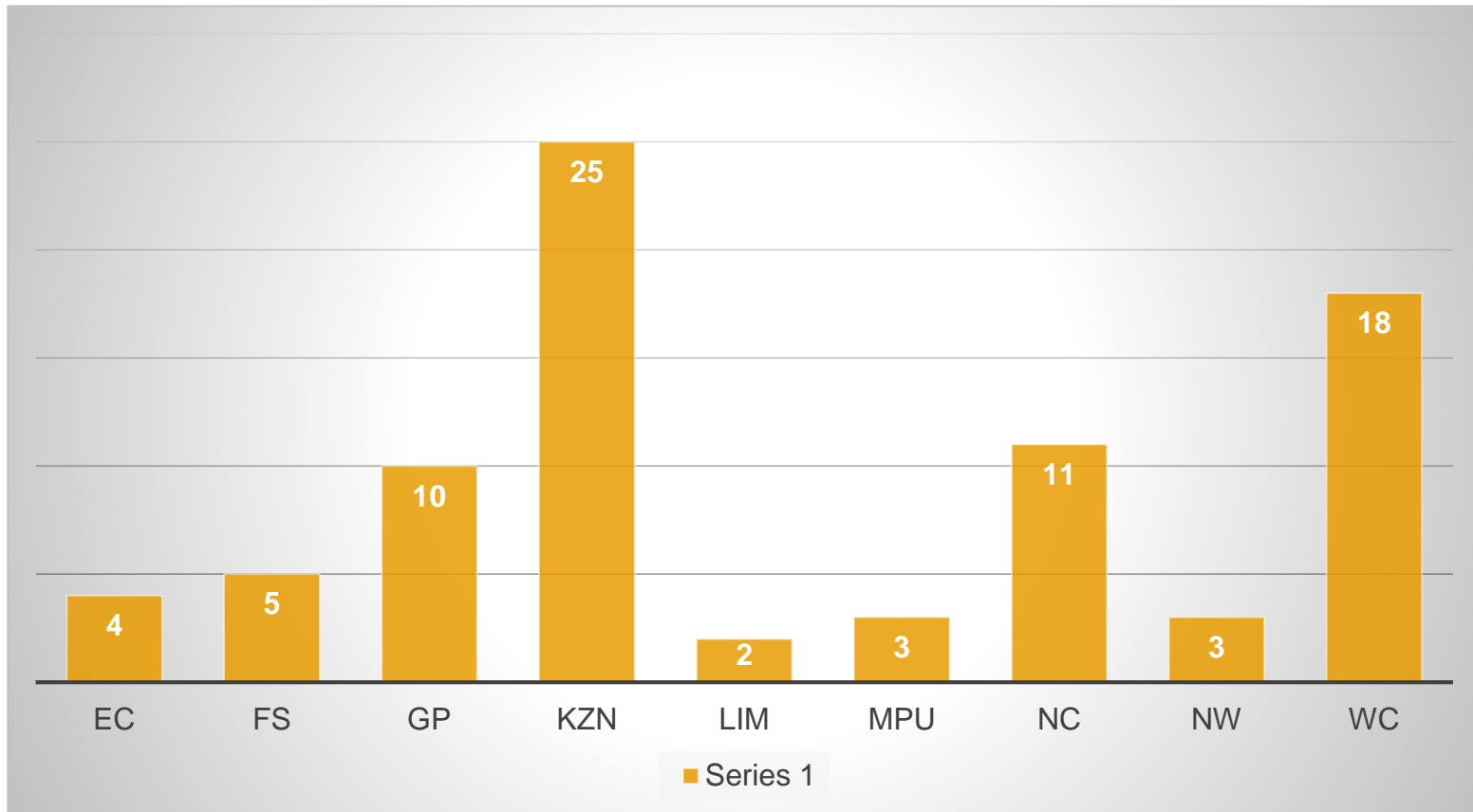
Province	Total No.	High Risk		Dysfunctional Municipalities as per 2022 SoLG Report
		2021	2022	
Eastern Cape	39	11	11	Nelson Mandela, Amathole DM, Amahlathi, Raymond Mhlaba, Chris Hanu, Enouch Mgijima, Sakhisizwe, Walter Sisulu, OR Tambo, Ngquza and Makana
Free State	23	11	11	Mangaung, Dihlabeng, Mafube, Moqhaka, Masilonyana, Mohokare, Nala, Tokologo, Maluti-A-Phofong, Kopanong, Tswelopele,
Gauteng	11	2	2	Emfuleni, Merafong
Kwa-Zulu Natal	54	11	12	Ugu , Umzinyathi, Uthukela , Amajuba , Inkosi Langalibalele, Msunduzi, Mpofana, Nquthu, Newcastle, Emadlangeni, Mkhanyakude, Mtubatuba
Limpopo	27	3	3	Lepelle Nkumpi, Modimolle-Mookgophong, Mogalakwena
Mpumalanga	20	6	6	Msukaligwa, Lekwa, Dipaleseng, Goven Mbeki, Dr JS Moroka, Thaba Chweu
North West	22	10	10	Kgetlengrivier, Madibeng, Matlosana, JB Marks, Distobotla, Mahikeng, Ramotshere Moiloa, Ratlou, Tswaing, Dr Ruth S Mompoti
Northern Cape	31	9	9	Phokwane, Sol Plaatjie, Gamagara, Joe Morolong, Renosterberg, Ubuntu, Siyancuma, Kai Garib, Tsantsabane
Western Cape	30	1	2	Kannaland, Beaufort West
Total Numbers	257	64	66	

HUNG COUNCILS

PROV	Number	MUNICIPALITIES (81)
EC	4	Nelson Mandela Bay Metro, KouKamma LM, Dr Beyers Naude LM and Sarah Baartman District
FS	5	Maluti-A-Phofung LM, Metsimaholo LM, Nala LM, Moqhaka LM and Fezile Dabi District
GP	10	Rand West City LM, City of Johannesburg Metro, Merafong City LM, Ekurhuleni Metro, Lesedi LM, Mogale City LM, City of Tshwane Metro, Emfuleni LM and Sedibeng and Westrand Districts
KZN	25	eThekweni Metro, Newcastle LM, Inkosi Langalibalele LM, Alfred Duma LM, KwaDukuza LM, Umhlabuyalingana LM, eDumbe LM, uMhlathuze LM, Mthonjaneni LM, Dannhauser LM, uMuziwabantu LM, AbaQulusi LM, Nongoma LM, Maphumulo LM, Mtubatuba LM, Msunduzi LM, Okhahlamba LM, uMdoni LM, uMngeni LM, eNdumeni LM, uMvoti LM, eMadlangeni LM, and Uthukela, Amajuba and Zululand Districts
LIM	2	Modimolle–Mookgophong LM, Thabazimbi LM
MP	3	Steve Tshwete LM, Govan Mbeki LM, Lekwa LM
NW	3	Lekwa Teemane LM, Rustenburg LM, JB Marks LM
NC	11	Nama Khoi LM, Hantam LM, Karoo Hoogland LM, Kareeberg LM, !Kheis LM, Siyathemba LM, Thembelihle LM, Siyancuma LM, Kgatelopele LM, Gamagara LM and ZF Mgcawu District
WC	18	Matzikama LM, Cederberg LM, Saldanha Bay LM, Witzenberg LM, Theewaterskloof LM, Langeberg LM, Cape Agulhas LM, Laingsburg LM, Kannaland LM, Bitou LM, Knysna LM, Oudtshoorn LM, Prince Albert LM, Breede Valley LM, George LM, Beaufort West LM and Garden Route and Central Karoo Districts

- **The growing trend of hung councils which results in coalition governments is noted**
- **This has a direct impact in service delivery provision**

HUNG COUNCILS PER PROVINCE



KZN and WC has the highest number, while Limpopo, Mpumalanga and NW have the lowest

WHAT PROBLEM ARE WE TRYING TO SOLVE



1

Poor capacity of existing infrastructure to meet the current needs and future needs of communities.

2

The neglect of maintenance and/or poor operational management of existing infrastructure at municipal level.

3

Lack of internal capacity in the form of technical and managerial skills to maintain the existing infrastructure or build new infrastructure.

4

Weak work processes and governance processes for planning, delivering, operating and maintaining infrastructure.

5

Insufficient funding as well as the poor financial management practices which render municipalities unsustainable. This includes the low payment rate for services

6

Poor coordination of infrastructure programs across the 3 spheres and other relevant parties (fragmentation and silo approaches).

OUR SERVICE DELIVERY GOOD STORY: HOUSING

	2017		2018		2019		2020		2021		2022	
Province	Access To RDP	Reliable Service	Access To RDP	Reliable Service	Access To RDP	Reliable Service	Access To RDP	Reliable Service	Access To RDP	Reliable Service	Access To RDP	Reliable Service
Eastern Cape	70.7	49.5	68.0	48.9	68.7	49.3	69.1	47.1	69.5	44.9	70.2	45.1
Free State	96.6	73.0	96.8	77.0	97.2	77.3	97.6	73.7	98.0	70.3	98.0	70.3
Gauteng	97.6	85.6	97.9	90.3	98.4	90.8	98.8	86.5	98.9	82.3	98.9	82.3
KwaZulu-Natal	81.3	63.0	79.2	63.6	79.7	64.0	80.2	61.1	80.7	58.4	81.1	58.6
Limpopo	74.3	52.7	73.7	53.7	74.2	54.0	74.6	51.6	75.0	49.3	75.7	49.7
Mpumalanga	85.4	63.5	84.7	66.8	85.3	67.3	85.8	64.3	86.5	61.6	86.5	61.6
North West	84.3	63.1	83.0	64.8	83.4	65.1	83.8	62.2	84.3	59.4	84.5	59.5
Northern Cape	92.5	71.8	93.0	74.8	93.5	75.1	94.0	71.6	94.7	68.4	94.7	68.4
Western Cape	98.4	87.3	98.8	92.0	99.3	92.4	99.6	88.0	99.7	83.7	99.7	83.7
SA	87.9	70.9	87.4	73.7	88.0	74.4	88.5	71.1	88.9	67.8	89.2	68.0

OUR SERVICE DELIVERY **GOOD STORY: WATER**

Province	Total Population	Total Households	Households with Water Services to RDP level	%	Households with Reliable Water Services	%
Eastern Cape	6 678 230	1 744 212	1 224 475	70%	786 762	45%
Free State	3 029 213	1 051 201	1 029 732	98%	738 678	70%
Gauteng Total	15 840 298	6 112 338	6 044 692	99%	5 031 228	82%
KwaZulu-Natal	11 523 426	3 349 972	2 717 175	81%	1 964 673	59%
Limpopo	5 921 280	1 613 945	1 222 467	76%	802 517	50%
Mpumalanga	4 758 059	1 487 144	1 286 229	86%	915 385	62%
North West	4 140 983	1 490 994	1 260 129	85%	887 291	60%
Northern Cape	1 301 437	375 013	355 010	95%	256 645	68%
Western Cape	7 131 366	2 143 803	2 136 729	100%	1 794 122	84%
GRAND TOTAL	60 324 292	19 368 622	17 276 638	89%	13 177 301	68%

89% of households have access to water services and ***68%*** are reported to be having reliable water services

NATIONAL WATER SUPPLY SITUATION ASSESSMENT

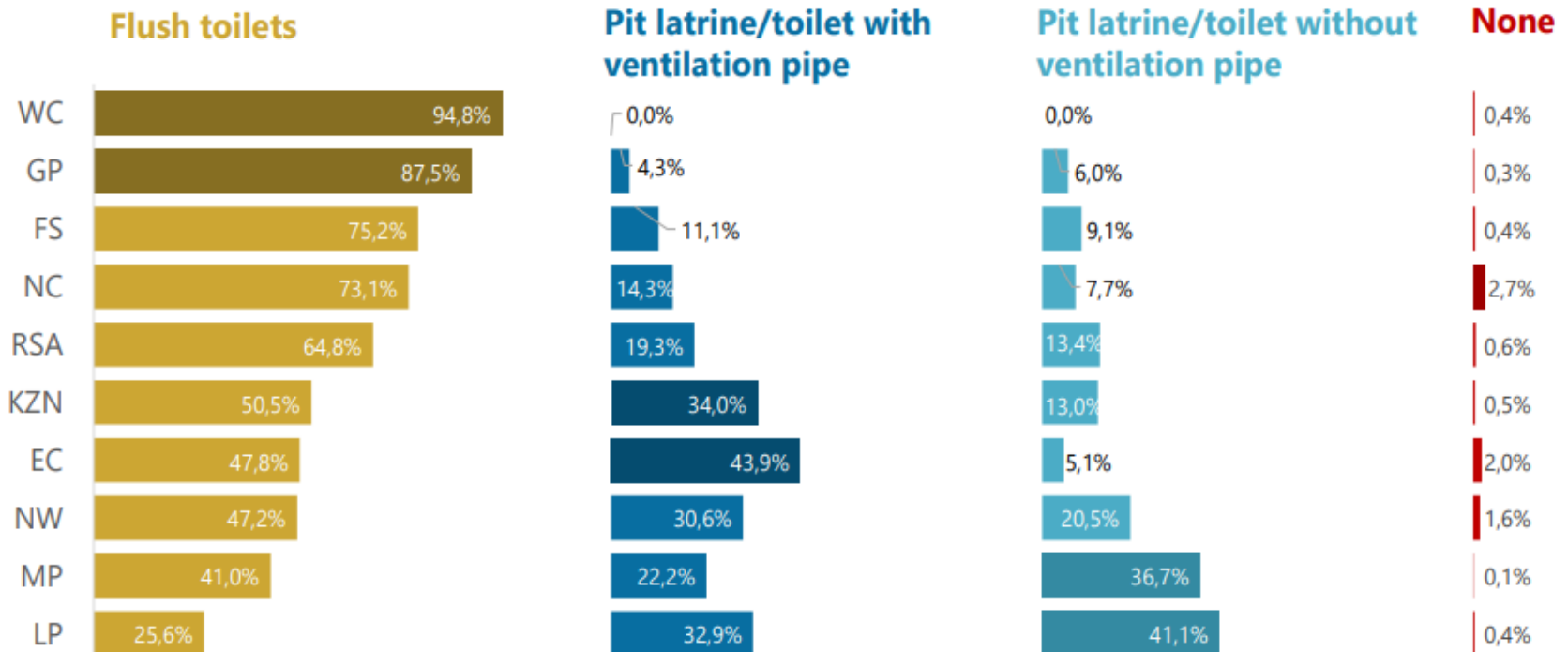
Province	Total Population	Total Households	Households with Water Services to RDP level	%	Backlog	Households with Access to reliable Water	%	Backlog
EC	6 678 230	1 744 212	1 224 475	70%	30%	786 762	45%	55%
FS	3 029 213	1 051 201	1 029 732	98%	2%	738 678	70%	30%
GT	15 840 298	6 112 338	6 044 692	99%	1%	5 031 228	82%	18%
KZ	11 523 426	3 349 972	2 717 175	81%	19%	1 964 673	59%	41%
LP	5 921 280	1 613 945	1 222 467	76%	24%	802 517	50%	50%
MP	4 758 059	1 487 144	1 286 229	86%	14%	915 385	62%	38%
NC	1 301 437	375 013	355 010	95%	5%	256 645	68%	32%
NW	4 140 983	1 490 994	1 260 129	85%	15%	887 291	60%	40%
WC	7 131 366	2 143 803	2 136 729	100%	0%	1 794 122	84%	16%
Grand Total	60 324 292	19 368 622	17 276 638	89%	11%	13 177 301	68%	32%

Out of a total of 19,368,622 households in the country, the water service backlogs amount to 2,091,984 households, which translates to (11%) of HH without services to RDP level.

OUR SERVICE DELIVERY **GOOD STORY: SANITATION**

Almost two-thirds of South African households have **access to flush toilets** while 84,1% had access to improved sanitation. *Less than 1% no access to sanitation facilities.*

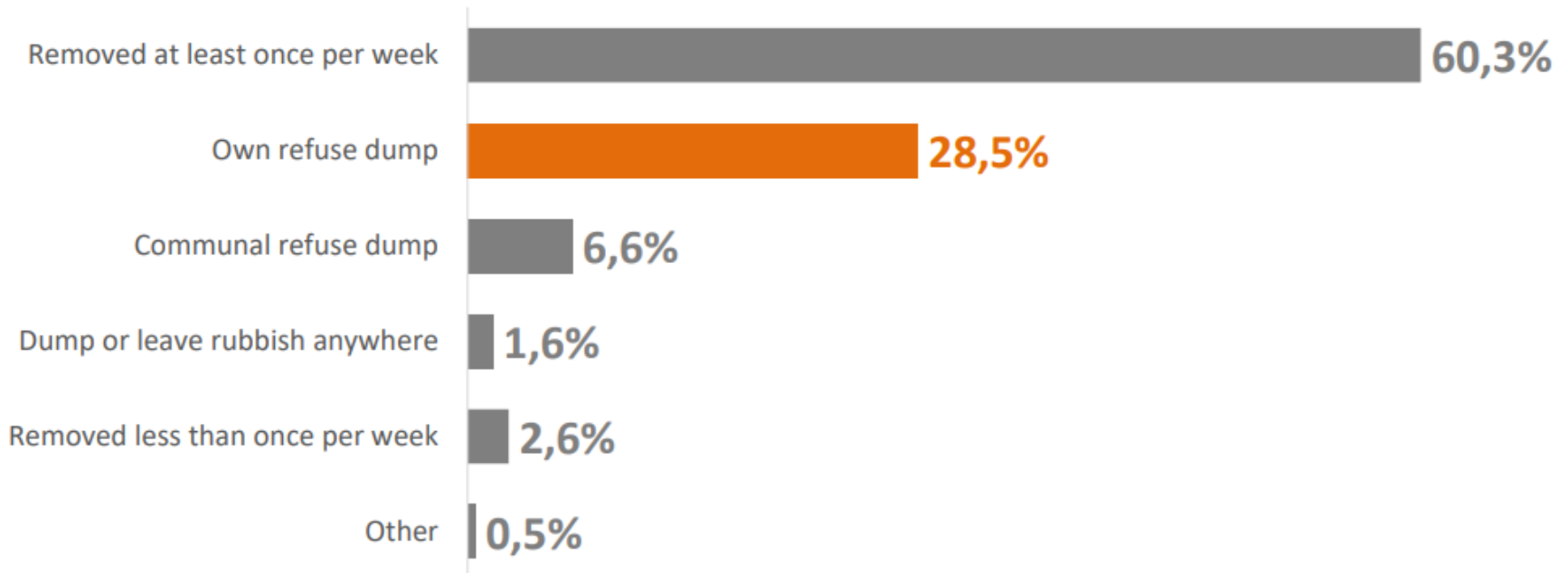
Percentage of households by type of toilet facility and province, 2021



OUR SERVICE DELIVERY **GOOD STORY: REFUSE**

Almost one-third (28,5%) of households used their **own refuse dumps** in the absence of services. Regular refuse removal services existed for almost 60,3% of households.

Percentage of households by type of refuse removal services, 2021



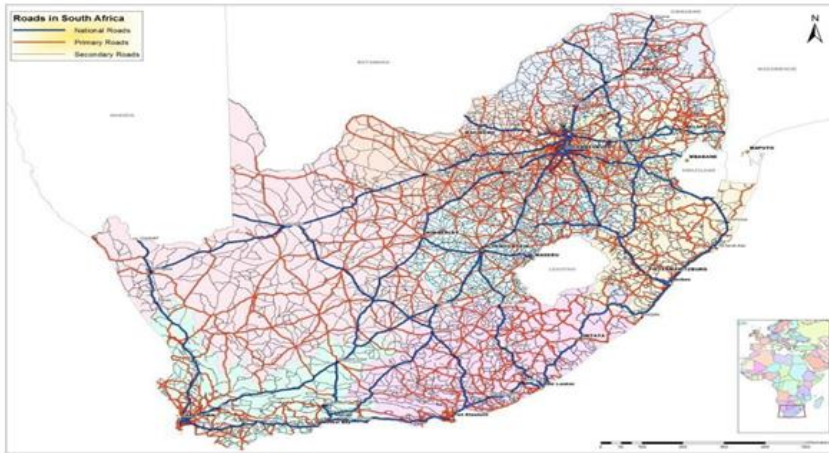
Source: STATSSA

OUR SERVICE DELIVERY **GOOD STORY: REFUSE**

Province	Urban / Rural status	Removed at least once a week or less often	Communal refuse dump	Own refuse dump	Other
Western Cape	Rural	49,9	34,5	10,2	5,4
	Urban	91,6	8,2	0,2	0,1
	Total	89,4	9,6	0,7	0,4
Eastern Cape	Rural	1,9	2,4	95,4	0,3
	Urban	76,7	6,2	13,8	3,3
	Total	42,3	4,5	51,4	1,9
Northern Cape	Rural	14,1	3,3	76,9	5,8
	Urban	76,7	5,1	8,4	9,8
	Total	57,7	4,6	29,1	8,6
Free State	Rural	35,3	9,3	41,3	14,2
	Urban	78,7	7,0	7,1	7,3
	Total	71,4	7,4	12,8	8,4
KwaZulu-Natal	Rural	8,9	5,5	84,8	0,8
	Urban	86,2	3,9	9,9	0,0
	Total	53,1	4,6	42,0	0,3
North West	Rural	23,5	4,5	68,6	3,5
	Urban	82,6	7,9	5,6	4,1
	Total	48,9	5,9	41,4	3,7
Gauteng	Rural	23,8	27,7	41,9	6,6
	Urban	87,1	7,0	3,7	2,2
	Total	85,8	7,5	4,5	2,3
Mpumalanga	Rural	11,5	6,7	80,1	1,7
	Urban	75,3	4,5	18,1	2,2
	Total	39,1	5,7	53,3	1,9
Limpopo	Rural	7,4	8,9	83,3	0,5
	Urban	91,4	1,9	6,3	0,4
	Total	23,9	7,5	68,1	0,4
South Africa	Rural	11,8	7,0	79,4	1,8
	Urban	85,4	6,4	5,9	2,2
	Total	62,9	6,6	28,5	2,1

Source: STATSSA, 2021

OUR SERVICE DELIVERY STORY: ROADS

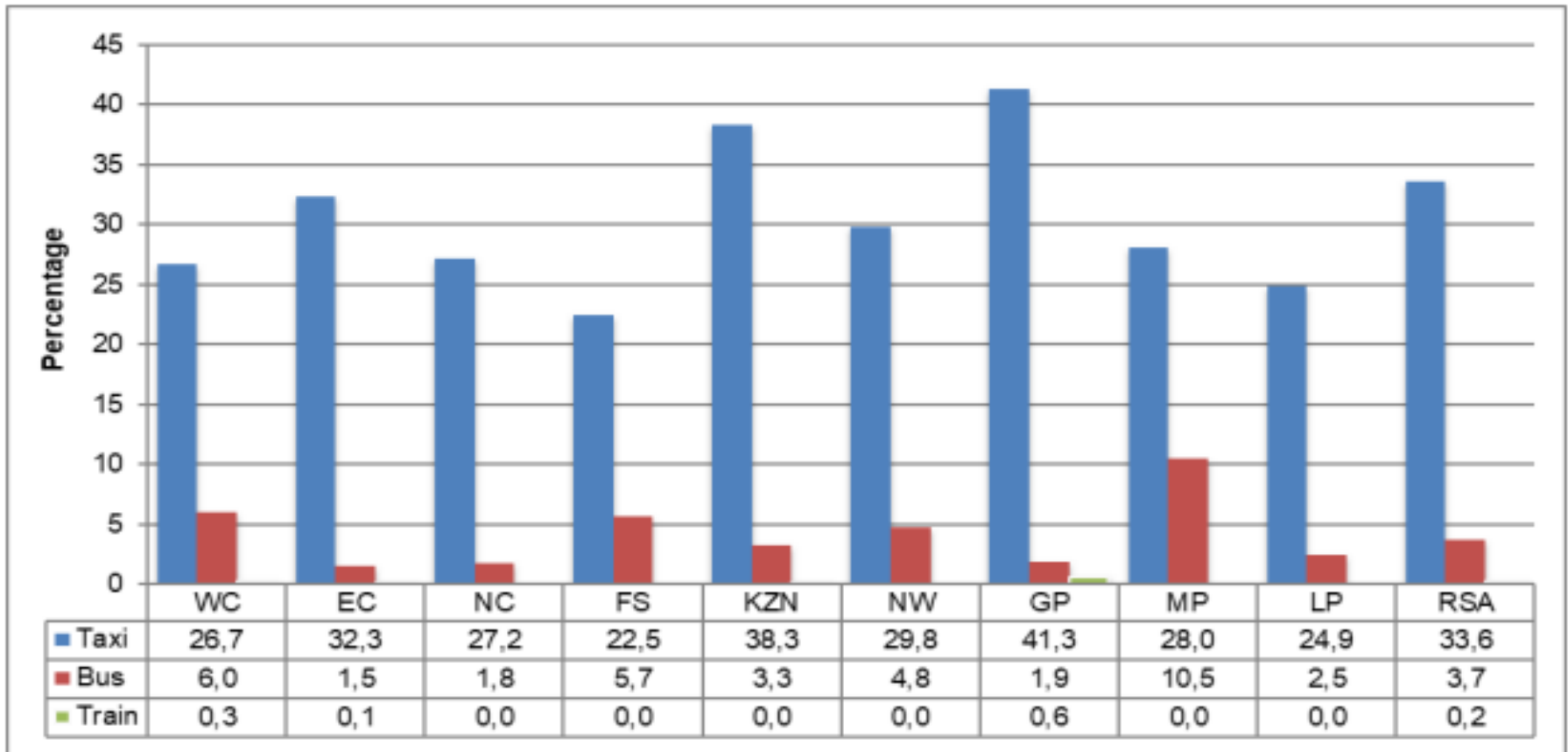


- **750 000 km = 11th longest** and 159 272 km = 19th longest paved network in the world. The estimated replacement cost > R2 trillion;
- To maintain such an extensive network means significant budgets are required;
- Roads account for **88% of all Freight and 98% of Person Trips**;
- The **National Network** (23 398 km) carries 39% of all vehicle kilometres and **70% of long distance freight**;
- Estimated that 131 919 km are Unproclaimed roads = Public roads not formally gazetted by any authority;
- **79%** of the road network are **gravel roads** (61% proclaimed + **18% Unproclaimed**)
- Up to **40% -50%** are in a poor to very poor condition at some Road Authorities

Authority	Paved Roads		Very Poor %	Poor %	Fair %	Good %	Very Good %
	Km	%					
SANRAL	23,398	3%	8		40	40	12
Provinces (9)	46,512	6%	18	33	33	11	4
2013 data - Metros (8)	51,682	7%	1	3	16	49	30
2013 Data Municipalities	37,680	5%	6	23	40	26	5
Sub-Total	159,272	21%	% of poor to very poor condition is too high				
	Gravel Roads		Very Poor %	Poor %	Fair %	Good %	Very Good %
	Km	%					
SANRAL	140	0%	0	50	50	0	0
Provinces (9)	224,985	30%	18	21	30	19	12
2013 data - Metros (8)	14,461	2%	0	0	3	96	0
2013 Data Municipalities	219,223	29%	6	23	40	26	5
Sub-Total	458,809	61%					
UnProclaimed	131,919	17.59%	unproclaimed are not on the Asset Register of any Roads Authority				
Total	750,000	100%					

OUR SERVICE DELIVERY STORY: ROADS

PERCENTAGE HOUSEHOLDS WHO USED PUBLIC TRANSPORT A WEEK PRECEDING THE SURVEY (2021)



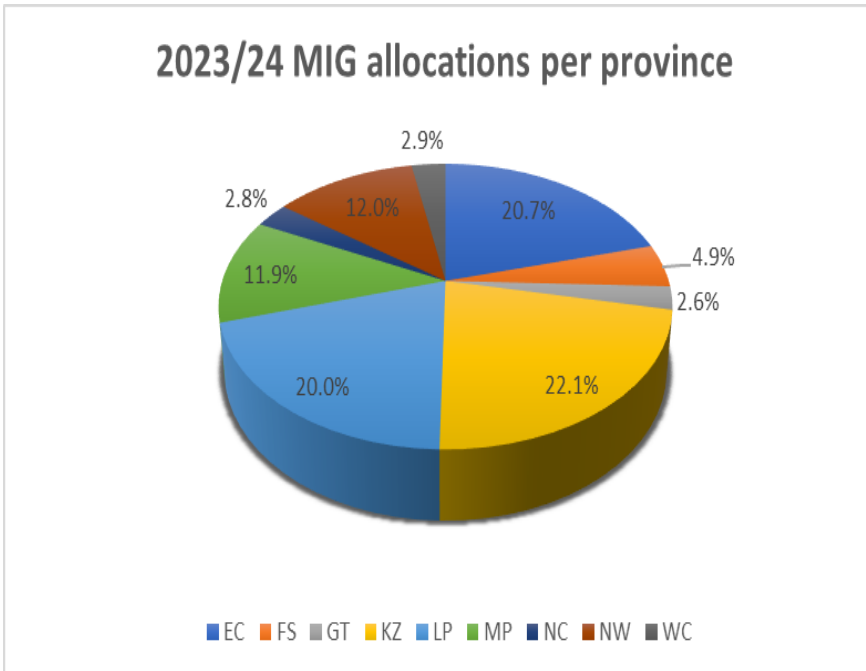
Source: STATSSA

2023/24 DIRECT INFRASTRUCTURE GRANT ALLOCATIONS

2023/24 Direct Infrastructure Grants = R49,7 bn

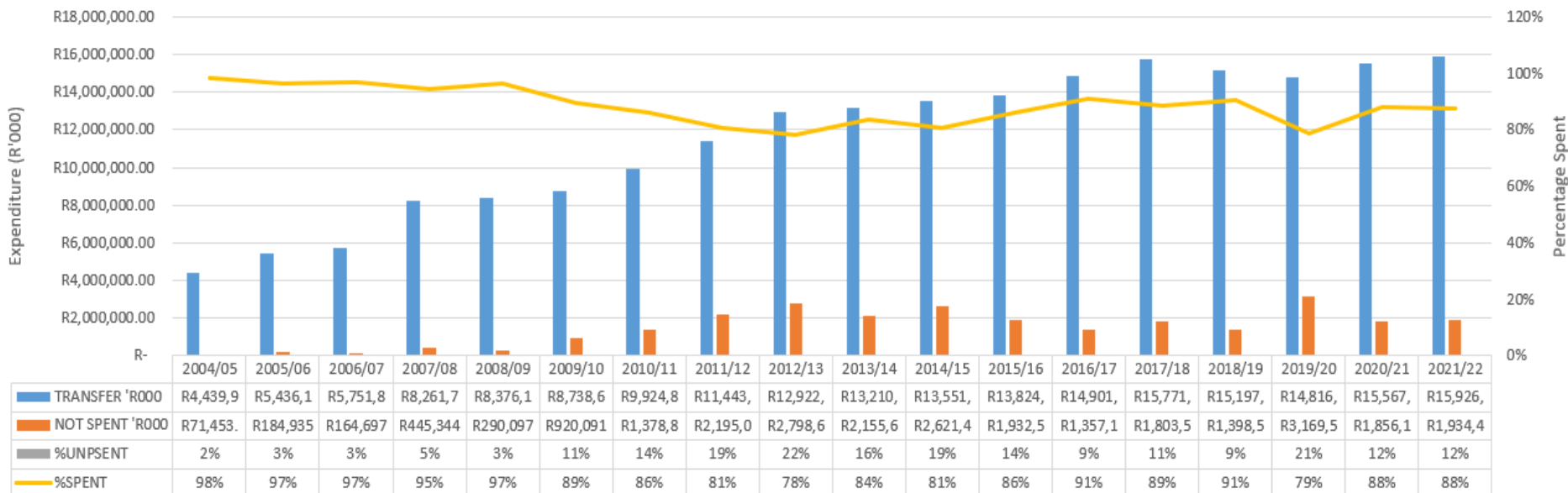
Municipal Infrastructure Grant	Municipal Disaster Recovery Grant	Energy Efficiency and Demand-Side Management Grant	Integrated National Electrification Programme (Municipal) Grant	Rural Roads Asset Management Systems Grant	Regional Bulk Infrastructure Grant	Water Services Infrastructure Grant	Integrated Urban Development Grant	Neighbourhood Development Partnership Grant (Capital)	Informal Settlements Upgrading Partnership Grant: Municipalities	Urban Settlements Development Grant	Public Transport Network Grant	Total
17,545,049.00	320,915.00	224,092.00	2,212,046.00	115,461.00	3,495,742.00	3,864,137.00	1,172,448.00	1,474,813.00	4,364,782.00	8,149,316.00	6,794,045.00	49,732,846.00

Prov	MIG Alloc. 2023/24	% of total MIG alloc.	Number of MIG receiving municipalities
EC	3,649,469	20.7%	36
FS	857,868	4.9%	18
GT	459,753	2.6%	5
KZ	3,890,956	22.1%	51
LP	3,519,856	20.0%	25
MP	2,097,302	11.9%	16
NC	501,370	2.8%	25
NW	2,109,366	12.0%	20
WC	506,551	2.9%	21
Total	17,592,491	100%	217



OUR MIG GOOD STORY: 2004 TO 2023

HISTORIC MIG EXPENDITURE



Financial Years

TRANSFER 'R000 NOT SPENT 'R000 %UNPSENT %SPENT

- MIG is the main infrastructure conditional grant that is available for municipalities
- A total of R208,1 billion has been transferred from the year of inception of the MIG (2004/05 FY).
- The average expenditure over this period is 89% (R181,4bn), with R26,7 bn (11%) not spent.

MIG EXPENDITURE- SUPPORT AND INTERVENTIONS

- A total of 217 municipalities receive the MIG.
- More than R900 million was stopped in 2022/23 due to under expenditure
- Over the past 5 years, more than 50 municipalities have been underspending perennially.
- In terms of Section 20(2) of the DoRA, 2021 National Treasury may, after consultation with the relevant transferring officer convert any portion of an allocation listed in Part B of Schedule 5 to one listed in Part B of Schedule 6 if it is satisfied that:
 - ✓ The conversion shall **prevent under-expenditure or improve the level of service delivery** in respect of the allocation in question;
 - ✓ The transferring officer has made a **demonstrable effort to strengthen the capacity** of the receiving officer/municipality to implement the allocation, but the receiving officer/municipality is still not capable of fully meeting the requirements of the allocation; and
 - ✓ There is **a history of poor performance in the previous two financial** years for allocations of the relevant grant to this receiving officer, including withholding and stopping of allocations.
 - ✓ There are serious transgressions to compliance notices by sector departments i.e., DWS and DFFE

IMPLEMENTATION OF MIG SCHEDULE 6B

MIG SCHEDULE 6B

Candidate municipalities have been identified

Consultations with National Treasury is ongoing

Ministerial outreach programs have commenced: Gauteng Eastern Cape and North West

Province	Total Number	Municipalities (District and Local municipalities)
Eastern Cape	6	Amathole, Raymond Mhlaba, Enoch Mgijima, Senqu and Walter Sisulu
Free State	12	Moqhaka, Metsimaholo, Mafube, Masilonyana, Tokologo, Matjhabeng, Nala, Dihlabeng, Maluti-a-Phofung, Letsemeng, Kopanong and Mohokare
Gauteng	2	Emfuleni and Merafong City
Limpopo	1	Mogalakwena
Mpumalanga	5	Thaba Chweu, Msukaligwa, Lekwa, Dipaleseng, and Govan Mbeki
KwaZulu-Natal	8	Newcastle, Ugu, Mpofana, Msunduzi, uMkhanyakude, uMzinyathi, uThukela, and Abaqulusi
Northwest	10	Dr. Ruth Segomotsi Mompati, Madibeng, Kgetlengrivier, Mamusa, Lekwa-Teemane, Ratlou, Tswaing, Mafikeng, Ditsobotla and Ramotshere Moiloa.
Northern Cape	8	Phokwane, Joe Morolong, Gamagara, Ubuntu, Renosterberg, Siyancuma, !Kai! Garib and Tsantsabane.
Western Cape	2	Beaufort West and Kannaland
TOTAL	54	ALL THESE MUNICIPALITIES MEET THE CRITERIA OUTLINED

IMPLEMENTING FISCAL REFORMS THROUGH GRANTS ALLOCATIONS

Reforms have been introduced to allow flexibility in leveraging the conditional grants (e.g., MIG)



5% and 10% of MIG can be used for asset management planning and asset management project implementation respectively



Grants can be used to unlock funding from private sector (through pledging) to accelerate infrastructure development



Options such as Private Sector Participation model have been proposed to operationalize grants pledging



To improve MIG expenditure, Infrastructure procurement reforms (Local Government Infrastructure Delivery Management System) and the use of framework contracts will be rolled out in 22 dysfunctional municipalities

COLLECTIVELY WE MUST **IMPROVE SERVICE DELIVERY** BY:



Prioritise Repairs and maintenance focusing on Sewer spillages, potholes, streetlights utilising existing funding sources and grants



Deploy MISA and external technical experts for accelerated and Centralized Service Delivery in key municipalities through Rapid Response Teams to support Local and District Municipalities



Fastrack projects on mainstreaming of ground water through MIG and other grants



Reorganise National to support Provinces and Municipalities



Engage Development Financing Institutions (DFIs) on funding options such as front-loading of the grants to fast-track priority projects as well as project management support



Collaborate and partner with traditional leadership on service delivery programs, such as the Invest Rural Program



Mobilisation of mining houses in areas they operate to make commitments for through the Social Labour Plans with special focus on infrastructure projects and deployment of technical capacity

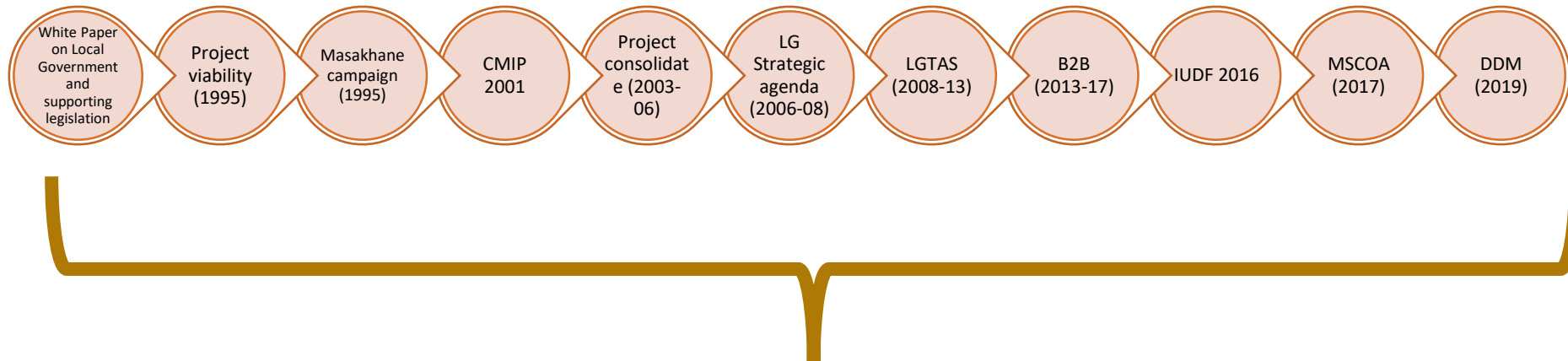


Stimulate local economic development (LED) through infrastructure development

26-YEAR TIME ZONE

OF

LEGISLATIVE PROGRAMMES



AIMED AT DRIVING SERVICE DELIVERY

DDM IMPLEMENTATION

Steady progress being made with the institutionalisation of DDM across the three spheres of government – DDM is now well understood and standing agenda item of key national, provincial and local government IGR forums.

DDM IGR structured established in ALL districts and metros.

Limited participation from national and provincial sector departments as well as SOEs, private sector and civil society.

There are still gaps with regards to project information (projects and budgets) by some sector departments and SOEs towards the updating of One Plans.

Disjuncture between One Plans and APPs of national and provincial departments - no budgets indicated

Varying levels of implementation in provinces.

Implementation of the One Plan commitments and projects.

DDM IMPLEMENTATION TOOL

The DDM requires a data-driven approach to create a 'single source of truth' to enable efficiency in decision making based on reliable insights



CLOUD DATA WAREHOUSING (IMBIZA)



DATA VISUALIZATION



DIGITIZATION & AUTOMATION



Integration of country level data at both horizontal and vertical level



Extract value from data by building insights for decision making



Create a seamless relationship between governance and digital tools



Realign technological investment to value extraction and impact

(More intelligent digital tools investment)



Data ecosystem between the three spheres of government

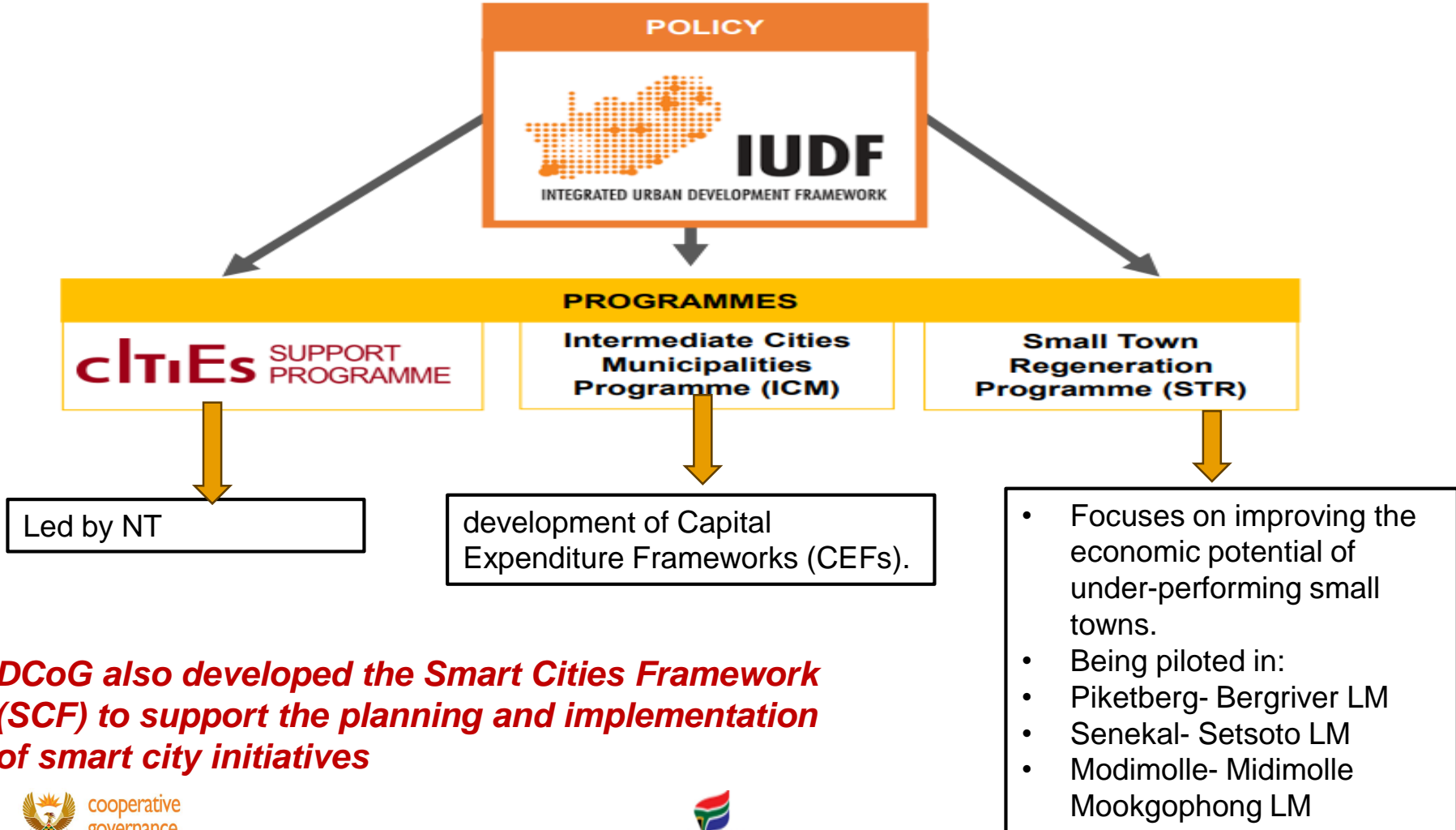
Establish vertical and horizontal data Sharing agreements

KEY POLICY INTERVENTIONS TO IMPROVE GOVERNANCE

INTERVENTION	IMPACT
Structures Amendment Act No. 3 of 2021	<ul style="list-style-type: none"> ▪ Came into effect on 1 November 2021 ▪ Introduced various governance interventions
Code of Conduct Regulations, 2023	<ul style="list-style-type: none"> ▪ Promulgated on 14 June 2023 ▪ Prohibits walk-outs; requires the keeping of a gifts register; maintaining decorum; consequence management for Cllrs voting against LG legislation
Municipal Staff Regulations, 2021; Systems Amendment Act, 2022	<ul style="list-style-type: none"> ▪ Aims to promote professionalisation ; sets uniform standards for staffing systems and procedures
Intergovernmental Monitoring, Support and Interventions (IMSI) Bill, 2023 (as required in terms of sections 100(3) and 139(8) of Constitution)	<ul style="list-style-type: none"> ▪ Bill was published for comments – closing date of 26 August 2023 ▪ DCoG is presently reviewing the comments received – aims to table in Parliament in the present financial year
DDM Regulations (in terms of section 47(1)(b) of the IRFA)	<ul style="list-style-type: none"> • Regulations were published for comments – closing date of 4 September 2023 • To improve existing intergovernmental coordination
Undertook a 21-year review during 2021	<ul style="list-style-type: none"> ▪ Findings to be presented to Cabinet. ▪ Findings will inform policy reviews that may be required, e.g. LG fiscal framework

SPATIAL PLANNING AS A CATALYST FOR SERVICE DELIVERY, GROWTH AND DEVELOPMENT

IUDF is a key policy directive for urban development which aims to achieve spatial transformation within the country



DCoG also developed the Smart Cities Framework (SCF) to support the planning and implementation of smart city initiatives

- Focuses on improving the economic potential of under-performing small towns.
- Being piloted in:
- Piketberg- Bergriver LM
- Senekal- Setsoto LM
- Modimolle- Midimolle
- Mookgophong LM

SUMMARY OF PACKAGE OF SUPPORT FOR MUNICIPALITIES IN DISTRESS

(THE 66 PRIORITY MUNICIPALITIES)

INTERVENTIONS AIMED AT STRENGTHENING GOVERNANCE CAPACITY	INTERVENTIONS AIMED AT STRENGTHENING INSTITUTIONAL CAPACITY	INTERVENTIONS AIMED AT IMPROVING FINANCIAL VIABILITY	INTERVENTIONS AIMED AT ACCELERATING SERVICE DELIVERY AND ECONOMIC DEVELOPMENT
<ul style="list-style-type: none"> • Deployment of Governance Experts at municipalities • Training of MPAC structures. • Orientation Workshops for Councillors • Councillor Skills Audit • Support during establishment of Ward Committees and revival of MRRTs. • Appoint Ministerial Representatives at municipalities under Section 139 intervention. • MISA, DWS, EDTEA to form part of provincial structures established to monitor and report on performance of distressed municipalities 	<ul style="list-style-type: none"> • Support during senior manager recruitment processes. • Deployment of Finance, Technical Experts and PMU teams at distressed municipalities. • One of the critical mandates of the deployed Experts and PMU Teams is skills transfer to the BTOs and Technical Departments of the benefitting municipalities. • Coordinated support for records management to address weaknesses in evidence keeping for audit purposes, thus aiming to improve municipal audit outcomes of municipalities. • Capacity building of Councillors and municipal officials • Piloting and validation of the prototype (generic) staff establishments of municipalities (macro and micro-structures) 	<ul style="list-style-type: none"> • Deployment of Finance Experts by Provincial Treasury to support municipalities with implementation of the Audit Action Plan; POE preparation; support in the compilation of IFS and AFS; addressing UIFW and skilling SCM employees on prevention of UIFW expenditure; revenue enhancement strategies; Skills transfer to the Budget Treasury Offices (BTOs). • Implementation of the cost of supply studies on water provision through the MSIG 	<ul style="list-style-type: none"> • Deployment of Technical Experts & MISA Teams - Engineers and Project Managers to distressed municipalities. • Funding for strategic infrastructure projects related to provision of basic services and LED. • Grant funding for repairs and maintenance of aged infrastructure through the Accelerated Infrastructure Renewal Programme. • To address fundamental negative impact that results from the lack of infrastructure maintenance, COGTA and MISA to support willing municipalities with preparation of Business Plans to access: <ul style="list-style-type: none"> ✓ 5% of MIG for O&M planning ✓ 10% of MIG for Asset Management • MISA, DWS, EDTEA and ESKOM to support in the form of project funding and technical professional support. • Establish Water War Rooms in each of the Water Service Authorities (WSAs) • Establishment of a Design Office by MISA

THE IMC AND ITS RMO MUST ADOPT A **PARTNERSHIP MODEL** AIMED AT:

1. Implementing action lab and masterplans.

2. Securing commitment from sector/strategic partners.



3. Agree on means of implementation.

4. Optimizing skills development (industry relevant skills).

5. We need to identify jointly policy advocacy issues.

6. Aggregating the enterprise and supplier development using resources at our disposal. Co-production model to ensure service delivery.

7. Maximize the value of our contributions

GUIDING PRINCIPLES FOR A FUNCTIONAL RMO

ADVISORY AND PARTNERSHIP MODEL

Policy
instruments
are in place

Legal
instruments
are in place

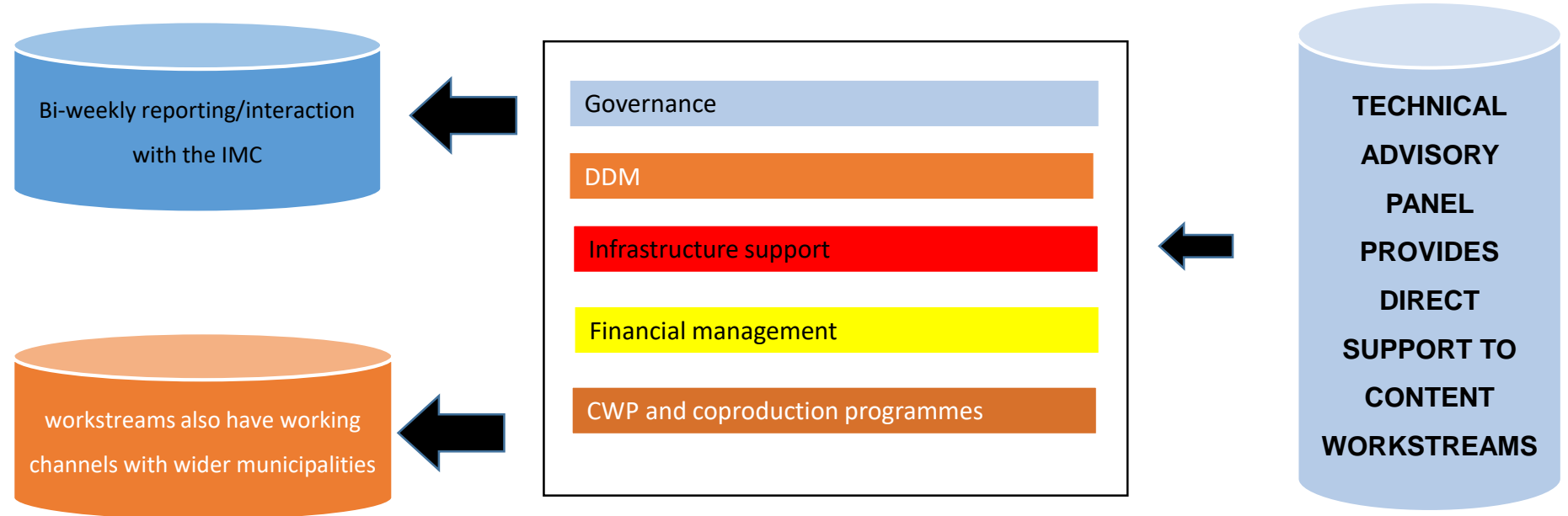
Financial
instruments
are in place

Stabilising
dysfunctional
municipalities
+
RMO

BUREAUCRACY MUST CONTINUE TO FUNCTION AND GOVERN

FUNCTIONAL INTEGRATION SPACE: RMO

OVERARCHING GOVERNANCE: IMC



CROSS-CUTTING TEAMS WORK ACROSS ALL PROCESSES

IMPLEMENTATION OF RMO: PROGRESS AND TIMELINES

ACTIVITY	PROGRESS/STATUS	DEADLINE
Development of the concept document for the RMO	Done and approved by PCC and Cabinet	End May 2023
Confirmation of the RMO Budget	Done and approved	End June 2023
Identification of RMO resources and allocation of roles	Done	End July 2023
Development of job profiles for the RMO resources on the 4 focal areas	Done	July 2023
Engagement of the DBSA on options to appoint and on-board resources	Done	July 2023
Finalization of MOA between DBSA and DCOG	Draft submitted on 23 August 2023	31 August 2023
Identification of office space for the RMO Team	Done - NDMC Nerve Center identified to house the RMO	End July
On-boarding of RMO Team and introduction to principals and executive (assign COGTA reps to RMO Focal areas) GO-LIVE	Ongoing	15 September 2023
Roll out of RMO activities	Ongoing	16 September 2023

RECOMMENDATIONS



Notes the report on Municipal Service Delivery



Notes the challenges and progress made in the municipal service delivery space since 1994 to date



Notes the support, capacity building and intervention programs implemented and coordinated by COGTA to improve service delivery



Notes the initiative to improve coordination between the three spheres of government towards improved service delivery



Notes the initiative to foster better collaboration with institutions of traditional leadership to enhance service delivery



THANK YOU

