



cooperative governance

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA

Local Government Support Programmes: An Overview



2020

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1. Introduction

This report is compiled on request of the Portfolio Committee that CoGTA should prepare a presentation that assesses the previous local government support programmes. The key areas to cover are:

- the objective of the programmes,
- interventions that were implemented, and
- achievements.

The programmes to be covered are:

- Project Liquidity
- Masakhane Campaign
- Project Viability
- Integrated Sustainable Rural Development Programme and the Urban Renewal Programme
- Project Consolidate
- Siyenza Manje
- 5 Year Local Government Strategic Agenda
- Local Government Turnaround Strategy (LGTAS)
- B2B

2. Background

Since 1994, the democratic government adopted a systematic and phased approach to local government transformation. These phases were associated with key tasks that needed to be attended to. The following are key developmental local government phases which show the evolution of this sector in South Africa:

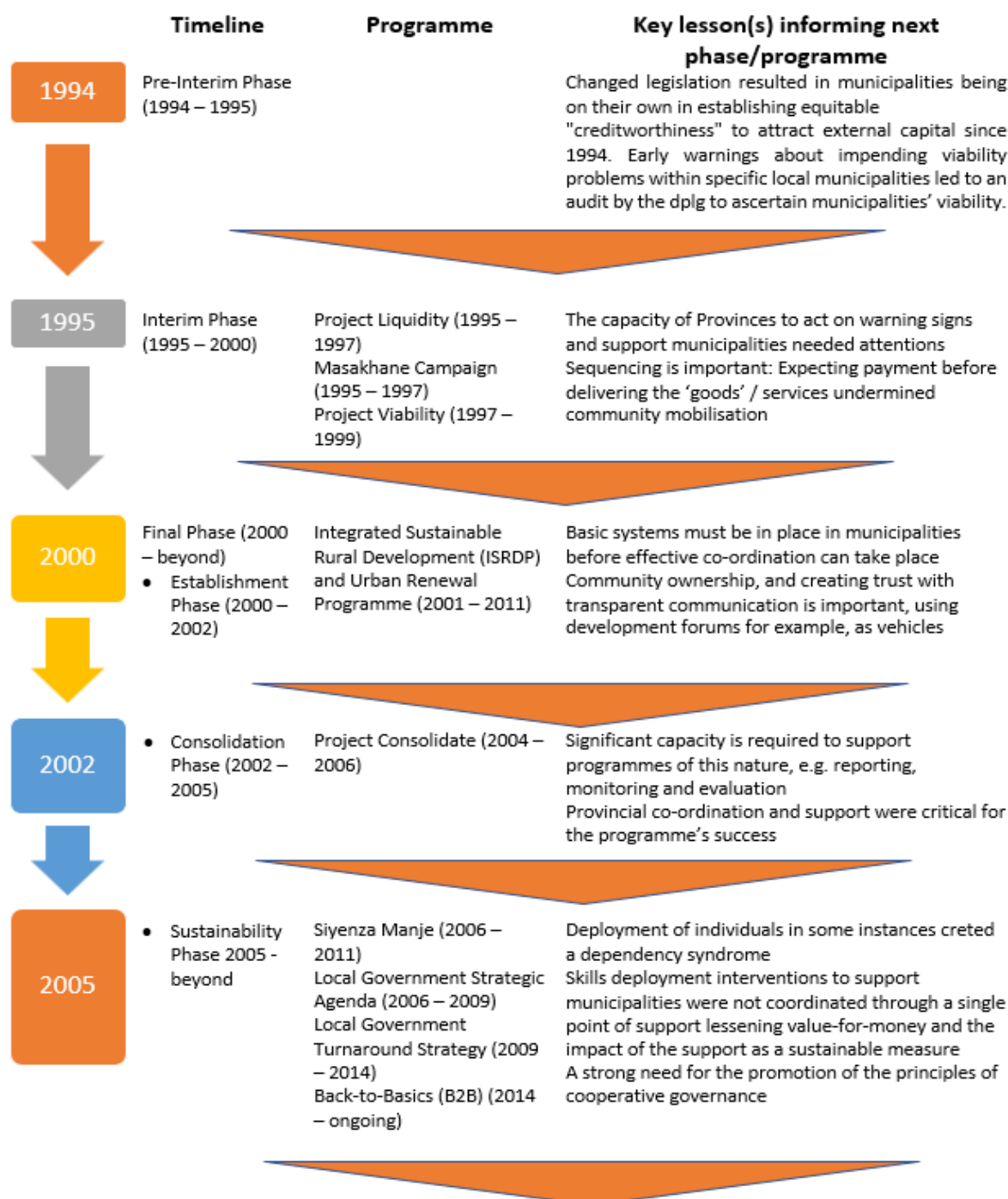
- a. Pre-Interim Phase (1994 - 1995)
- b. Interim Phase (1995 - 2000)
- c. Final Phase (2000 - beyond)
 - Establishment Phase (2000 - 2002)
 - Consolidation Phase (2002 - 2005)
 - Sustainability Phase (2005 - beyond)

The concept of improving performance through targeted forms of support was identified in the establishment phase, flowed into the consolidation phase, and from 2005, into the sustainability phase. National support interventions aimed at local government since 1995, include Project Viability (1995), Masakhane Campaign (1995-1997), Project Consolidate (2004), the Local Government Strategic Agenda (2006), the Local Government Turn Around Strategy (2009-2014), and the Back-to-Basics

Programme (since 2014). There were however also Municipal support programmes funded and/or implemented by:

- Donors
- Parastatals; and
- The private sector.

The following illustration places each of the programmes within the phases mentioned above:



It was consistently envisaged that local government would be progressively provided with more targeted support and assistance to maintain a stable developmental sphere of government. Since 1995 the Department and its predecessors launched several initiatives and several measures to support municipalities to accelerate the visible delivery of basic services and an improvement in local government governance. By 2018, National Treasury answered in a parliamentary question that Government spends more than R2.5 billion per year on various forms of capacity building and support for local government. This includes funds allocated through conditional grants and other programmes.

The Local Government support programmes will be discussed in the above context:

3. Pre-Interim and Interim Phases (1994-2000)

3.1. Project Liquidity (1995 – 1997)

Since the 1990s, the concepts of creditworthiness and credit rating have become more important to the local government environment in South Africa.

3.1.1. Programme Objective

In 1995 the Department of Constitutional Development conducted national surveys to establish the liquidity of all municipalities in South Africa. The project was named "*Project Liquidity*", its objective being to determine the liquidity position of municipalities and implement measures to alleviate cash flow problems. The main purpose of the programme was to identify and assist municipalities that showed signs of becoming insolvent.

Project Liquidity Programme (PLP) was aimed at providing early warnings about impending problems within specific local municipalities.

3.1.2. Interventions

The main elements of the programme were monitoring of all municipalities (including cash flow and payment rates), the creation of provincial task teams to assist municipalities in trouble, conducting municipal management audits and implementing management support programmes.

In terms of the programme, provincial teams were established, consisting of experts in municipal finance and provincial Departments of Local Government and Housing officials.

3.1.3. Achievements

Although the programme had some success in reducing municipal insolvency, not all provinces had sufficient capacity to act on warning signs.¹

After identifying the extent of the liquidity problem and the reasons for it, Project Liquidity was renamed "Project Viability" in the first quarter of 1997.

3.2. Masakhane Campaign (1995-1997)

On 24 February 1995, President Mandela launched the Masakhane Campaign in Parliament. The campaign was initiated as part of a drive to normalise local governance to ensure the successful implementation of the Reconstruction and Development Programme. The Masakhane Campaign was premised on the understanding that the past governance system left most of the South Africa population deprived of basic human needs.



3.2.1. Programme Objective

The objective of the Masakhane Campaign was to improve the delivery of services, and to promote a culture of payment among the beneficiaries of these services. The campaign was intended to accelerate the implementation of the reconstruction and development programme. Holistically, the Campaign was aimed at nation building. It wanted to encourage participation of all stakeholders in building a new culture of civic responsibility, linked to the improvement in living conditions through sustainable and visible service delivery. It was broadly aimed at:

- Promoting participation of all stakeholders in building the country;
- Fostering a spirit of co-operation and partnership;
- Encouraging communities to be involved in developing their own areas;
- Educating citizens about their rights and responsibilities; and
- Promoting unity, nation – building and a democratic culture.

3.2.2. Interventions

The following implementation methods were used:

- Coordination of government activities between departments and spheres of government, to ensure the effective promotion of the Masakhane Campaign

¹Muthien, Y.G. Meshack, M.K. and Magubane, B. (eds) 2000. *HSRC Democracy and Governance Review: Mandela's Legacy 1994-1999*.

- Facilitation of a mass-based character and content to the Campaign through support to stakeholder events and local initiatives, e.g. mini campaigns to address specific issues related to the Masakhane Campaign
- Conducting workshops for civil society organisations to enlist their support for mobilising communities
- Building local government capacity for service delivery and financial management and encouraging local authorities to take up the Campaign
- Communication activities focused on progress with delivery, educational programmes on civil responsibility, and highlighting local initiatives.

The Masakhane Campaign was not only about payment for municipal services: It entailed the entire concept of civic responsibility within the broad context of local governance (as opposed to government). The Campaign tried to make communities realise two things – that they need to take part in governance, and that they are key players in the development process. This implied that local communities had to play a pro-active role in ensuring their access to basic services and amenities.

3.2.3. Achievements

In general, the Masakhane Campaign strove to contribute to the political, social and economic transformation of South Africa by improving the way in which municipalities delivered basic services to communities, and at the same time improve community participation in the delivering of these services. The social partnership between Government and other stakeholders is a pre-condition for a successful development process marked by participation, co-operation, improved quality of life and a “new patriotism”.

3.2.4. Weaknesses

However, the tendency to confine Masakhane to a payment campaign had suffered from two major weaknesses:

- In the first place, the sequencing was wrong. Priority should have been given to getting legitimate, democratic local government in place, and to effective local level delivery, only then would more focused attention on a payment campaign have been appropriate; and
- More seriously, the narrowed focus of Masakhane tended to undermine community mobilisation, stifling countless localised initiatives. We have tended to treat communities simply as the purchasers of top-down delivery.

3.3. Project Viability (1997 – 1999)

Project Viability was launched in 1995 under the name Project Liquidity, to monitor the short-term liquidity of municipalities, including payment levels, arrears and the effectiveness of credit control and collection. The project was in response to the challenges faced in the transformation process of local government.

3.3.1. Programme Objective

‘Project Viability’ was aimed at understanding the historical role of local government in creating and perpetuating local separation and inequity, and the impact of apartheid on municipal institutions. Project Viability was an attempt to understand the financial and socio-economic realities of local government and included intervention and support measures to municipalities experiencing financial difficulties.

3.3.2. Interventions Implemented

Information obtained from Project Viability, indicate that the objective was to monitor the short-term liquidity of municipalities and intervene when necessary.

3.3.3. Achievements

The Department of Constitutional Development estimated that in total only about 150 (17%) of the 843 municipalities in South Africa were creditworthy at the end of 1998.

Project Viability have confirmed a generally deteriorating aggregate financial position within the local sphere. Project Viability identified the following main reasons why municipalities were sliding into cash flow difficulties:

- Lack of proper credit control (outstanding debtors);
- Lack of proper management of short-term assets and liabilities;
- Lack of administrative and technical rationalisation in a subregional context;
- Insufficient right sizing of municipal services and expenditure savings;
- Affordability and inter-governmental grants;
- The hidden cost of integrating previously separated municipalities; and
- Lack of capacity at both political and administrative levels.

4. The Establishment Phase (2000 – 2002)

In December 2000, the new system of local government, consisting of 284 democratically elected councils, came into being. The notion of developmental local government as enshrined in the Constitution provides that a local government must, as part of its task to provide democratic and accountable government and ensuring the provision of services to communities, also:

- Promote social and economic development;
- Promote a safe and healthy environment; and

- Encourage the involvement of communities and community organisations in the matters of local government.

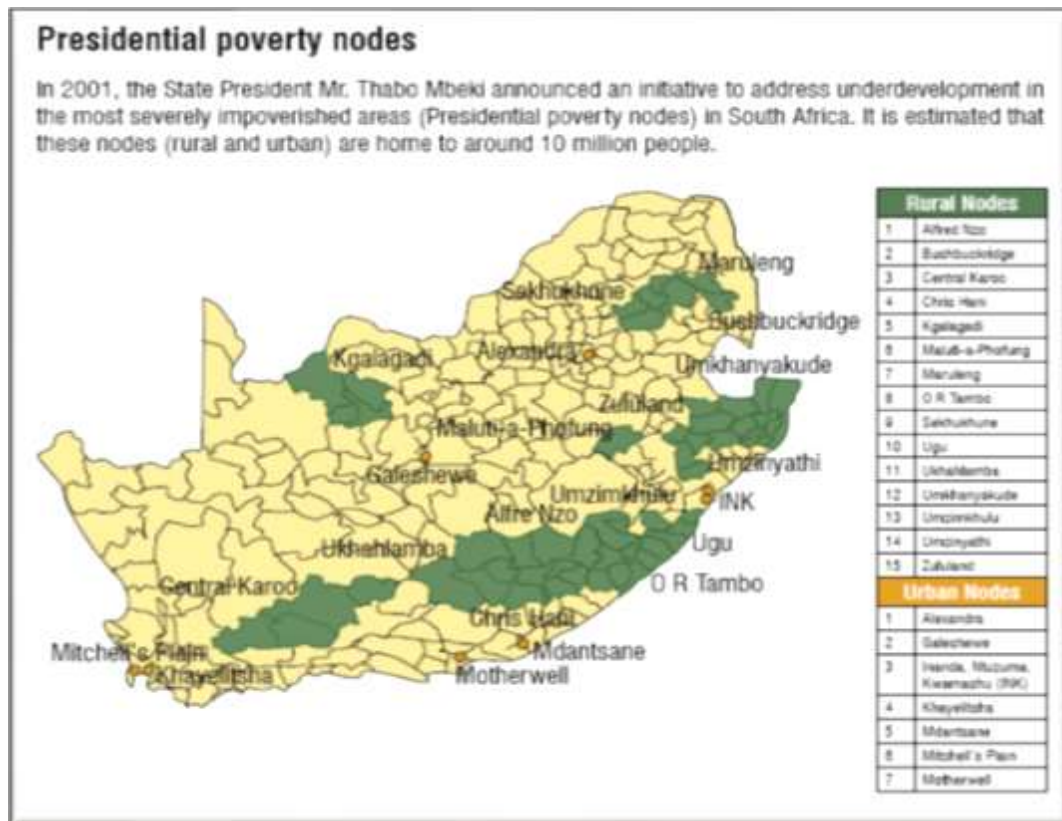
The first two years after the 2000 elections would see the establishment of new local structures and systems, characterized by a high degree of reliance on the support from the other two spheres, followed by a period of consolidation when local government would begin to take on its mandate in full. The amalgamation of apartheid municipalities into single municipal entities within newly demarcated municipal boundaries covering the entire country and the re-organization of administrations proved a much more complex and ambitious task than initially foreseen. Municipalities had to manage this complex restructuring, together with taking up their constitutional functions and coping with the pressure of responding to local demand for service extension.

4.1. The Urban Renewal (URP) and Integrated Sustainable Rural Development (ISRDP) Programmes (2001 – 2011)

The nodal approach to development was adopted following realization that previous development efforts were hampered by virtue of lack of beneficiary participation and minimal departmental integration/co-ordination in dealing with the legacy of poverty in disadvantaged communities.

In 2001, informed by 6 years of developmental challenges, the Urban Renewal (URP) and Integrated Sustainable Rural Development Programmes (ISRDP) were launched during the State of the Nation Address of President Mbeki. It was the intention of government to “*conduct a sustained campaign against rural and urban poverty and underdevelopment, bringing in the resources of all three spheres of government in a co-ordinated manner*” (State of Nation Address, 2001).

The Urban Renewal Programme and the Integrated Sustainable Rural Development Programme were introduced shortly after a major realignment of municipal boundaries as part of a new system of developmental local government. When launching the URP and ISRDP, President Mbeki announced the identification of 13 rural and 8 urban development nodes as the focus of government’s Integrated Sustainable Rural Development and Urban Renewal Programmes.



The URP and ISRDP were established as ten year pilot programmes with the intention to demonstrate how government can join-up resources across sectors and spheres to conduct a sustained campaign against poverty and underdevelopment, using selected geographical areas (*“the nodes”*) as testing sites. Linked to the programmes, was an expectation that it would generate lessons and smart practice that would benefit the whole country. When the URP and ISRDP were launched, an amount of funding was set aside for the initial set-up of the programmes in each of the nodes, although a 2003 Cabinet report described the programmes as mechanisms for bringing about co-ordination with projects being funded from existing grants and programmes.

4.1.1. Programme Objective

The programmes proposed tackling poverty and underdevelopment in a representative selection of rural areas, focused largely on former homelands, and specific township areas in urban parts of South African cities. These were areas characterised by distorted spatial planning and social and economic underdevelopment. The programmes aimed to alleviate poverty through:

- Micro and local economic development imperatives
- Improved coordination and integration of service delivery across government
- Decentralisation of decision making

- Demand driven approaches
- Fostering partnerships; and
- A participatory approach to development

The ISRDP aimed to focus the development programmes of the three spheres of government within a few identified nodes (generally district municipalities, but there was also one local municipality). Nodal Delivery Teams (NDTs) were initially deployed to the identified nodes to assist with project implementation and intergovernmental issues. Initially, the Independent Development Trust (IDT), as the implementing agent for dplg (currently CoGTA) on this programme, deployed one co-ordinator per nodal municipality to assist with the co-ordination and reporting of activities on this programme. The programme functioned more as a co-ordinating programme than an actual implementation programme.

There were two key features of the programmes that defined, and largely directed their implementation:

- i. The first was that the URP and ISRDP would focus and coordinate the efforts of the state at national, provincial, and local level, including key parastatals. This was intended to give effect to the Constitutional imperative of co-operative government and to ensure an accelerated pace of delivery of basic services, social services, and infrastructure in the designated areas. It is important to note that the programmes predated formal intergovernmental relations legislation, with its associated IGR structures.
- ii. The second was the identification of the *nodes as defined geographic spaces* for development within which the approach of co-ordinated governmental action and its impact on development could be tested.

Common features of the programmes included:

- Poverty targeting and alleviation as an explicit objective. The nodal localities identified very deliberately corresponded with the landscape of under-development and poverty in South Africa;
- Focus on addressing the micro- and local economic development imperatives that seek to complement and sustain the macro-economic stability that had been achieved as a country;
- Improved co-ordination and integration of service delivery across government, with a particular focus at a local level;
- The decentralisation of decision-making and setting of priorities at a local level, aimed directly at building robust and sustainable municipalities and a strong local government sphere;

- The need for a demand-driven approach to development, where local projects were identified through the municipal integrated development planning process; and
- Recognition that various partnerships would be necessary to ensure the success of each of the programmes.

4.1.2. Interventions Implemented

4.1.2.1. Intergovernmental Co-ordination

A central assumption of the ISRDP and the URP was that improved intergovernmental co-ordination would lead to targeted and more efficient expenditure, investment, and service delivery within each node. Co-ordination would take place through existing planning, budgeting and intergovernmental systems and seek to strike a balance between top down and bottom up delivery as the programmes were progressively embedded in the municipal Integrated Development Planning process.

4.1.2.2. Resource Mobilisation

An underlying assumption in the development and roll-out of the URP and the ISRDP was that sector departments would contribute financial and other resources toward the successful implementation of the programme because it had been allocated a special status by the national government and President Mbeki. However, the lack of clarity around funding streams has been a source of frustration for some nodal municipalities who unsurprisingly thought that being selected as a poverty node would bring with it resources. For some of the rural nodes this source of frustration focuses on the Integrated Development Plan, which municipalities use to signal to provincial and national government the areas in which they would like to receive greater support. The view from the ground is that frequently the IDP is not read or responded to by sector departments.

4.1.2.3. Technical Support

At its inception the Independent Development Trust (IDT) played a key role in the ISRDP as the implementing agent. Over time the relationship has changed but the IDT has remained an important role player, and in some nodes is the sole source of technical support.

The IDT, which is a state-owned development agency, was appointed by the Cabinet in 2000 to manage the coordination and implementation of the ISRDP on behalf of the dplg, which has overall political responsibility for the programme. The IDT provided technical support officials, called Programme Implementation Managers, to the rural

municipalities identified as nodes, and appointed a national ISRDP co-ordinator. The first five years were devoted to strengthening local government institutions, capacity assessments on readiness for developmental local government and planning mechanisms like the IDPs. The second phase has focused on implementation and aligned sector department spending with the IDPs in the nodes.

4.1.2.4. Political Support

The design of the ISRDP and the URP included an important role for 'political champions', the elected representatives of political parties at national, provincial and local level. The primary mandate of the political champions, as set out by the programme, is the promotion of the vision and mission of the programmes as well as the removal of blockages or impediments to the successful implementation of the programme.

4.1.3. Achievements

Detailed economic profiles were compiled for each node. There have been some successes in providing dedicated funding for the nodes. Starting in the 2002/2003 financial years, an element was introduced to the Local Government Equitable Share (LGES) formula to allow for the prioritization of development in the nodes. This N-component to the grant was aimed at kick-starting the institutional and project implementation aspects of the nodal programmes.

4.1.3.1. Improved basic services

It is worth noting that since 2001 significant progress has been made in the provision of basic services such as water, sanitation, electricity, and refuse removal. A survey mentioned above done by the Department of Social Development (DSD) in 2008, found that poverty levels in the urban nodes (except for Kwa Mashu, where demarcation is impacting on the data) dropped significantly. The poverty index on which this finding was based included 10 variables, namely incidence of female-headed households, illiteracy, unemployment, lack of household income, overcrowding, informal or traditional dwellings, lack of sanitation, water below RDP standards, lack of electricity for lighting purposes, and lack of refuse removal.

4.1.3.2. Crowding in of Public Sector Investment

Crowding in of public sector investment has proved to have a significant impact in demonstrating government delivery. This has been most evident in the urban nodes where improvement to transport interchanges has enhanced the quality of public space, taxi ranks and retails facilities for SMMEs. Most notable has been the

significant contribution made by the National Treasury through the Neighbourhood Development Grant (NDPG). The grant has to date allocated close to 1 billion rand within the urban nodes amongst others.

The Municipal Infrastructure Grant (MIG) is a conditional grant to support municipal capital budgets to fund municipal infrastructure and to upgrade existing infrastructure, primarily benefiting poor households. As at 2009, MIG funds to nodal municipalities were largely on a par with non-nodal counterparts, although ISRDP municipalities are said to have benefited from a 5% increase in MIG funds based on its nodal status.

4.1.3.3. Anchor Projects

The term '*anchor projects*' was associated with many of the urban and rural nodes and had come to mean the flagship or main projects that were associated with the programme. Although there was no formal definition of the term, some of the nodes had defined the core thrust of the ISRDP/URP through the choice of anchor projects.

Anchor projects were also characterised as larger budget projects and those that were likely to have a considerable impact in the node. The following anchor projects for example, addressed connectivity and crowding-in of investment with the aim to enhance economic opportunities and improve socio-economic development:

- Vehicle and pedestrian connectivity both within Alexandra and to the greater regional economy has substantially improved through the construction of major roads and bridges. Some 95% of the formal road infrastructure has been upgraded and tarred, with 22 km of sidewalks (pavements) created and paved. The construction of London Road linking Alexandra to both the N3 and M2 highways and the upgrading of the road network in general have increased the linkage into the regional economy of sidewalks (pavements) created and paved.
- The Pan Africa Triangle, on the Corners of 3rd Avenue and Watt Street is one of Alexandra's busiest areas. It is essentially the gateway to Alex from Louis Botha Avenue, central Johannesburg, nearby Sandton, and the industrial area of Wynberg. The Pan Africa shopping centre was opened during 2009.
- The Khayelitsha Urban Renewal Programme defined anchor projects such as, '*a multi-tiered project that attracts a large proportion of URP investment and makes an impact on a significant number of people*'. Examples of anchor projects in the Cape Town nodes included the development of Khayelitsha CBD, the development of the Mitchells Plain CBD, the Khayelitsha rail extension and the development of the Swartklip Regional Sports Facility.

Anchor projects were thus projects that were run and managed by the municipality, as well as those that were being driven by other stakeholders such as the Khayelitsha Rail extension, which was a project of the SA Rail Commuter Corporation. In some of the programme literature, it is noted that some anchor projects have been 'relabelled' so that they become part of the nodal programme.

In some nodes, such as Maluti-a-Phofung, the major anchor projects all focused on enterprise support and creation and ranged from support for relatively small projects to support for larger and more ambitious enterprises.

4.1.3.4. Community Investment Programme

The Community Investment Programme (CIP) brings business perspectives and resources and a partnership approach to poverty reduction, with special emphasis on designated poverty nodes. A joint initiative of the Business Trust and the dplg, the CIP has four main components. These include the nodal economic profiling project, which was completed and launched in October 2007, an economic development initiative in the Maruleng and Bushbuckridge region, a Shared Growth Challenge Fund, which aims to trigger private sector investment in poor areas, and a social mapping project to show the extent of corporate social investment and enhance its impact on poverty.

In September 2008, the CIP reported that 50 enterprises, 500 farmers and 15 709 work seekers had benefited and that 78 545 family members are being supported by the beneficiaries. The risks have been rated as 'high'. The Business Trust reported that 'while investments attracted over the past year show that success is possible, issues such as land claims are complex, and the institutional arrangements for sustained impact remain unresolved'. This supports many of the observations contained in this report.

One of the major focus areas is the Mabedi project in Mpumalanga, which involves the Bushbuckridge node. According to the CIP, this area is characterised by extreme poverty, with an HIV infection rate nearly twice the national average. Over half the population do not have access to piped water, nearly 70% use pit latrines and 85% earn less than the household subsistence level of R19 200 per annum. This area is also adjacent to one of the world's leading tourism assets, the Kruger National Park, and is located within an area of high-quality agricultural land. The Mabedi economic development initiative is piloting a market-development approach to creating jobs and building capacity in this area. A two-pronged strategy has been followed. The first set out to attract investment into the area and develop the enabling conditions to make

that possible. The second attempted to develop local enterprises by linking them to market opportunities. In the 2007/2008 year, the CIP reported that 'both the potential and constraints on this approach became clear. Over R1 billion of investment was contracted for the area, mainly as investment in high quality tourism assets. The impact of land claims on economic development was also revealed and the difficulty of developing local enterprises in the face of competition from established firms and very thin local markets became clear.'

This pilot project demonstrated the complexity of the challenge of encouraging economic growth in poor areas in the context of the structure of the South African economy, weak institutions, and harsh operating conditions. It also shows that with the right kind of support, investment can be attracted, and development undertaken in these very poor nodes.

Decisions made were that the duration of the project would be extended to December 2010, the investment attraction and enabling environment work would be extended, but that the enterprise development activity would be curtailed. The focus would be on existing commitments to support 13 local community institutions (some 12 750 households) and the four largest initiatives would be prioritised for support.

By September 2008, the Mabedi initiative had spent R22 million, linking 260 farmers and 15 small businesses to markets, thereby creating, or saving 2 642 jobs. In total R1,38 billion in investment has been secured.

4.1.4. Emerging issues

It was found that basic systems are key because if there are key vacancies at the municipal level, it is often not that useful to deploy a co-ordinator. Basic systems must be in place for effective co-ordination can take place.

The involvement of Political Champions in the Programme was diverse, and their impact varied. Unfortunately, results were not overwhelmingly or even primarily positive, but relatively evenly spread between having positive impact and visibility, to adding little or no value to nodal development and progress. Another challenge that was never clearly addressed was the implementation of the approach in a context of multi-party democracy, and the need for co-operation when different parties hold leadership positions.

4.1.5. Weaknesses

Given that many of the challenges facing nodes and nodal municipalities pertain to the social fabric of local areas, it is noticeable that stronger relationships have not been developed with the provincial departments of education, social welfare, and health. Similarly, relations with the South African Police Services as a core development partner in combating crime, has not been a focus for IGR co-ordination and integration. The Business Trust indicated in 2008, that the sharpest lessons were learnt about the challenge of enterprise development in poor areas. First, unlike many developing countries, small South African enterprises must compete with established firms in tightly integrated markets. Second, they must get over the threshold of what social grants can provide before entrepreneurs are motivated to risk resources and energy. And third, they are often trapped in areas with few local resources and even fewer linkages to the regional or national economy.

5. Consolidation Phase (2002 – 2005)

5.1. Project Consolidate (2004 – 2006)

The principal challenges confronting local government at the time of the initiation of Project Consolidate in 2004, pointed to policy refinement and clarification, full implementation of existing legislation and policy, attending to the basic service delivery functions and extending the coverage of these services, and re-examining the way in which national, provincial and local government were individually and collectively giving effect the Constitutional mandate given to municipalities.



Although aware of the limitations within the current architecture and uneven performance levels, government was determined to accelerate service delivery, and move from policy to implementation.

Towards the end of the first term of local government in 2004, the then Department of Provincial and Local Government (dplg) conducted a rapid assessment of municipal capacity to identify municipalities in need of direct support from national government. It found that 136 municipalities were struggling to fulfil their mandates. Project Consolidate was introduced in response to these findings.

Project Consolidate was a two-year national intervention (2004-06) to support municipalities lacking the expertise to discharge their mandate to provide basic

services. It also sought to address the fact that national and provincial departments were not fulfilling their constitutional duty to support municipalities.

5.1.1. Programme Objective

Project Consolidate was developed as a practical hands-on programme of support and engagement by provincial and national departments with local government to strengthen implementation capacity 136 municipalities were identified for targeted additional support. The focus of the programme was building of local government service delivery capacity through well-coordinated national and provincial support interventions. The specific objectives of Project Consolidate were to:

- Rally the local government sphere in discharging its service delivery and development mandate;
- Realise the peoples' contract and mobilize social partners around this programme;
- Entrench a people-centred orientation in the entire public sector and a new approach to local government's mode of operation;
- Establish a new and practical benchmark for local government performance excellence; and
- Have successful local government elections in 2005/6.

A key lever for success was that appropriate political and technical structures were in place across all the three spheres of government and these were progressively established.

5.1.2. Interventions Implemented

Project Consolidate deployed technical experts to 136 municipalities – generally in rural areas or former homelands which had the highest backlogs in basic services and were economically depressed.

Experts were being continuously deployed to assist municipalities, with an increased from 297 experts deployed in 2006, to 359 people by the end of 2007, deployed in 105 of the Project Consolidate municipalities. This clearly benefited municipalities as the reported improvements in service delivery, planning and compliance with institutional arrangements demonstrate.

12 full time Project Consolidate Service Delivery Facilitators (SDFs) were deployed for a period of two years to 12 Project Consolidate municipalities. SDFs had three main objectives:

- Improving the public's confidence in the system of governance
- Improving the financial and economic viability of a municipality
- Improving organisational systems for sustainability

While referred to as billing SDFs, their focus was much broader and includes billing systems, availability, and reliability of infrastructure for service delivery, organisational systems and responsiveness to residents' concerns. Dplg (currently CoGTA) funded the deployment of 12 full time "billing SDFs".

The Old Mutual Group (Nedbank, Old Mutual, Mutual & Federal and its BEE partner Wiphold) have entered a partnership with dplg aimed at building the capacity of Project Consolidate Municipalities. The partnership comprises three workstreams:

- i. Infrastructure and property development and capacity. The aim of this workstream is to investigate and identify areas of development opportunities within selected Project Consolidate municipalities (based on known development opportunities). Opportunities to be focussed on include residential, commercial, retail, and industrial developments. Teams visit the municipalities and engage with the SDF to establish opportunities. A needs assessment has been conducted by OMPG with a detailed report submitted to DPLG which is identifying priorities based on the report.
- ii. Institutional and administrative transformation (with a strong emphasis on human resource development). This has three sub-components:
 - Training programme. 13 Project Consolidate municipalities will receive capacity building through a number of training interventions under two main headings: Fiscal Management Training and Compliance and Governance Training.
 - Old Mutual/SAMDI/JIPSA Project. Old Mutual Business School, in conjunction with the Office of the Deputy President, will provide foundational project management training to 100 local government employees in support of ASGISA and JIPSA. The objective is to fast track the development of project management skills for officials responsible for managing projects relating to ASGISA. The programme consists of four modules of five days each over a period of five months.
 - Old Mutual Group's Project Ilima. This is an Old Mutual (with its BEE partners Wiphold and Brimstone) initiative which was launched in January this year. Its purpose is to create a home for Old Mutual Executives who go on retirement but would like to contribute their skills to the building of capacity at all levels of government. It will be funded by a Trust funded by

Old Mutual for the first three years and will later grow into a fully-fledged consultancy. It will support municipalities jointly agreed by the OM Group and DPLG. To date, four municipalities have been assisted in a diverse range of activities from enhancing the efficiency of a call centre (City of Cape Town), assessment of training courses (Nelson Mandela Metro), recruitment, selection, appointment and induction of an MM (Matatiele), establish and implement HR policies (Tsantsabane) as well as some general support to DPLG through assembling and delivering a Certified Public Manager Programme for MMs, and improved management of the suspensions of Municipal Managers.

- iii. Financing for infrastructure and service delivery. This will focus on assisting municipal authorities to identify and develop opportunities and create capacity to fund essential municipal infrastructure; create and enhance local economic development; and fund human settlements and related infrastructure. The intention is to formulate financing structures for these areas by using tailor made financing solutions that could be used by DPLG on an extended basis.

It was difficult to measure the impact of these capacity-building measures. By putting a number to the municipalities under stress, government had in effect announced that there was a systemic crisis in local government. Since then policy reform has been on a crisis footing. In practice, these interventions did little to improve the financial performance of municipalities, which is perhaps the most important indicator of the health of local government. In his audit report for 2009/2010, the Auditor-General found that despite the 'abundance of technical tools to support municipalities' the results were only 'fractionally better than the previous.

5.1.3. Achievements

A significant achievement of Project Consolidate was the range of partnerships formed with stakeholders in support of capacity-building for local government. National sector departments, namely CoGTA, the National Treasury, the Department of Water Affairs and Forestry, the Department of Environmental Affairs and Tourism and the Department of Trade and Industry, had collectively mobilised 640 technical experts to support municipalities.

Development Finance Institutions, donor agencies, professional associations and the private sector had collectively deployed 494 technical experts. Incorporated into the hands-on approach to support local government were the 503 financial management interns support by the National Treasury through the Financial Management Grant, and the 133 young professionals supported by the Development Bank of Southern

Africa's Development Fund (Siyenza Manje). In all a total number of 1,124 deployments, benefiting 268 out of the 283 municipalities (95 per cent) were deployed during Project Consolidate.

The close-out report indicates that 34 stakeholders were providing support spread across the 5 Key Performance Areas of Local Government as follows:

- Service Delivery and Infrastructure – 4 stakeholders;
- Municipal Institutional Development and Transformation – 9 stakeholders;
- Local Economic Development – 5 stakeholders;
- Municipal Financial Viability and Management – 6 stakeholders;
- Good Governance and Public participation – 4 stakeholders, and
- Cross Cutting – 6 stakeholders.

The above stakeholders provided various types of support including the following:

- The deployment of experts in various fields:
 - Finance (e.g. National Treasury, SAICA, SAICE, CMPT), FNB/PSU), IMFO,
 - Project Management (e.g. DBSA, SAICE, IDT, Sebata),
 - Engineering (e.g. SAICE/SABTACO),
 - Legal (e.g. Black Lawyers Association), and
 - Planning (SAPI, Kellogg Foundation).
- Financial Support for the procurement of expertise (e.g. Standard Bank, Danish Embassy)
- Local Economic Development (e.g. Business Trust, Seda, EU, NDA),
- Capacity Building (e.g. Standard Bank, DFID, EU, UNDP, FNB/PSU, IMFO, Land Bank and most stakeholders), and
- Communication (e.g. SABC, NDA).

Revenue collection in the supported municipalities increased by an average of 21.4% (amounting to R1.6 billion over 12 months). Increased revenue has also allowed municipalities to extend and improve service delivery. Improved institutional functioning was observed.

5.1.4. Emerging Issues and Lessons

Overseeing capacity building was limited to the capacity built by deployed Service Delivery Facilitators (SDF's). There was little progress made in this area besides

development of the deployment database that captured the deployment area, geographic space, and planned duration of engagement with cost implications.

Several lessons were drawn from the functioning of the National Project Management Unit (NPMU):

- Experience showed that significant capacity was required to support the Programme Director. It was recommended that this capacity should include M&E, reporting, and strong professional assistant capacity.
- SDF co-ordination proved challenging. Improvements should include liaison with provinces to determine needs and stakeholders to ensure appropriate targeting of support.
- Provincial co-ordination and support were critical for the programme's success. In view of weak capacity in most provincial Departments of Local Government, Provinces should work closely with and be led by Department of Provincial and Local Government (**dplg**) DDG's who should support the provincial departments and project management units (PMU's).

In the close-out report for Project Consolidate it was indicated that many Project Consolidate municipalities would require increased interventions and support in the areas of LED, municipal transformation / institutional development, and basic service delivery. These areas would require focused mobilisation to ensure that all 5 KPAs were covered and municipalities are reached. It was proposed that the work started through the National Advisory Working Group be refined and strengthened.

A further challenge experienced was that not all departments responded well to the call in the Five-Year Local Government Agenda to include how they will address hands-on support to municipalities, in their business plans. It was proposed that the work started by Project Consolidate should be accelerated in the context of an intergovernmental effort to build the capacity of municipalities, if the targets set by Government in its Programme of Action were to be met.

In conclusion it can be said that Project Consolidate was a targeted and time-bound initiative aimed at providing hands-on support to municipalities to enhance their capacity to fulfil their mandate. At the stage of its conclusion a need arose within the then **dplg**, to continue and enhance their coordinating role in terms of the support to Local Government, as well as to sustain the support programme of engagements with stakeholders to provide support for the interventions envisaged.

6. Sustainability Phase (2006 – ongoing)

6.1. Siyenza Manje (2006 – 2011)

The Siyenza Manje Programme rolled out in April 2006. This was an initiative of National Treasury (NT), the South African Local Government Association (SALGA) and the Department of Provincial and Local Government (DPLG). Siyenza Manje was managed by Development Bank of Southern Africa (DBSA) on behalf of government. The programme allowed national government to leverage on the expertise and project management skills of the Development Bank of Southern Africa (DBSA) to build local government capacity. The overall vision, was *to develop*:

- A programme to contribute towards the development of sustainable capacity to manage the delivery of infrastructure services in targeted municipalities
- A programme to mobilize and manage the deployment of existing skills and the building of new, required skills
- A knowledge sharing platform.

The Siyenza Manje Programme deployed a task force of 78 project managers, engineers, and finance specialists to assist with fast tracking the implementation of infrastructure projects (particularly water and sanitation) to 84 municipalities.

6.1.1. Programme objectives

The main objective of the Siyenza Manje (SM) Programme was to provide capacity and facilitate service delivery by fast-tracking new infrastructure delivery:

- To deploy capable human resources in municipalities with the purpose of ***building institutional and human capacity and unlocking service delivery blockages***
- To enable distressed municipalities, deliver basic services by unblocking and fast-tracking expenditure of Municipal Infrastructure Grant funding.

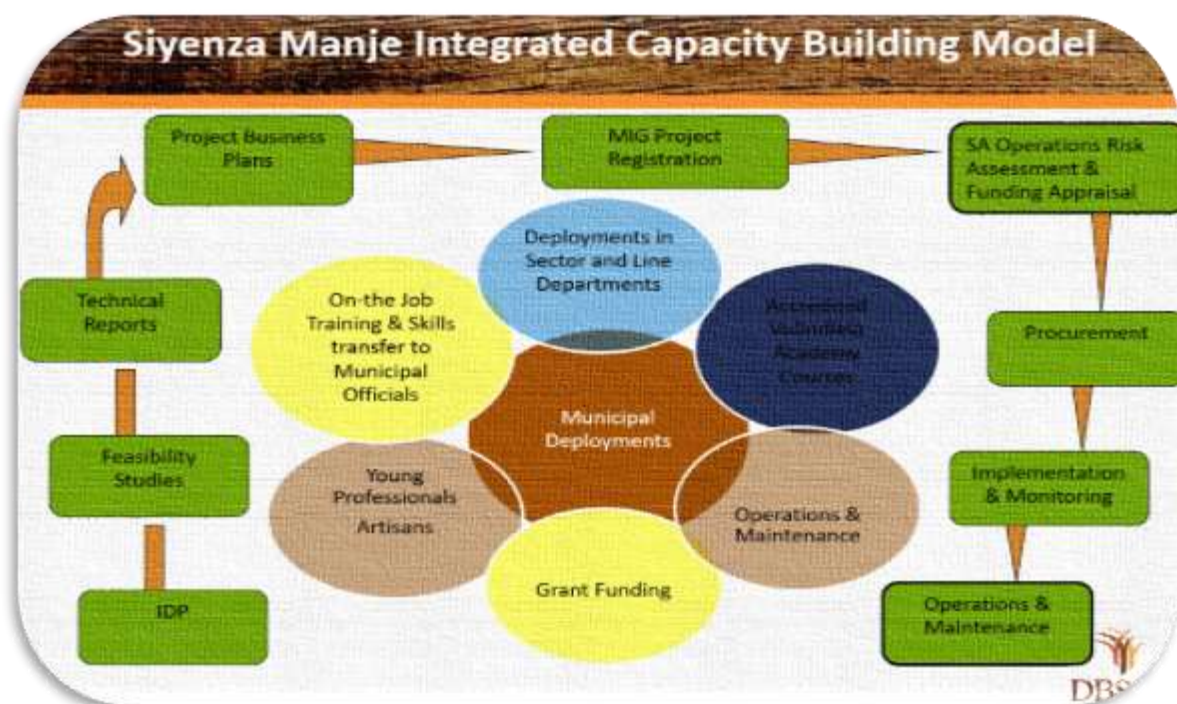
The initial programme was to run for four years (April 2006 to March 2010), but the National Treasury approved an extension until March 2011. Initially, the Siyenza Manje Programme was allocated a grant of R 741.3 million by the National Treasury. The DBSA contributed 30% of the total amount towards the implementation of the programme. This funding allocation was to cover the 2007/08 – 2009/10 MTEF.

The specific programme objectives, against which we have undertaken this review, were as follows:

- To provide short term specialist skills to implement infrastructure projects
- To facilitate the development of policies, systems and processes to enhance infrastructure delivery and financial management
- To support the development of municipal in-house capacity through training and mentoring of relevant staff
- To contribute to the development of skills by providing opportunities for young professionals and internships
- To contribute to the further refinement of a framework for capacity building and the associated tools to be used in providing support to municipalities

6.1.2. Interventions implemented

The Siyenza Manje Programme identified, recruited, and deployed hands-on expertise to distressed and capacity challenged municipalities for extended periods of time, depending on the situation and changing circumstances of the municipality, with the primary purpose of creating well functioning municipalities.



Siyenza Manje deployees provided support to municipalities within the following broad areas:

Finance - financial planning, financial reporting, audit management, revenue enhancement, debtor management, systems compliance

- Institutional capacity building – the financial cluster focused on financial management aspects, including compliance issues such as compilation of financial reports in line with statutory requirements, as well as development of municipal policies and procedures;

Technical – Planning and implementation of MIG/CAPEX funded infrastructure projects, construction /rehabilitation of water, sanitation, roads and housing infrastructure, labour intensive technologies, project management, operations and maintenance

- *MIG expenditure* – the technical cluster supported municipalities with project identification and prioritization, project design, registration and facilitating implementation processes, including contract management. The initial focus was on MIG projects, but expanded to include other infrastructure projects with funding from other government departments or leveraged from private sources;
- *ICT – LGNET* connection for municipalities
1st South African host of the World Bank Global Development Learning Networks (GDLN) – facility available for hire
- *Operations and Maintenance* - programme is aimed at providing capacity support and facilitation of sustainable operation and maintenance of municipal infrastructure.
 - Emphasis on operations, routine and periodic maintenance on water, sanitation, roads, electricity and solid waste infrastructure
 - Use of labour intensive methods and local resources for execution of O&M projects e.g. SMME contractors, women, youth, and community cooperatives
 - Efficient utilisation of existing Operations and Maintenance funding streams and mobilisation for more funds
 - DBSA DF to support pilot municipalities with the capacity to plan, organise, implement and manage infrastructure operations and maintenance sustainably
 - Provision of technical support to pilot municipalities by deploying experts and artisans for the management of infrastructure Operations and Maintenance projects
 - Training and capacity building of both municipal officials and SMME Contractors for Operations and Maintenance sustainability.

Planning – credible IDPs, LED plans, development or refinement of spatial development frameworks and land use management schemes

- **Planning interventions** – the planning cluster provided support on all planning issues towards the compilation of statutory systems and procedures required for planning purposes. These included, amongst others, master planning, the compilation of valuation rolls, development or refinement of spatial development frameworks and land use management schemes. Since some of these tasks required specialist equipment and expertise, their role is mainly to identify all planning needs and check quality of work undertaken by service providers;

Institutional Capacity Building - training and on-the-job skills transfer, development of systems/policies/procedures, compliance to supply chain processes

- Young Professionals Programme

The main objective of the Young Professionals programme was to coach and mentor the Young Professionals for professional registration and to build sustainable municipal capacity. It was a 3-year structured training programme:

- Engineering Young Professionals for registration with ECSA,
- Finance Young Professionals preparation for a municipal finance qualification (NQF6)
- Planners for registration with SACPLAN

All Siyenza Manje deployees transferred skills to young professionals and municipal officials while providing specialized hands-on support. In addition to on-the-job training, deployees assess and identify training needs of municipal officials and referred them to Vulindlela Academy for further training.

By 2010, there were 156 Young Professionals, 9 already absorbed full time by municipalities.

- Artisan Programme

Apprentices were deployed in municipalities - bricklayers, plumbers, fitters water works, electricians, motor mechanics to be trained towards trade certification.

- Vulindlela Academy

Skills training and capacity building programmes for municipal officials and councillors focused on:

- Finance,
- Planning,
- LED,

- Management and
- Leadership

The Academy focused on 80% South African Market and 20% SADC

Institutional Turnaround - governance and change management specialists.

6.1.3. Achievements

In 2004, Project Consolidate was conceived as a two-year strategy to provide hands-on support to struggling municipalities. Performance at the 136 target municipalities improved drastically. The programme was effective in placing large numbers of experts and reaching numerous municipalities, especially the lowest capacity municipalities. By April 2008, Project Consolidate and Siyenza Manje deployments totalled 1,124 in 268 municipalities. It also scaled up its support to increasing number of municipalities over the life of the programme.

467 infrastructure projects, worth R1.5 billion, received implementation support in 2007. The focus was on unblocking administrative processes, improving planning, costing, and project management.

The number of projects that have been facilitated showed an upward trend with around 1 000 new projects facilitated each year by 2010. Municipalities indicated that technical deployees have unlocked infrastructure projects, often by assisting in setting up systems and policies for supply chain management, by doing project business plans and budgets and by project managing projects. Officials in many of the municipalities have indicated that without the deployee, it would not have been possible to spend MIG funds or get projects off the ground.

The major impact has been on facilitating the registration of MIG projects, design of projects, acceleration of procurement and resolving problems on projects that are in implementation. An analysis² of national MIG expenditure data provided further support that the programme achieved its objectives in respect of infrastructure development.

² DBSA. 2010. *Evaluation of the Siyenza Manje Programme: Lessons from the First Three Years of Operation*

6.1.4. Weaknesses

Initially Technical experts which were equated to engineers were deployed to municipalities to implement projects. It was recognized that projects could not be implemented if procurement could not be undertaken; hence the need to deploy financial experts was recognized. Projects could not always be identified from the IDPs that signalled a need for planners to be deployed to improve municipal integrated development planning.

The programme was to an extent centred around individual deployees. These deployees prepared individual business plans for their intervention in the municipalities. These business plans were often based on the deployees' own assessment of the municipality as it relates to their own expert role.

The programme did respond to wider needs than infrastructure project implementation when it was ascertained that bottlenecks or impediments to project implementation related to poor financial management or lack of credible IDPs with medium term budgets and moved quickly to place financial and planning experts into such municipalities.

The Siyenza Manje project had the potential of creating a dependency syndrome within some municipalities. As the Siyenza Manje was better paying, it attracted skilled and experienced people from municipalities, thus creating huge vacancy rates, and leaving capacity to root the programme within municipalities thin. DBSA experts became gap fillers, instead of transferring skills. As a result, the possibility of municipalities being perpetually dependent on the Siyenza Manje experts was high.

6.1.5. Emerging Issues and lessons

- Need to address the time lag between completion of planning processes and commencement of infrastructure projects.
- Municipalities need to be supported to fill critical vacancy in terms of affordability, recruitment, and appointment measures.
- Capacity development initiatives should be more focussed to sustainably improve institutional capacity.

6.2. Five (5)- Year Local Government Strategic Agenda (2006-2009)

A comprehensive review of the first term of local government (2000/1–2005) was submitted to Cabinet in 2006. The review found that the final phase of the transition had been too ambitious and pointed to the worrying mismatch between national policy

objectives and local government's capacity to implement them. Poor policy coordination, overregulation of local government, and unsystematic support for municipalities were identified as contributing to municipal distress.

The review outlined three imperatives for the next five years. First municipalities had to improve their performance and their accountability to communities. Second, an unprecedented national capacity-building effort was required to help local government to discharge its mandate. Third, more effective coordination of policy, and monitoring and supervision of local government were required.

The review concluded that although local government was a cornerstone of constitutional democracy, real challenges prevented this sphere from becoming a fully effective sphere of government, an executive authority branch of state. These problems were a product of the unprecedented scale of transformation required from the institution.

6.2.1. Programme Objectives

The focus was on ensuring that weaker municipalities had the necessary fiscal and other resources to recruit and appoint appropriate personnel. The new Strategic Agenda for Local Government (LGSA) sought to provide the framework for an intergovernmental programme of action to boost municipal performance, accountability, and capacity over the longer-term, and to support the 'hands-on' approach of Project Consolidate.

The overall objective was to improve municipal governance, performance, and accountability through the identification of problem areas for municipalities which would then receive targeted support.

The three strategic priorities of the LGSA were:

1. Mainstreaming hands-on support to Local Government to improve municipal governance, performance and accountability.
2. Addressing the structure and governance arrangements of the State in order to better strengthen, support and monitor Local Government.
3. Refining and strengthening the policy, regulatory and fiscal environment for Local Government, and giving greater attention to enforcement measures.

The agenda had five key performance areas (KPAs) that municipalities had to concentrate on, namely: Municipal Transformation and Organisational Development Basic Service Delivery; Local Economic Development; Municipal Financial Viability and Good Governance and Public Participation.

Over time, the objectives of the 5YSA were systematically anchored in the plans and operations of municipalities, provinces, and national sector departments as the guiding strategic framework. The 5YSA would be replaced in 2009 by the Zuma government's turnaround strategy.

6.2.2. Interventions Implemented

The implementation approach was based on a national programme of action which was adopted by National Executive which included the monitoring of progress on a biennial basis. The Provincial executive was then required to monitor local government progress on a quarterly basis with municipalities monitoring activities monthly.

Five-Year Local Government Strategic Agenda pursued 5 key performance areas to contribute to good governance. The five key performance areas were:

Key Performance Area 1 - Municipal Transformation and Organisational Development
This KPA dealt with the transformation and organisational development of the municipalities.

It addressed issues like filling of vacant posts for municipal managers as well as:

- How many municipal managers had signed performance contracts and performance agreements?
- How many Section 57 managers' posts have been filled, and, the status of the employment equity of these section 57 managers?

This KPA also dealt with the appointment of Chief Financial Officers (CFOs). However, it has been a struggle for municipalities of smaller size and grade to retain skilled CFOs owing to financial constraints.

Key Performance Area 2 – Basic Service Delivery

This KPA dealt with basic service delivery issues like water, sanitation, and electricity. This KPA was also linked to the Millennium Development Goals (MDGs).

Municipalities had to give an account of how many households have been provided with water and what are the outstanding backlogs. The same process had to be used when reporting on electricity as well as sanitation. Municipalities also had to report on the provision of free basic services on water and electricity and the rolling out of indigent services.

Key Performance Area 3 – Local Economic Development

This KPA dealt with the number of jobs created. It was an attempt to force municipalities to be serious about making conditions conducive to create jobs that are sustainable.

Key Performance Area 4 – Municipal Financial Viability and Management

This KPA dealt with viability and management of municipal finances. Financial management in municipalities were from the onset of the new local government sphere a problem. In terms of this KPA, municipalities had to report whether annual financial statements have been submitted and how many are outstanding. Also, of importance were the Auditor General's municipal audit findings for each financial year.

Municipalities were expected to report on the establishment of Audit Committees. Expenditure patterns regarding Municipal Infrastructure Grant (MIG) were also reported on. Expenditure, especially of MIG was always a challenge for municipalities. Lastly, under this KRA was the question of the municipal property rates. Most municipalities were from the implementation of the municipal property rates arrangement challenged in terms of compiling credible, comprehensive valuation rolls timeously as required by the Municipal Property Rates Act.

Key Performance Area 5 – Good Governance and Public Participation

This KPA dealt with good municipal governance and public participation.

Municipalities had to report on the establishment of ward committees. Then each ward is supposed to have ten ward committee members and had to appoint Community Development Workers (CDWs). The intention is that each ward must have a CDW. This is aimed at assisting communities to have access to government services as well as providing the public with an opportunity to engage and participate in issues of governance.

Cross Cutting Interventions

There were also cross-cutting issues designed to focus on coordination issues, such as capacity-building support initiatives across government, intergovernmental relations, inter-sphere planning, and communications.

6.2.3. Achievements

The National Capacity Building Framework (NCBF) was introduced in 2006 as capacity support for the implementation of the LGSA. This Framework identified institutional capacity challenges and several skills shortages in local government as responsible for several inefficiencies in municipalities. The repeated challenge was the difficulties associated with effective intergovernmental coordination to leverage the potential of all the support initiatives.

During 2007, CoGTA developed the Local Government Anti-Corruption Strategy (LGACS) in order to promote good governance and accountability. The strategy was developed as part of the national strategy to curb nepotism, kickbacks and other corrupt practices that damage the image of local government. The strategy aims at preventing corruption at local government level and further provides a framework for the development of municipal specific anti-corruption strategies. One of the main objectives of the strategy is to encourage a culture of integrity amongst all municipal stakeholders, i.e. employees, members of the public and councillors.

Since the development and launch of the LGASC in 2007, 277 municipalities (districts and their locals) have been supported to develop Anti-Corruption Strategies and Fraud Prevention Plans, and further trained on the implementation of those strategies and plans. About 700 senior officials and councillors were trained in selected municipalities in Ethics Management in local government.

LG ICT Fora were established in all provinces. As part of an overall ICT framework, SITA developed an ICT blueprint for municipalities and are running pilots in some municipalities. On 30 November 2007, the Minister of Communications launched the Municipal Websites Portal. The greatest challenge for Local Government in development and implementation of LG ICT was the unavailability of financial resources. ICT solutions were costly and therefore widespread connectivity was expected to remain a significant challenge for provinces.

6.2.4. Emerging Issues and Lessons

Despite the 2004 and 2006 Cabinet resolutions “to mainstream hands-on support approach to all municipalities”, and the various skills capacity enhancement programmes for municipal efficiency, skills deployment interventions to support municipalities had still not been coordinated through a single point of support.

Resources continued to be dissipated, lessening value-for-money and the impact of the support as a sustainable measure. The capacity enhancement interventions thus far, as well as the legislative and policy commitments to building efficient local government, consistently pointed to lack of a coordinated approach as a root cause for challenges of inefficiency in municipalities.

Lessons learned included that whereas anti-corruption strategies and systems were often fairly strong at metro and district level, municipalities in rural and economically under-developed areas lacked resources to create anti-corruption systems and

structures, and thereby tended to respond to corruption and fraud matters on an *ad hoc* basis.

It was indicated in the November 2007 Progress Report on the LGSA that some of the Offices of the Premiers were not effectively managing their coordination, monitoring and reporting role regarding the implementation of the 5-Yr LGSA. Generally varying reports were received on the effectiveness of the Provincial Departments of Local Government and the provincial sector departments, indicating the degree to which inter-sphere fragmentation was occurring, thereby introducing risk factors into the systemic implementation of the programme.

6.3. Local Government Turnaround Strategy (LGTAS) (2009 – 2013)

In May 2009, the Ministry of Provincial and Local Government was disbanded and replaced by the Ministry of Cooperative Governance and Traditional Affairs (COGTA). In his budget speech for the 2009/10 financial year, the new Minister repeatedly attacked the former Minister (Minister of Cooperative Governance and Traditional Affairs, 2009). The practical effect of the change in leadership was that all existing programmes were put on hold pending a major restructuring of the department, and flagship policies such as the Five-Year Strategic Agenda were discontinued.

In 2009, at the start of the fourth term of government, a country-wide assessment of the state of local government was undertaken, in recognition of the need to have a deeper understanding of the different challenges in municipalities. The State of Local Government Report (2009) laid the basis for the development of the Local Government Turn Around Strategy (LGTAS) as adopted in 2009.

The State of Local Government Report cited the root causes for weak municipal government: (a) systemic factors linked to the model of local government; (b) policy and legislative factors; (c) political factors; (d) weaknesses in the accountability systems; (e) capacity and skills constraints; (f) weak intergovernmental support and oversight as a result of fragmented national and provincial support; and (g) issues associated with the inter-governmental fiscal system.

The evidence from the Report confirmed government's recognition that the vision for developmental local government needed renewed focus on a number of focal points. These included:

- a) The need to reinforce the developmental objectives of local government
- b) The need to strengthen leadership capacity at local level

- c) The need to encourage the involvement of communities and community organisations in the matters of local government

To successfully implement the LGTAS, the following was required:

- (a) National Government (including state enterprises) should organize itself better in relation to Local Government;
- (b) Provinces should improve their support and oversight responsibilities over Local Government;
- (c) Municipalities should reflect on their own performance and identify their own tailor-made turnaround strategies from January to June 2010. These strategies had to be included in their municipal Integrated Development Plans (IDPs), as well as in the Service Delivery and Budget Improvement Plans (SDBIPs) for 2010/11 and 2011/12;
- (d) All three spheres of government should improve Inter-Governmental Relations (IGR);
- (e) Political parties should promote and enhance the institutional integrity of municipalities; and
- (f) Public participation should be enhanced through a set of core values (Ubuntu).

The concept of a *single window of coordination* informed the approach to the LGTAS. This meant there was a single-entry point, via CoGTA for any government programme, policy directive, or other initiative for support that moves into a municipal area. This approach assisted to lessen the fragmentation within the cooperative governance arrangements impacting on local government and local areas. It also provided for a more focused oversight and support role for provinces.

6.3.1. Programme Objectives

The over-arching objectives of the Turn-Around Strategy were to:

- a. Restore the confidence of most of our people in our municipalities, as the primary delivery machine of the developmental state at a local level;
- b. Re-build and improve the basic requirements for a functional, responsive, effective, and efficient developmental local government;
- c. Municipalities to become the nation's pride; and
- d. To ensure that public representatives are truly accountable to the people.

From inception, there was a recognition that the successful implementation of the LGTAS depended on all spheres of government acting in unison; coherently and inter-

governmentally, to support local government. It was also recognised as important to mobilise external stakeholders, hence the crafting of the slogan “Local Government is everybody’s business”.

Within the Strategy, a set of interventions aimed at mobilising government and society to protect and enhance the Local Government system are identified. A range of civil implementation measures, success factors and institutional arrangements are also identified aimed at ‘doing things differently’ to ensure successful implementation of the Turn-Around Strategy.

At local level the municipal Councils, MuniMecs and the District Intergovernmental Forums were required to report on MTAS implementation to their respective provincial oversight bodies. The coordinating framework for the LGTAS was therefore designed to ensure that a close interface with municipalities is maintained, whilst at the same time providing for clear lines of reporting and accountability within the governance environment.

The priority outcome areas of the LGTAS were then formulated into the Ten Point Plan for Local Government:

- i. Improve the quantity and quality of municipal basic services to the people in the areas of access to water, sanitation, electricity, waste management, roads and disaster management
- ii. Enhance the municipal contribution to job creation and sustainable livelihoods through Local Economic Development (LED).
- iii. Ensure the development & adoption of reliable and credible Integrated Development Plans (IDPs).
- iv. Deepen democracy through a refined Ward Committee model
- v. Build and strengthen the administrative, institutional, and financial capabilities of municipalities
- vi. Create a single window of coordination for the support, monitoring and intervention in municipalities
- vii. Uproot fraud, corruption, nepotism, and all forms of maladministration affecting local government
- viii. Develop a coherent and cohesive system of governance and a more equitable intergovernmental fiscal system
- ix. Develop and strengthen a politically and administratively stable system of municipalities
- x. Restore the institutional integrity of municipalities

6.3.2. Interventions

6.3.2.1. Municipal Turnaround Strategies (MTAS)

The adoption of the LGTAS led to each municipality in the country producing their own municipal turnaround strategies (MTAS) which involved considering local conditions derived from the “differentiated approach” to local government.

6.3.2.2. Improved Collaboration

One of the critical success factors outlined in the LGTAS was the expectation that national and provincial government would organise themselves better in relation to local government. One of the initiatives was the “Business-adopt-a-municipality” project that aimed to stimulate local economic development in municipal spaces, and the creation of job opportunities through private sector investment and contribution to poverty alleviation.

6.3.2.3. Financial Management

With regard to financing, the National Treasury, informed by the principles of differentiation, reviewed the Local Government Equitable Share (LGES) formula to recognise the different capacities and revenue raising context of smaller rural municipalities and to consider the impact of urbanisation on urban municipalities.

The Local Government Equitable Share formula was reviewed and approved by Cabinet in 2013 to cater for a financing model that recognises the varied social, economic, technical, and administrative contexts of municipalities. The reviewed Equitable Share was published in the 2013 Division of Revenue Bill and tabled by the Minister of Finance as part of the 2013 Budget on 27 February 2013.

Good and sound financial management is the key to local delivery. Knowledge and management of the budgeting, safeguarding, monitoring, and auditing processes and procedures cannot be over-emphasised. Various support and interventions were implemented by national and provincial government e.g. the support provided by the National Treasury and the Office of the Auditor General to bolster municipalities in strengthening their financial management capability and revenue base.

6.3.2.4. Technical Support

One of the critical interventions identified to accelerate infrastructure roll-out in municipalities in 2009, was the establishment of a special purpose vehicle, known as the Municipal Infrastructure Support Agent (MISA). The agreed broad support areas of MISA for municipalities are:

- Comprehensive Infrastructure Planning at a local and regional level (including prioritisation);
 - Municipal infrastructure development, maintenance, operations, and service provision support;
 - Supporting Infrastructure financing and revenue raising arrangements; and
- Municipal specific and sector-wide capacity development to strengthen technical and institutional delivery and management capacity over the long term.

The Municipal Infrastructure Support Agent was established, and technical professionals were identified and placed in municipalities in collaboration with each of the provinces. This meant that MISA had a “**National Footprint**” in provinces.

6.3.2.5. Provincial Support

Envisaged within the LGTAS was the strengthening of provincial governments by DCoG through establishment of the Technical Support Units (TSU). The beginning of 2011/12 saw the establishment and acceleration of the technical support programme in the provinces, which plays a pivotal role in turning around Local Government. As is evident in the monthly and quarterly reports two main areas of work emerge in respect of the LGTAS. Firstly, the TSU was instrumental in supporting provinces in the review of the Integrated Development Plans and ensure that outcome 9 is expressed within each IDP. Secondly, the TSU assisted municipalities to develop municipal turnaround strategies (MTaS) and where these exist, to ensure their alignment with IDP's and to accelerate implementation thereof.

6.3.2.6. Service Delivery

The “*CLEAN CITIES AND TOWNS CAMPAIGN*” was adopted in 2009. This was a collaborative effort between the Department of Environmental Affairs, COGTA, municipalities and the private sector. The programme was also facilitated through the government Community Works Programme.

Spearheaded by COGTA, the '*Clean Cities and Towns*' initiative aimed to produce thousands of green jobs and reduce levels of unemployment in the country's poorer communities. The aim of the '*Clean Cities and Towns*' programme was to turn open spaces into parks; to plant trees and to promote a green environment in municipalities. The programme brought opportunities for community open spaces to be kept clean.

Communities were encouraged to conduct clean up campaigns to keep their environment clean, promote environmental education and recycling. The goal was to reduce the amount of waste that ends up in landfill sites, as they are a major source of harmful gases that are released into the atmosphere. The programme also supported the provision of basic services to poor communities.

6.3.2.7. Governance

Regarding the promotion of good governance, concerted efforts were made to ensure the effectiveness and efficiency of the administrative processes and procedures in municipalities. In 2011, Parliament passed the Local Government: Municipal System Amendment Act, (MSA) to provide for the professionalisation of local government by regulating the appointment of senior managers in municipalities. Some of the major objectives of the MSA are to create career paths in the local public administration, governed by the values and principles of public administration as enshrined in Chapter 10 of the Constitution.

During the Turn Around Strategy Initiative 66 municipalities were subjected to some form of intervention as provided by Section 139 of the Constitution. Three general triggers were identified for these interventions, and these were categorised as governance, financial management and service delivery. By the time of the winding up of the LGTAS initiative there were 15 municipalities that were still (i.e. 2013/14) subjected to section 139 interventions.

To strengthen a people-centred approach to governance and development and *deepen democracy through a refined ward committee model*, COGTA supported municipalities:

- in the establishment and induction of ward committees, in accordance with the relevant legislative framework
- to ensure the development and implementation of ward committee operational plans that are aimed at strengthening the functionality of ward committees by:
 - Ensuring structured ward committee operations;
 - Providing an enabling environment for ward committees to take part in planning, implementation, and monitoring of service delivery at ward level;
 - Outlining the involvement and roles of ward committees in core municipal processes;
 - Assisting with practical implementation of a well-planned, resourced, and structured participation programme including portfolio specific meetings, community feedback meetings;

- Improving the accountability of ward committees and municipal structures to ensure and promote public participation and feedback to communities; and
- Highlighting the involvement of ward committees in the affairs of the council.

6.3.2.8. Capacity Building

Recruitment and Retention Toolkits were developed and shared with provinces and municipalities to promote the development of a Recruitment and Retention Strategy that resulted in the appointment of capable and skilled officials.

The effective implementation of the Minimum Competency Framework contributed to promote a more skilled and professional public service. In this regard CoGTA developed and started implementing a National Capacity Building Strategy, as well as a National Integrated Support Plan, to ensure a skilled and competent local government workforce. A Local Government Learning Network was established to create a platform for sharing good practices.

6.3.2.9. Developmental Support

The primary purpose of the Community Work Programme (CWP) is to create access to a minimum level of regular and predictable work for the unemployed and under-employed. The programme targets the most socio-economically deprived areas where sustainable alternatives are unlikely to become available in the foreseeable future. Designed to use community development approaches to take public employment to higher level, the CWP is one of the key government responses to the challenges of inequality, poverty, and unemployment. In the same way as MISA, the CWP has been rolled out to all provinces and has managed to create work opportunities for the unemployed.

6.3.3. Achievements

The positive results indicated below was attributed to the dedicated and targeted support provided by sector departments to municipalities. It was perceived as a clear indication of how the system of intergovernmental relations and coordinated support to local government was yielding positive results. Some of the support provided by the sector departments and other stakeholders included, but were not limited to:

- a) The Department of Water Affairs (DWA) adopted the *Enhanced Local Government Support Approach (ELGSA)* which was aimed at providing a more structured approach to local government support, and an improvement in linkages for activities impacting on local government across the water value chain. This resulted in a total of 109 municipalities being supported in the 2011/12 financial year to improve their compliance with the *Drinking Water Quality Standards*. DWA also intervened or took proactive steps in 72 municipal areas where service delivery protests had occurred.
- b) The Department of Energy (DoE) allocated a total of R320 million to 9 municipalities through the *Approach to Distribution Asset Management (ADAM)* for the refurbishment of critical electricity distribution infrastructure. Some of the benefits of this project were the accelerated job creation, small contractor development, and support and skills development.
- c) The Department of Environmental Affairs in partnership with CoGTA, successfully launched and implemented the “*Clean Cities and Towns Campaign*” project. This was introduced as a Flagship project within the LGTAS. The aim of the project was to encourage municipalities to reduce the waste on landfill sites, but at the same time assist poor people to get food for their families. The Campaign also aimed at reducing poverty by creating thousands of green jobs in the country’s poorer communities. One good practice example is the Siyazenzela initiative; a “*Food-for-Waste*” project in the Hibiscus Coast municipality, whereby communities received fresh produce from farmers in exchange for waste which was used to feed their animals. The project targeted women and child headed households.
- d) The Department of Human Settlements (DHS) made strides in fast-tracking the provision of formal housing to poor communities by focusing on serviced stands allocations, as well as low income and social housing provision. In this respect, a policy decision was taken to devolve and assign to six Metropolitan Municipalities the housing function.
- e) Significant progress was shown by the Municipal Infrastructure Agent (MISA). By the end of June 2013, a total number of 77 technical experts had been placed in over 100 municipalities across the country. These technical experts supported municipalities in several projects ranging from water supply, sanitation and waste management to energy infrastructure. The overall financial value of these projects amounted to approximately R12.7 billion. This support also resulted in the creation of about 36 000 job opportunities.
- f) The Business-Adopt-A-Municipality programme made huge strides in supporting municipalities. This proved how the private sector could assist government to realise its slogan of “Local Government is Everybody’s business. Be part of it”.

Several Memoranda of Understanding (MOUs) were signed between CoGTA and Eskom, Santam and South African Breweries (SAB) to name but a few, to support municipalities in several specific projects aimed at fast-tracking service delivery.

- g) The successful development of the Ward Committee Operational Plans was a major achievement in ensuring that communities participate in the needs analysis, planning and implementation of the Integrated Development Plans regarding the provision of targeted basic services in ward areas, such as gravel roads, high mast lighting, sanitation, waste disposal, etc. This initiative became part of the efforts aimed at deepening democracy by means of the refined ward committee model.

Although the aggregate collection rate against the billed revenue as at the end of June 2013 was 94.6%, the municipal consumer debt was increasing. The aggregate consumer debt was R86.9 billion as at June 2013, an increase of R2.7 billion (3.2%) over March 2013. The largest component i.e. R55.5 billion (63.9%), of this huge amount relates to households. This in a way confirmed, either the level of unemployment or a culture of non-payment. Non-payment of municipal bills is the result of various reasons, which include incorrect billing, or the substantial increases associated with municipal cost drivers.

The steady increase in debtors also reflected the inability of municipalities to deal with the persistently high level of non-payment. The increase in debt owed to municipalities, was due to the number of accounts in arrears, insufficient contributions for bad debts, or a severe lack of credit control policies and support measures to assist indigents. It is also indicative of the ineffectiveness of the measures applied in municipalities to collect from outstanding debtors. The scope for improving own revenues by ensuring payment of current bills and collecting from outstanding debtors was very large. During the LGTAS initiatives a number of municipalities did demonstrate that collection rates can be improved massively by adopting relatively simple, back to basics type debt management processes.

From 2009 to 2013 the amount of money owed by municipalities also increased. From March 2013 to June 2013 this debt of municipalities increased from R16.8 to R18 billion in June 2013. The rise in the outstanding creditors, especially those in excess of 90 days, re-alerted Government to the cash and liquidity challenges experienced by municipalities.

6.3.4. Key lessons from the LGTAS initiative

Some of the key lessons learned from the implementation of the LGTAS include, but are not limited to;

- The need for an interactive approach to improve the maturity of municipalities' performance information;
- The importance of extensive consultation and engagement with the sector;
- The need to undertake a review of reporting requirements imposed on municipalities by other government departments, particularly when it comes to other sectors imposing reporting requirements on municipalities;
- A strong need for the promotion of the principles of cooperative governance; and
- The need to recognise and address the significant challenges that disparate municipal council objectives and priorities pose to developing common and meaningful outcome measures.

The implementation of the LGTAS showed that the sustenance of the areas of good practice, as well as addressing areas of weakness, requires the whole of Government, SALGA, and all key stakeholders to work together to support municipalities.

In September 2014, the new Government Administration post the 2009 National and Provincial elections, identified the transformation of the local government sector as a priority. On 18 September 2014 then President J Zuma launched the ***Back-to-Basics Programme*** that introduced a change in approach to address the challenges experienced by municipalities, the assignment of responsibilities and the creation of a platform for the monitoring of municipal performance.

6.4.B2B (2014 – 2018 and ongoing)

The implementation approach was based on a national programme of action which was adopted by National Executive which included the monitoring of progress on a biennial basis. The Provincial executive was then required to monitor local government progress on a quarterly basis with municipalities monitoring activities monthly. The B2B approach's initial aim at its conception was to specifically focus on the challenges in the local government sphere, in the short and medium term particularly, in order to get the basics in municipal services right.

Highlights of the first phase can be summarised as follows:

- A provincial verification process for the identification of under-performing municipalities was approved by the Local Government MINMec.
- The mobilisation of fundamental stakeholders, namely the governing party, the various PCCs, MINMec, SALGA, the different municipal troika's, and the relevant Parliamentary Committees.
- This process culminated in the Presidential Local Government Summit on 18 September 2014 to agree on an urgent action plan to strengthen local government by getting the basics right. The summit was attended by Mayors, Speakers, Chief Whips, Municipal Managers and Chief Financial Officers from South Africa's 278 municipalities. Also in attendance were Ministers, Premiers, and MECs for Cooperative Governance, Traditional Leaders, Business, Professional Bodies, Trade Unions, SALGA and Civil Society formations to collectively commit to urgent action towards improving the lives of people through improving performance in Local Government. At the Summit all present endorsed the change in approach through the signing of a Declaration, as well as the adoption of an Action Plan that was used as an instrument to address the challenges, assign responsibilities and to create a platform for monitoring performance.
- Provincial Task Teams were establishment in all 9 provinces. Initially these teams verified and amplified the diagnostic assessments initiated by CoGTA, and there-after assisted in the development of municipality-specific action plans.
- Several provincial governments' B2B launches have taken place. These launches aim to get multi-stakeholder endorsement of the B2B approach, as well as the adoption of the various municipal action plans to address the challenges, assign responsibilities and to create a platform for monitoring performance. Getting the basics right will require leadership and commitment by all stakeholders and across government. The launches are at the forefront of mobilizing all sectors of society into the campaign to get back to basics.
- Support and good governance packages were developed and implemented in a number of municipalities such as: Malamulele, Mogalakwena, Makana, Nelson Mandela Bay Metro, Buffalo City, and Oudtshoorn. A number of municipalities were placed under administration in terms of section 139 of the Constitution.
- The B2B approach received a number of private sector support offers. These include offers by Telkom, Old Mutual, FNB, Banking Council, Huawei, and Bain Consulting.

While B2B has had significant successes, it has not yet had sufficient impact in terms of citizens' experience of local government. The implementation of the B2B approach thus far has identified the following concerns as matters that are clouding the experiences of citizens negatively, namely:

- Weaknesses in delivery of basic services remain a reality in many municipalities.
- Only a few municipalities have conducted Citizen Satisfaction Surveys.
- Incomplete and inaccurate data provided by municipalities.
- The quality of diagnostics and analysis of data by DCoG and provincial departments were not good enough and has therefore not lead to effective action to address poor performance.
- The lack of capacity and inappropriate organisational structures and work processes in DCoG impedes its ability to monitor and drive improvements in key performance indicators at municipal level.
- The uneven participation in provincial task teams, and the lack of central coordination and standardization of work of the provincial task teams has resulted in problems with quality of information and in the quality of B2B action plans.
- Certain B2B actions plans do not address specific key underlying causes of problems in municipalities.
- Some of the B2B action plans are incomplete (e.g. they are missing timeframes and responsibilities allocations).
- There is an insufficient mobilisation of social partnerships, such as traditional leaders, business, and civil society.
- There is still a lack of clarity on the role of district municipalities.

7. Assessments of Programmes for the period 2000 - 2018

7.1.Support Programme for Accelerated Infrastructure Development

Composite research report (2008)

A research report by the Support Programme for Accelerated Infrastructure Development in collaboration with the Business Trust and the Presidency, analysed the support programmes to municipalities for the period 2001 – 2007, as follows:

7.1.1. Support to the Functional areas (the five KPAs) of municipalities

The following table summarises support programmes provided to municipalities for the period 2001 – 2007.

	National							Parastatal	Professional Associations			Donors			Private Sector		
KPA	Project Consolidate	PIMSS	ISRDP	URP	MIG	MFMTAP	DWAF	Siyenza Manje	ENERGYS	IMFO	SAACE	LGSP	EU	CMTP	NBI	Old Mutual	Business Trust
Service delivery																	
Local economic development																	
Financial viability																	
Institutional transformation																	
Good governance																	

The table above indicates that the KPAs of national municipal support programmes cover all five KPA areas with some having specific focus areas and others being more general.

7.1.2. Municipal Coverage

The following two tables illustrate the number of municipalities being assisted by national support programmes at the level of municipal category and province.

	No. municipalities	No. with national support programmes	%	Average per municipality supported
A	6	6	100.0	1.8
B1	21	15	71.4	1.9
B2	29	14	48.3	2.0
B3	110	40	36.4	1.3
B4	71	34	47.9	1.6
C1	25	25	100.0	2.0
C2	22	22	100.0	3.2

The first table highlights two issues:

- Often where support needs are greatest (in terms of institutional need), support is least available.
- The biggest gap is at the level of B2 to B4 municipalities.

Coverage per province

Province	No. municipalities	No. with national support programmes	%	Average programmes per municipality supported
Western Cape	30	11	36.7	1.9
Eastern Cape	45	22	48.9	2.7
KZN	61	31	50.8	1.9
Mpumalanga	20	11	55.0	1.6
Limpopo	32	20	62.5	2.0
Gauteng	14	14	100.0	1.9
North West	26	19	73.1	1.7
Northern Cape	31	13	41.9	1.9
Free State	25	14	56.0	1.4
Total	284	155	54.6	1.9

The second table (above) indicates that most provinces had more than 50 percent of their municipalities supported by some type of national support programme and that where municipalities are supported, there are close to two programmes per municipality. However, measuring the incidence of capacity building like this is very misleading as it says nothing of the effectiveness of the support provided. This is a particularly tricky area as there are currently no real benchmarks against which to measure effectiveness at an institutional level, except perhaps for the budget and staffing figures as prepared by the Municipal Demarcation Board (MDB).

7.1.3. Shortcomings /Weaknesses

Several shortcomings and gaps were identified:

<i>Perspective</i>	<i>Component</i>	<i>Shortcomings and gaps</i>
Functional component	Governance and administration	Lack of sector planning at the municipal sphere.
		Lack of IAM investment planning at the provincial and municipal spheres.
		Ineffective co-ordination of municipal support programmes.
	Infrastructure delivery	Procurement delays for infrastructure and service delivery at the municipal sphere.
	Service delivery	Lack of effective operation and maintenance at the provincial and municipal spheres.
	Regulation	Lack of norms and standards by sector departments at the national sphere (with the exception of DWAF).
		Lack of adequate benchmarks against which to measure the effectiveness of municipal support programmes (part of norms and standards).
		Limitations with monitoring and evaluation at the national, provincial and municipal spheres.
		Inadequate knowledge sharing between provincial and municipal support programmes.

<i>Perspective</i>	<i>Component</i>	<i>Shortcomings and gaps</i>
		the case, but to a lesser extent, in provincial departments.
		Limited support to provinces in building their support function to municipalities.
		Lack of differentiation of municipal support programmes.
		Limited support to municipalities in building their authority (and associated programme management) functions.
		Gap in terms of promoting partnership models between the public and private sector in accelerating infrastructure and service delivery.
Fiscal resources		Lack of capacity to spend, rather than a lack of financial resources (both in terms of infrastructure and support).
		Conditionalities associated with the MIG are cumbersome for cities.
		Lack of alignment between MIG and the Housing Subsidy is resulting in delays in infrastructure delivery in cities

<i>Perspective</i>	<i>Component</i>	<i>Shortcomings and gaps</i>
Coverage		Lack of support to municipalities that have the greatest support needs.
		Limited support to provincial departments of Health and Transport.
		Lack of support to provincial departments of Sports and Recreation.
Types of support		No long-term municipal support programmes.
		Lack of clarity on what needs to be achieved by support programmes.
		A focus on short-term gap filling initiatives leading to a cyclical dependence on outside support.
		A focus on deployment of support teams rather than employment of the required skilled professional staff.
		No short term targeted support being provided to metros and B1 municipalities to address their environmental constraints.
		Limited focus on building new skills.
		Limited support to municipalities in building their authority (and associated programme management) functions. This is also

7.1.4. Issues and Emerging Lessons

The experience of these national support programmes to municipalities highlighted several issues:

- There are many support programmes currently operating, but these are poorly co-ordinated, often leading to duplication and confusion.
- There are only a few support programmes providing support in terms of large contractors, capital budget systems and operation and maintenance. Most focus more on general municipal institutional development.
- For local municipalities, where support needs are greatest, support is least available (B2 to B4 municipalities).
- District municipalities all have some form of support programme operating.
- Reports generated for the 5 Year Local Government Strategic Agenda have exposed a poor culture of performance monitoring and weaknesses in control systems at municipal level.

- While there are many programmes, it is difficult to measure their effectiveness, largely due to an absence of benchmarks against which to measure performance.

There are also several general issues or lessons:

- Programmes need to combine both supply (what should be in terms of national policy) and demand (what is in terms of municipal capacity) side approaches.
- Programmes should move beyond a focus on outputs to sustainable outcomes of improved municipal capacity.
- Support programmes need to be longer than two years, with a more realistic time frame being between five and ten years. Time frames should be dependent on sustainably addressing problems.
- Programmes should set clear targets to be achieved.
- Municipalities are different and support programmes need to be sensitive to this.
- Support should not be “parachuted” in and then withdrawn outside of an evaluation of whether the problems have been resolved or not. The focus thus shifted from ad hoc deployments of emergency capacity to ensuring that weaker municipalities had the necessary fiscal and other resources to recruit and appoint appropriate personnel.
- Sustained programmes of support that focus on building the institution are favoured. This is because implementing sophisticated programmes or interventions on a weak institutional base almost invariably leads to a return to original problems. This highlights the need to focus on the basics.
- Many separate programmes, each with their own reporting requirements, create an administrative burden for municipalities.
- Support should come about because of a pact or a mutual agreement between the municipality and the supporter which responds to the unique needs of the municipality. This requires municipalities to be involved in capacity assessments to ensure their buy-in.
- Municipalities should be selected based on a set of simple indicators that define whether a municipality requires support or not.
- Support programmes must be co-ordinated, and this is best undertaken within the context of a framework with clear targets. In the absence of this, coordination can become an end in itself, and ineffective.
- Formal contracts or MOUs must regulate the relationships between the various role-players involved in support.

- Monitoring and evaluation systems must be implemented. Evaluation is particularly important as this identifies the effectiveness of programmes and indicates when it is possible to exit from a municipality.
- The IGR system needs to be strengthened in terms of resources provided to provinces and districts to fulfil their support functions. This is particularly important as it is difficult to administer direct municipal support from the national sphere.

While Project Consolidate was an immediate, ad hoc and limited intervention, the five-year strategic agenda aimed to systematise and locate the lessons from Project Consolidate within the general operations of Government. Initiatives such as Project Consolidate (2004) made significant gains, but also had major weaknesses: e.g. unreliable data, complex reporting and the reliance on substantive institutional support. One of the main challenges in previous initiatives was the weakness of monitoring and reporting. Municipalities have largely failed to report in terms of the Municipal Systems Act as required, since its inception.

7.2. Financial and Fiscal Commission (2009)

In 2008/2009, the Commission undertook research and made several recommendations regarding capacity building in South Africa. The Commission specifically examined the funding and outcomes of such programmes. The Commission made the following recommendations:

- That local government should be central to setting the agenda for capacity building programs.
- That prior to capacity programs being developed and implemented,
 - a comprehensive assessment and design process should be undertaken
 - capacity development programs should be aligned to each stage of the developmental transition of municipalities.
 - capacity development programs should be comprehensive and not only focus on training of personnel and deployment of experts within municipalities
 - government must establish an intergovernmental wide framework for understanding what constitutes a lack of capacity within the context of local government
- That each capacity building program must have a clear outline of measurable objectives, targets, and timelines
- That a variety of grant instruments should be used for addressing different capacity challenges within different functional areas.

Service delivery had in fact been increasing at a remarkable rate but still not in proportion to the increasing financial injection. In 2005, the former **dplg** reported that of the 284 municipalities, 203 could not provide sanitation to 60% of its residents, 155 could not provide water for 60% of properties. In 2005/06 the Municipal Demarcation Board's (MDB) annual Capacity Assessment revealed that 61% of municipalities were performing 50% or less of their functions. Typically, the smaller urban centres and the former Integrated Sustainable Rural Development Strategy (ISRDS) denominated municipalities were the weakest performers.

7.3.CoGTA Assessment of support programmes

A report from CoGTA to the President's Coordinating Council in 2014, provided an assessment by stakeholders of support programmes in implementation at the stage:

The table below highlights some of the stakeholder concerns raised regarding the design and implementation of the existing major support programmes and instruments to municipalities

Support Programme	Factors Impacting on its Effectiveness
LGTAS	<p>Perception that the design of LGTAS is good but that the programme has not been implemented holistically or effectively. There are also inter-provincial differences with provinces such as KwaZulu Natal and the Western Cape showing stronger performance. Some limiting factors are:</p> <ul style="list-style-type: none"> • LGTAS is viewed as “an event” not a strategy – needs clearer link to IDP • No additional funding was allocated for the LGTAS roll-out • Unresponsive to certain challenges • Weak sectoral involvement from other departments • Weak municipal commitment • Lack of professionals at municipal level constrain effectiveness • Incompetent service providers
MISA	<p>Perception that MISA is effective at national level and that certain objectives of the programme are met, such as the artisan programme. Factors limiting the effectiveness of the programme are:</p> <ul style="list-style-type: none"> • Failure to build on the Siyenza Manje programme – starting from scratch • Inadequate management systems in place (need to monitor grant expenditure more closely, conduct assessments of the impact of deployments etc) • Lack of inter-sectoral alignment and involvement • Lack of communication regarding municipal Integrated Support Plans • Provinces perform a limited role – although varies amongst them • Weak collaboration between MISA and DCOG • Need to streamline business and procurement plans • Weak reporting • No clear criteria for deployment of technical experts • Vacancies in municipalities limiting skills transfer
MFMP/OPCA	<p>Perception that there is general progress (some improvement between audit categories) as a result of the implementation of these programmes but the consensus is that 2014 programme targets will not be met.</p> <ul style="list-style-type: none"> • Focus limited to MFMA implementation • National Treasury lacks dedicated municipal support officials • Provincial Treasuries facilitate, co-ordinate, implement, support and monitor the programmes. Role is currently more compliance-focused than strategic. Some provinces lack capacity to implement the programmes. • Reporting on programme is to National Treasury only through the Section 71 and Auditor-General’s reports • Lack of a differentiated approach in the programmes • Lack of municipal capacity/management to implement the audit action plans • Sustainability and ownership of the programmes is questionable

Support Programme	Factors Impacting on its Effectiveness
City Support Programme	<p>Generally the principles behind the programme are supported and it is seen as following a strategic and differentiated approach. However, provinces argue that they have limited knowledge on the programme and that it is being implemented in silo. The perception from national departments is that the effectiveness of the programme is uneven. Other issues raised are:</p> <ul style="list-style-type: none"> • Underspending of programme funds • Planning for the programme is not integrated into the IDP and marketing of the programme is weak • Cities are faced with high rates of urbanisation and in-migration that is undermining their progress
LGSETA Training	<p>The challenges limiting the effectiveness of LGSETA training programmes include:</p> <ul style="list-style-type: none"> • A lack of uniformity amongst municipalities for the co-ordination of training • Employee training budgets are diverted by councils to community training • Skills training plans are very complex at municipal level given the range of municipal occupations • Procurement challenges delay training • There is a shortage of accredited service providers to undertake the training • Skills plans are not aligned to IDPs • Municipal managers do not always co-operate • The release of mandatory grant funds is not linked to municipal planning cycles • Underspending • No consistent M&E system at municipal level for monitoring the WSPs or effectiveness of the training • There is a lack of co-ordination of all training initiatives within the municipality, including that funded by other sector departments • There is a proliferation of regulatory requirements placing additional administrative and cost burdens on municipalities • Training and skills development units are under-capacitated • Lack of direct accountability for skills development and executive management level • Lack of institutional memory owing to staff turnover and institutional restructuring • There is a lack of certainty in discretionary grant funding • Weak capacity in the LGSETA to undertake detailed labour market surveys and analyses – lack of comprehensive forward planning • Weak national, provincial and local level co-ordination of skills training • Current training focus is compliance driven
Technical Assistance Unit	<ul style="list-style-type: none"> • Quality of support is good • Technical assistance does not always result in skills transfer, resulting in a gap after external skills departs

Table: Stakeholder Perceptions of the Effectiveness of Municipal Support Instruments

An evaluation of the support instruments provided the following insights:

Support Instrument	Explanation
Secondments	Secondments from DBSA and MISA are very beneficial to municipalities. The problems with secondments are: the reporting lines, timing, time-period and the mandate to effect change. The management systems are also ineffective. There are instances where councils do not accept the individual seconded. They are also unsustainable as there is a vacuum when the person leaves. There is resistance to change in some municipalities. However, secondments can work. The municipal council should agree to the secondment first before it could be implemented. Secondments create capacity challenges in provincial departments. Interns are only given exposure and not to close human resource gaps.
Forums	Provincial forums are working very well, although provinces indicated a challenge in bringing in sector departments and also with regard to accountability in terms of the actions flowing from the forums. The provinces argue that there is a lack of learning. Municipalities found provincial, SALGA and municipal forums relatively effective. However, in some of the forums, municipalities only attend to account.
Assessments	Provincial Treasury assess mainly municipalities that receive poor audit outcomes. Creditability of reporting is a problem and there is a question as to whether the results of the assessments are accepted by the municipalities.
Templates	Section 71 template is supported. Some of the templates are completed for compliance purposes. The challenge is that templates changes frequently. Confusion is created through the number of reports required from municipalities.
Engagements	Provinces support municipalities through quarterly engagements and visits. National Department are not accessible in most of the time. They do not honour invitations to municipal meetings. There is an overloading of templates.
Training	There are a number training programmes but most of them are not effective. The MFMP is not effective as it takes officials away from work for many days. Attendance of training is a challenge as the right people are not always there. The number of training programmes is often experienced as “overwhelming” by municipalities – takes people away from their desks.

Table: Evaluation of Municipal Support Instruments

7.3.1. Emerging issues and lessons learned

The key messages from the above assessment regarding the effectiveness of the main municipal support programmes and instruments are:

- The design of the major existing support programmes is largely credible and informed by broad individual and institutional support needs of municipalities. However, the lack of customisation and municipal participation in the design of these programmes is a critical weakness and contributing to the lack of buy-in and commitment from the local sphere. The link between planned support and the municipal IDP must be established.
- There is a need for programmes to be aligned in such a manner that integrated support is offered to municipalities. The LGTAS and the City Support Programme have the broadest approach to municipal capacity building focusing on individual and institutional concerns and also addressing some of the issues within the broader environmental and macro context. However, there are constraints in programme implementation and in the instance of the LGTAS it appears to have lost some of its broader strategic focus.
- Hands-on support instruments, such as forums and engagements, are perceived to be the most beneficial to municipalities and should be encouraged.
- The role and responsibilities of national and provincial departments responsible for local government and finance and those of the sector departments with regard to the implementation of these support programmes needs to be more clearly outlined in order to enhance the effectiveness of the programmes. There needs to be stronger inter-governmental co-ordination with clear communication and reporting guidelines for the implementation of the programmes.
- All support initiatives must be properly funded – for example, the LGTAS and section 139 interventions have been constrained through budget limitations.
- Whilst all support programmes should clearly indicate the skills transfer that will take place, the constraints of high vacancy levels and staff turnover rates are acknowledged. These institutional issues must be addressed to improve the effectiveness of the programmes.
- There is a need to continuously assess the impact of support provided to municipalities and to respond accordingly.
- In addition to the major municipal support programmes, there are numerous other municipal support mechanisms and interfaces amongst municipalities, provincial and national government departments, and municipal support agencies.

- A major issue identified by stakeholders that is limiting the effectiveness of support is the limited, fragmented, and uncoordinated approach to engaging, monitoring, and supporting municipalities. This concern is a recurring theme within the report.
- There are clear technical skills gaps throughout government that impact on municipal performance. For example, sector departments responsible for supporting and overseeing municipal service and infrastructure delivery have technical skills gaps that undermine their ability to perform these functions.
- There is a general lack or effective use of strategic and analytical skills throughout government. This undermines the ability of municipalities to be responsive and innovative to development and service delivery challenges.
- There are a significant number of sectoral government departments, both at national and provincial levels, that impact on the performance of municipalities. All these departments require dedicated capacity to support and monitor municipalities and in many instances this capacity is lacking. Furthermore, there appears to be a shortage of, or lack of use of, strategic and analytical skills at these levels to assist municipalities with strategic planning and management.
- Whilst all sector departments require capacities to support and monitor municipalities, there is a definite need to strengthen the role of DCOG and provincial departments responsible for local government in overall co-ordination of support and monitoring. This requires capabilities for research, analysis, strategic planning, co-ordination, and programme management.
- This co-ordination role of DCOG and the provincial departments responsible for local government will need to be directly mandated by the President and Premiers with clear reporting and accountability lines.
- A co-ordinated capacity to analyse municipal performance data and engage municipalities to adopt appropriate responses should be located within provincial departments responsible for local government.
- The provincial sphere of government appears to be the most appropriate sphere to provide direct support to and monitoring of municipalities. This role needs to be defined and supported by the national sphere. In all instances support must be linked to ongoing monitoring of municipalities.
- The implementation of the *Professionalisation Framework for Local Government* will go a long way to structuring the building and retaining of skills within the sector;
- This report highlighted the fact that the focus on compliance within all three spheres of government and the perception of municipalities as the “delivery sphere” of national and provincial policies and programmes has contributed to

a culture of mediocrity within the sector. Institutional interventions that encourage innovation, creativity and critical thinking are required in addition to skills development.

- Silo-operating within government must also be addressed. The above assessment of roles and responsibilities of stakeholders impacting on the performance of municipalities highlights the critical need for greater inter-governmental co-operation. Furthermore, the *State of the Cities Report* highlighted the need for “planners, surveyors, engineers, developers, environmentalists and other professionals to co-operate. Municipal accountants, audit officials, financiers and regulators need to understand the importance of integrated investment decisions, innovative thinking and flexibility.”

8. Other programmes not identified in the PC request

A few other programmes not mentioned in the request received from the PC emerged during the development of this report:

8.1.Consolidated Municipal Transformation Programme (2004-2009)

The Consolidated Municipal Transformation Programme (CMTP) sponsored by the United Kingdom’s Department for International Development (UK DFID) is a five-year (£11 million) programme funded in terms of a bilateral agreement between the United Kingdom’s DFID and the South African Government.

8.1.1. Programme Objective

The programme aimed at making a difference in eight municipalities in three South African provinces, namely Limpopo, KwaZulu-Natal and the Eastern Cape. The purpose of the CMTP is to support the emergence of municipalities that offer democratic participation and wider, affordable, and financially sustainable service delivery.

This translated into support for the development of a well-structured, informed local municipality, which complies with the legislation, encourages citizen participation and ensures that interventions reflect citizens’ needs and priorities. The programme funds integrated service facilitators, many with an international background, along with financial advisors appointed by the National Treasury in the municipalities to assist in key areas. The programme also funds activities in the areas of municipal journalism, anti-corruption, and HIV/Aids.

Stakeholders in the programme were:

- Deloitte & Touche SA (new name is Deloitte) and Kayamandi: – joint venture contracted as managing consultant for CMTP: ISF
- Department of Provincial and Local Government
- DFID: – funding agent of the UK Dept. for International Development (UK and SA offices)
- National Treasury
- South African Local Government Association (SALGA)

8.1.2. Interventions Implemented

At the municipal level, full time, senior, Integrated Services Facilitators (ISFs) were deployed to eight municipalities for a period of three years. They worked together with Finance Advisors which are part of the MFMTAP.

The programme contributed to consolidation of accountable local democracy and pro-poor service delivery in four output areas: accountable and ethical governance, service delivery, financial management and intergovernmental relations. This model has proved effective.

It has also supported **dplg** (anti-corruption, municipal journalism, and intergovernmental relations) and the Office of the Auditor General. This programme has played a key role in creating a model for the conceptualisation of Project Consolidate's SDFs.

8.1.3. Achievements

- CMTP municipalities developed anti-corruption strategies.
- Municipal journalism promoted
- HIV/Aids strategies prepared for CMTP municipalities.
- Intervention strategies in all CMTP municipalities.

8.1.4. Emerging Issues and Lessons

- Programme management critical
- Good model – Integrated Services Facilitators (ISF's)
- Good to link municipal and national processes – empirical base.
- Good linkage with MFMTAP.
- Choice of municipalities is critical (problems with two of those chosen).
- Selection of ISFs/recruitment critical.

- Co-ordination has been a challenge.

8.2. The Municipal Finance Management Technical Assistance Programme (MFMTAP)

NT has deployed 22 finance advisors and 450 graduate interns to municipalities. Also 5 advisors to provincial Treasuries: NW, Mpumalanga, Eastern Cape, Limpopo, Free State (figures as of June 2006).

MFMTAP has supported mostly high capacity municipalities and five provinces for a period of two years and has, in building in house financial management capacity in line with requirements of MFMA through deployment of international Finance Advisors and South African interns for a period of two years. Significant improvements have been achieved in those municipalities supported, in terms of municipal financial management in general and compliance with the MFMA.

A partner programme to this is the *Municipal Finance Management Intern Programme (MFMIIP)* which has seen the deployment of 450 graduate interns to municipalities.

8.2.1. Achievements

- The Office of the Auditor General was supported in designing and piloting a financial progression model.
- An audit of Section 100/139 interventions.
- IGR Handbook for Practitioners.
- Good programme management arrangements (programme management manual, programme co-ordinator, two national co-ordinators, finance, and procurement managers, monitoring and evaluation strategy, capacity building and knowledge sharing strategy).

8.2.2. Emerging Issues and lessons

- Phase in implementation. When introducing reforms, it is often most effective to begin with those municipalities that have capacity, rather than those that represent the greatest need. Combining the introduction of new legislation (in this case the MFMA), with financial support (the Financial Management Grant) together with expert advisors (MFMTAP), an internship programme (MFMIIP) together with technical information (NT website) is an effective model.

- Defining targets together with formats and templates for reporting helps to focus activities (implementation planning, 12 urgent priorities checklist, SDBIP, budget format templates, annual reporting templates).

8.3. Local Governance and Development Support Programme

The Local Governance and Development Programme of the German Technical Corporation (GTZ) implements various public financial management reform initiatives aimed at strengthening local government programmes, the enhancement of business development services and local economic development, and facilitation of municipal finance management capacity programmes. With the support of USAID, the Housing and Municipal Services Programme focuses on South Africa's efforts to rollout a new municipal budget process to 175 municipalities through technical assistance in capital investment planning, improved budget information management, monitoring and training. The Democracy and Governance Programme facilitated anti-corruption reforms during 2006. USAID also funded operations of the Department of Justice's forensic audit unit to prosecute embezzlement, training of corruption prosecutors and establishing two commercial crime courts.

Future plans were to assist municipalities to institute transparent hiring, procurement and complaint resolution systems. Although various programmes were initiated to strengthen operational capacity and to enhance public financial management abilities, research has shown that public service organisations still fail to deliver the goods and services required to accelerate economic growth, reduce poverty and inequality and improve the lives of all South Africans. It is also evident that the main problem is not necessarily due to inadequate funds, but it is about the changing role of operational managers in terms of the alignment of strategic and operational plans with financial management best practices³.

8.4. Outcome 9 (2009 – 2014)

In 2009, government reconfigured the State through the National Macro Organisation of the State (NMOS) process which was meant to build a performance-oriented State that would deliver services better, faster and smarter. The reconfiguration resulted in the establishment of the Department of Performance Monitoring and Evaluation and the National Planning Commission. The purpose of this was to address gaps in coordination, planning, monitoring and evaluation. The National Planning Commission was tasked with producing a long-term plan for the country.

³ Jordaen, J. 2013. Public financial performance management in South Africa.
<https://repository.up.ac.za/bitstream/handle/2263/24808/06chapter6.pdf?sequence=7&isAllowed=y>

Government introduced the Outcome-based approach, and 12 outcomes were adopted as the key focus for work to be carried out between 2009 and 2014. Each outcome has a number of measurable outputs with targets. Each of the 12 outcomes has a Delivery Agreement which, in most cases, involves all spheres of government and a range of partners outside government.

COGTA was responsible for Outcome 9: “A Responsive, accountable, effective and efficient local government system”. To achieve this outcome, the following outputs with specific targets were adopted:

Output 1: Implement a differentiated approach to municipal financing, planning and support

Output 2: Improving Access to Basic Services.

Output 3: Implementation of the Community Work Programme

Output 4: Actions supportive of the human settlement outcomes

Output 5: Deepen democracy through a refined Ward Committee model

Output 6: Administrative and financial capability

Output 7: Single Window of Coordination

To this end COGTA rallied all efforts to realise the objective of LGTAS through a focused Agenda. Outcome 9 aimed to address some of the shortcomings of previous support such as:

PREVIOUS SUPPORT INITIATIVES	CURRENT APPROACH (outcomes-based government)
Technocratic driven	Hands-on political management and oversight.
Problem (Symptom) driven	Solve underlying root causes of local government non-performance.
Managed through voluntary intergovernmental cooperation, nor well monitored and controlled.	Implementation Forums to control and monitor and Performance Agreements.
Myriad IGR structures	Single window of Coordination: COGTA & Implementation Forum established.
‘Parachuting’ projects into municipalities	Protecting the Institutional Integrity of municipalities by working together with the key structures of coordination in each sphere.

PREVIOUS SUPPORT INITIATIVES	CURRENT APPROACH (outcomes-based government)
Addressing problems manifesting from uncoordinated legislative amendments.	Structured fundamental review of policy and legislation.

The Outcome 9 programme identified the following priority issues which constituted the Agenda for accelerating the LGTAS implementation programme:

- **Promoting sound financial management** which included:
 - Improving the audit outcomes of Municipalities to enhance good financial management and governance;
 - The Municipal Infrastructure Grant (MIG) and the Municipal Systems Improvement Grant (MSIG) in respect of monitoring the administration of these grants to adhere to the Division of Revenue Act when administering MIG and MSIG;
 - Support to municipalities to enhance their revenue, inter alia, through the finalisation of the Municipal Property Rates Amendment Bill;
 - Reviewing the Financial and Fiscal system including the revision of the local government equitable share formula to ensure that it is distributed equitable to all municipalities;
 - Enhancing partnerships with stakeholders to promote sound financial management, e.g. the National Treasury regarding IT matters and the Siyenza Manje programme in respect of financial matters, and the Auditor-General and the Institute for Municipal Finance Office bearers.
- **Enhancing Good Governance** which included:
 - Public participation and the new legislative framework for ward committees to strengthen community participation through ward committees;
 - The professionalization of Local Government through legislative amendments in the form of municipal staff regulations to have standardised municipal staff systems and procedures to enhance institutional efficiency and effectiveness;
 - Operation Clean Audit which included the establishment and functionality of Municipal Public Accounts Committees (MPACs) to strengthen municipal council oversight - thereby increasing the council awareness of the financial and performance issues of the municipality and its entities.

Councillor training, in partnership with SALGA, to identify capacity-building initiatives to appropriately capacitate councillors in order that they understand and perform their roles and responsibilities effectively and efficiently.

- **Fighting corruption** which included:
 - Reducing incidences of unethical conduct by supporting municipalities to empower officials and elected representatives to promote an ethical culture as well as making ethical decisions; and
 - Investigating alleged fraud and corrupt activities to minimise the incidences of fraud and corruption.
 - Promoting awareness of corruption and unethical conduct at the National House, Provincial Houses and Local Houses.
- **Accelerating service delivery** which included:
 - Reporting and assessing the progressive access to basic services through the coordination of information and statistics provided by sectors and stakeholders;
 - Integrated development planning by, amongst others, supporting smaller municipalities to implement a revised IDP framework to ensure that municipalities develop plans that address the priority needs of their communities;
 - Local Economic Development to support job creation through the Community Work Programme, the support of Cooperatives and Business Development Forums in Municipalities; the support of the development and signing of Memoranda of Understanding between businesses and municipalities in terms of the Business-Adopt-a-Municipality Programme; and to support municipalities to implement the Clean Cities and Towns Programme.
 - Ensuring involvement of traditional/indigenous leaders and communities during IDP processes and in ward committee meetings.
- **Facilitating sustainable infrastructure development** which included:

Funding the acceleration of the access of households to basic services with regard to water, sanitation, roads and community lighting through the MIG Grant;

 - Establishing the Municipal Infrastructure Support Agency (MISA) to coordinate the acceleration of municipal infrastructure delivery and provision of basic services;

- Integrating and coordinating long term infrastructure built throughout the country through the Presidential Infrastructure Coordinating Commission (PICC).
- Ensuring that traditional leaders are effectively consulted in their areas throughout the infrastructure development process and that they become integral part of the implementation of the programmes.

Another intervention included in Outcome 9 is the simplification of IDP's and a revised simplified IDP framework for smaller municipalities is awaiting MinMec approval. The following actions envisaged in the ten point plan are not currently directly dealt with in the Outcome 9 Delivery Agreement or Annual Performance Plan:

- a) Environmental challenges, such as climate change and reducing carbon emissions, must be incorporated into the local plans of municipalities.
- b) The development of Spatial Development Frameworks by municipalities must enable municipalities to know and guide what is happening in every square meter and kilometre in municipalities.
- c) Spatial planning must reflect a decisive break with the apartheid spatial planning of the past.

8.5.City Support Programme

The objective of the CSP was to support the spatial transformation of South African cities to create more inclusive, productive, and sustainable built urban environments

The following outcomes were envisaged:

- More inclusive cities
- More productive cities
- More financially sustainable cities
- More environmentally sustainable cities

The following were identified as critical areas for intervention:

- i. Core city governance implementation support
 - Integrated planning & budgeting
 - Basic service delivery
 - Sustainable public finance management
 - Reporting, M&E systems
- ii. Human Settlements Support
- iii. Up-scaling of upgrading of informal and backyard settlements

- iv. Expanded production of well-located, serviced urban land
- v. Review of land use management protocols
- vi. Strengthening of municipal implementation management capacity

- vii. Public Transport Support
 - Restructuring & devolution of public transport financing arrangements
 - Establishment & capacitation of effective transportation management entities at city level
 - Preparation of integrated transport plans
 - Resolution of outstanding fiscal & financial issues

- viii. Climate Resilience & Sustainability Support
 - Scaling up of climate adaptation & mitigation interventions
 - Leveraging of global funds, experience & expertise
 - Mainstream climate resilience & sustainability issues across major infrastructure sectors
 - Improve overall performance in core environmental areas e.g. air quality, open space management, environmental planning

8.6. Governance Support Programme (2013-2017)

The Governance Support Programme (GSP I) was a technical cooperation initiative agreed to between the governments of South Africa and Germany. It was implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). The GSP I spanned a four-year term from 2013 to 2017 and provided technical, process and policy support to the South African government to remedy systemic shortcomings in service delivery.

The work activities of the programme were focused on three key areas which were identified as pivotal to improving service delivery:

- i. Policy coherence and intergovernmental relations, which focuses on the improvement of institutional, functional, and fiscal framework conditions for coherent, coordinated and evidence-based policy implementation across South Africa's multi-sphere government system.
- ii. Quality and efficiency of the core processes of human resources, finance and service delivery, which focuses on improving human capacity development, organisational capacities and financial management for better service delivery in selected public institutions.

- iii. Accountability, administrative justice and public participation, which has a specific focus on access to administrative justice and the promotion of ethics and accountability within public institutions, as well as ensuring citizens' participation in governance matters.

8.6.1. Interventions Implemented

To provide specific support to the DCoG an urban governance framework was drafted, which highlights the key challenges for and experiences of metropolitan and urban municipalities in implementing their assigned functional responsibilities. The framework also focuses on how these municipal responsibilities relate to intergovernmental challenges and relations with national and provincial sector departments. The framework outlines recommendations to improve the implementation of these responsibilities through, for example, intergovernmental legislative and policy amendments such as reviewing the current transport legislation to assign more specific responsibilities to metropolitan municipalities.

The Ehlanzeni District Municipality was supported to improve and update its district-wide intergovernmental relations (IGR) guidelines to be more practical and user friendly, and to improve its approach to intergovernmental functional support and implementation within the district and its local municipalities. The updated guidelines enable the Ehlanzeni District Municipality to address previous governance challenges.

Ehlanzeni District Municipality received support on the establishment and strengthening of an M&E unit. An expert was placed in this unit to further improve its capacity and to enable the district municipality to better support its five local municipalities with their M&E responsibilities and functions. The use of M&E for planning and management was also supported and strengthened in the district, as well as the district municipality's capacity to use evaluation towards more informed decision-making. All departments within the municipality were assisted in improving the quality of data collection, data capturing in an integrated system and data analysis for improved strategic and developmental planning.

The Mdantsane Township was established as a residential town in the Eastern Cape province in the 1960's but was politically and administratively separate from East London (its closest large town). This area now falls under the jurisdiction of Buffalo City Metropolitan Municipality (BCMM). Despite its development as an independent urban entity over the years, the available space was never optimised to accommodate its undulating and fragmented terrain, imposing many social and economic costs on

the residents. Together with BCMM and the National Treasury's City Support Programme, the GSP created a precinct management model for Mdantsane Township, focussing on its central business district. Challenges around community identity, the sustainability of new and existing assets, investment attraction and the liveability of the space were addressed.

Mkhondo Local Municipality is situated close to the Swaziland border in eastern South Africa. A rapidly growing urban node in its main town, eMkhondo (previously Piet Retief), analysis of recent demographic statistics and the need to comply with government's new spatial planning and land use regulations urged the municipality to request support from the GSP to review its Spatial Development Framework (SDF). The paper company Mondi Group, which has large forestry assets in the area, partnered with the GSP on this initiative as well as another GIZ programme, the Centre for Cooperation with the Private Sector (CCPS). Municipalities in South Africa are required by law to produce an SDF, a document that guides and regulates land development and land use in a municipality's area of jurisdiction, in line with the municipality's development vision, goals and objectives. With a new SDF in place, Mkhondo Local Municipality is better able to visualise the growth and development of its landscapes.

Leandra is a small community in Mpumalanga province, close to the border with Gauteng province. It reached historical prominence during the 1980s when community members and police clashed over residents' forced removal to what was known during the time as KwaNdebele homeland. Leandra is home to about 80 000 people. In 2014, a strong need for re-envisioning the space was identified. The GSP created an urban development framework for Leandra, which provides the community with a map towards improving transport nodes (as most of the residents are migrant workers) and a fresh style of urbanism, which seeks to bring together modern lifestyles, housing, places of employment, retail activity and leisure time. This initiative was implemented in partnership with the Leandra Community Centre, ensuring engaged community consultation in drafting the framework.

Partnering with the DCoG, the GSP piloted the local government professionalisation assessment tool in Buffalo City Metropolitan Municipality, Ehlanzeni District Municipality, and Ntabankulu and Ndlambe local municipalities. This tool is used to assess the ability of local government to deliver on the four dimensions of professionalism as set out in the local government professionalisation framework, which was designed by one of the GSP's predecessor programmes. The four

dimensions are: • Local government service orientation • Technical professionalism • Managerial and leadership professionalism • Administrative professionalism. By applying this tool, HR practitioners in municipalities will be able to assess shortcomings and areas of additional capacity development, with the intent of addressing them through development orientated HR practices.

9. Conclusion

Ten critical intervention areas have been identified over time, that if addressed, should significantly improve the effectiveness of municipal support, namely:

- i. Co-ordinated and adequately funded support and monitoring;
- ii. Differentiated and customised municipal support responses;
- iii. Ensuring the financial viability of municipalities;
- iv. Building strategic leadership that is both visible and strong;
- v. Focusing on the building of strong, resilient local economies;
- vi. Enforce regulatory and legislative compliance;
- vii. Address the continuity of leadership;
- viii. Address vacancies and key skills gaps;
- ix. Strengthen public participation processes; and
- x. Address bulk infrastructure demand gaps.

