**MEDIA STATEMENT**

**COMMITTEE ON COGTA ENGAGES WITH DEPARTMENT OF COGTA AND NATIONAL TREASURY ON IMPLEMENTATION OF INTERVENTIONS**

**Parliament, Tuesday, 24 August 2021 –**The Portfolio Committee on Cooperative Governance and Traditional Affairs (Cogta) had an engagement today with the Department of Cooperative Governance and National Treasury on the state of local government report. The engagement was a continuation of the meeting of the committee with the department on 3 August, on the implementation of Cabinet resolutions relating to the findings of the state of the local government report.

Following the tabling of the report, Cabinet tasked the department and National Treasury to lead the process of developing municipal support plans in collaboration with provinces, municipalities and other sector departments. Furthermore, Cabinet also resolved that the department and Treasury lead in identifying those municipalities that warrant intervention and advise on the mode of intervention that should be applied.

The identified candidates for intervention were to also include municipalities that the department needs to take over, in terms of Section 139(7) of the Constitution. In the previous meeting, a list of 64 municipalities were presented as dysfunctional, but the focus was mainly on those in the Northwest Province. The committee also wanted a countrywide analysis, encompassing all 64 municipalities identified as dysfunctional.

Today’s presentation indicated that 26 of these municipalities are already under constitutional intervention, which leaves a question mark as to the action plan in respect of the outstanding 38 municipalities.

“We were also informed that national and provincial departments of cooperative governance and traditional affairs, as well as provincial departments of treasury are implementing a package of interventions to assist these municipalities. However, the focus at the time was on the Northwest,” said the Chairperson of the committee, Ms Faith Muthambi.

She continued: “We therefore wanted a detailed report on this package, focusing on the whole country. There were also timeframes presented with regard to the development of the municipal support and intervention package. The process was envisaged to be concluded by end of next month.”

Ms Muthambi told the department that some of the deadlines have since passed and the department must advise on whether the relevant milestones have been achieved as envisaged.

The committee has been requesting close-out reports from previous Section 139(1)(b) interventions, to understand exactly what the administrators have been doing, particularly when some municipalities remain dysfunctional despite previous constitutional interventions. “We made the same request in the previous meeting and it has not been complied with. I urge the department to take note of this and correct it,” said Ms Muthambi

The committee also engaged with the National Treasury on the negative impact of their principle of withholding the equitable share to local municipalities with disclaimer audit outcomes, political instability and with unfunded budgets. The committee will call all the 108 local municipalities that pass unfunded budgets.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS.**