**CONSOLIDATED REPORT OF THE SELECT COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS WATER, SANITATION AND HUMAN SETTLEMENT ON CONSIDERATION OF 2022/23 ANNUAL PERFORMANCE PLANS AND BUDGET ALLOCATIONS OF THE DEPARTMENT OF COOPERATIVE GOVERNANCE, THE DEPARTMENT OF TRADITIONAL AFFAIRS AND THE MUNICIPAL INFRASTRUCUTRE SUPPORT AGENT: DATED 17 MAY 2022**

Having considered and deliberated on the 2022/2023 annual performance plans and budget allocations of the Department of Cooperative Governance, the Department of Traditional Affairs and the Municipal Infrastructure Support Agency, the Select Committee on Cooperative Governance and Traditional Affairs, Water, Sanitation and Human Settlement; reports to the National Council of Provinces as follows:

**1. INTRODUCTION**

1.1. The National Treasury regulations provide the basis for the development and submission of Strategic Plans and related quarterly performance reporting. The revised framework on Strategic Plans and Annual Performance Plans requires departments to: iinstitutionalise planning, budgeting, reporting, monitoring and evaluation and align, the planning process and all the planning documents (Strategic Plans (SPs), Annual Performance Plans (APPs) and Annual Operational Plans (AOPs) with the MTSF, .and to describe outputs that are their direct responsibility in the list of programmes / sub-programmes. Any outputs from implementing agencies should be reflected in an annexure to the APP.

1.2. The Money Bills Amendment Procedures and Related Matters Act (2009) empowers Parliament to recommend, reject or amend budgets of National Departments and Organs of State.

1.3. The Act also enjoins Committees of Parliament to compile and adopt Budget Vote Reports, based on interactions with the relevant Departments - and Entities reporting to them - on their Strategic Plans, Annual Performance Plans and Budgets.

1.3. The Select Committee on Cooperative Governance and Traditional Affairs has a constitutional mandate to exercise oversight over the Department of Cooperative Governance (DCoG), Department of Traditional Affairs (DTA), Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities (CRL Rights Commission), the South African Local Government Association (SALGA), the Municipal Demarcation Board (MDB), and the Municipal Infrastructure Support Agent (MISA),

1.4. As part of ensuring executive accountability, strengthening parliamentary oversight and preparing members for the policy debates, the Select Committee considered on 10 May 2022, the annual performance plans of the Department of Cooperative Governance (DOCG), the Department of Traditional Affairs (DTA) and the Municipal Infrastructure Support Agent (MISA)

1.5. This Consolidated Report of the Select Committee is structured into three section. The first section focuses on presentation of the annual performance plan and budget allocation of the Department of Cooperative Governance. The second section focuses on presentation of the annual performance plan and budget allocation of the Department of Traditional Affairs. The final section focuses on the presentation on Municipal Infrastructure Support Agency

2. **Presentation on the Annual Performance Plan and Budget Allocation of the**

**Department of Cooperative Governance**

2.1. The Director-General presented the 2022/2023 Annual Performance Plan and budget allocation of the Department of Cooperative Governance. The presentation focused on outputs, indicators and annual targets and budget allocation related to five programmes of the department.

2.2. These departmental programmes include Administration; Local Government Support and Intervention; Institutional Development; National Disaster Management Center; Community Work Programme and overall METF budget allocation

2.3. The Directed- General indicated that the Department has revised its Strategic Plan 2019-2024 to ensure alignment to the core mandate. This resulted in the review of the Departmental Operating Model and Organizational Structure.

2.4. The review of the Strategic Plan was also informed by the review of the MTSF by DPME, including the need to adjust the plans in line with the COVID-19 pandemic and unrests in KZN and Gauteng. The Annual Performance Plan FY 2022/23 for the Department of Cooperative Governance (DCOG) was submitted on 11 March 2022 for tabling in Parliament

**3. Programme on Administration**

3.1. The 2022/2023 output of this programme includes approval Corporate Services Improvement Plan (CSIP); reports on implementation of the plan; approval and reports of Financial Management Improvement Plan (FMIP) and reports on implementation of the plan; Report on investigated corruption cases

3.2. The performance indicators and annual targets of the this programme include unqualified audit opinion for 2021/22 financial year by 31 March 2023; 90% implementation of approved FMIP by 31 March 2023; 90% of reported corruption cases investigated and resolved by 31 March 2023 and Policy toolkit developed by 31 March 2023

**4. Programme 2: Local Government Support and Intervention**

4.1. The output for programme 2 include one plan on District Development Model Gender responsive District Development Model framework; integration of district Development model with monitoring framework and report on the integration of economic development plans integrated in Development Model one-plans

4.2. The annual targets of programme 2 include submission of 44 district and 8 metro One Plans to Minister by 31 March 2022; inclusion of Gender responsive targets and indicators in DDM framework by 30 September 2021; Integrated Monitoring framework for DDM reporting developed and approved by the Minister by 31 March 2022; Report on alignment of IDPs to DDM One Plans developed by 31 March 2022 and; Report on the integration of economic development plans in all DDM One-Plans developed by 31 March 2022

.

**5. Programme 3: Institutional Development**

5.1. The major outputs of the programme 3 include; the Municipal Financial Viability Assessment and Improvement Tool; inincreased efficiency in electricity provision; rreport on the support on preparation of local government elections; Integrated local government capacity building strategy; reports on National Responsible Citizenry Campaign; Reports on MPAC (Municipal Public Accounts Committees) functionality and improved audit outcomes

5.2. The annual target for this programme include the development of Funding Model for Local Government by 31 March 2022; development and approval of Municipal Financial Viability Assessment and Improvement Tool by 31 March 2022; report on support provided to stakeholders for the 2021 local government elections by 31 March 2022; Reports on Stakeholder engagements conducted in a total of 16 districts by 31 March 2022; development of 4 MPAC functionality assessment reports by 31 March 2022

**6. Programme 4: National Disaster Management Centre**

6.1. The outputs of this programme include; support of mmunicipalities in priority disaster areas to prevent, prepare for and mitigate disaster risks; report on Sector departments supported in the implementation of disaster funding arrangements; reports on Disaster grants performance and expenditure and; assessment reports on support for the implementation of the disaster management function in sector departments

6.2. The annual target for this programme include support of 10 municipalities in priority disaster areas d to prevent, prepare, and mitigate disaster risks through applicable disaster management plans with a focus on all hazards inclusive of COVID-19 by 31 March 2022 and production of 4 monitoring reports on Disaster grant funding expenditure by 31 March 2022

7. **Programme 5: Community Works Programme**

The outputs of this programme include enrolment and training of participants for Community Works Programme and implementation of new model on community works programme

The annual targets for this programme include participation of 250,000 people in the CWP programme by 31 March 2022; training of 25 000 CWP Participants annually by 31 March 2022 and development and approval by the Minister by 30 September 2021 of the implementation of new CWP model

**Table 6: Overall MTEF Budget Allocation of the Department of Cooperative Governance**

|  |  |  |  |
| --- | --- | --- | --- |
| **DCOG Overal** | **2021/22**  **(R’000)** | **2022/23**  **(R’000)** | **2023/24**  **(R’000)** |
| **Current payments** | 4 951 839 | 5 092 114 | 5 094 252 |
| **Compensation of employees** | 352 265 | 347 828 | 331 683 |
| **Goods and services** | 4 599 574 | 4 744 286 | 4 762 569 |
| **Transfers and subsidies** | 95 746 227 | 101 770 786 | 102 855 792 |
| **Payments for capital assets** | 6 666 | 7 063 | 7 364 |
| **Grand Total** | 100 704 732 | 106 869 953 | 107 957 408 |

**8. Observations of the Select Committee**

**8.1. Having considered and deliberated on the annual performance plan and budget allocation of the department, the select committee has observed and noted that:**

8.1.1. The Department of Cooperative Governance has revised its Strategic Plan 2019-2024 to ensure alignment to the core mandate. This resulted in the review of the Departmental Operating Model and Organizational Structure.

8.1.2. Thee review of the Strategic Plan was also informed by the review of the MTSF by DPME, including the need to adjust the plans in line with the COVID-19 pandemic and unrests in KZN and Gauteng.

8.1.3. The Annual Performance Plan for financial year 2022/23 of the Department of Cooperative Governance (DCOG) was submitted on 11 March 2022 for tabling in Parliament.

8.1.4. The Department presented to Cabinet on 30 June 2021 the State of Local Government Report and that a total of 64 municipalities were identified with challenges across the key performance areas of governance, administration, service delivery and financial management. The department supported all 64 municipalities to develop municipal support and intervention plans (MSIP)

8.1.5. While welcoming the 2022/2023 Annual Performance Plan of the Department, The general concerns raised by the Select Committee which affect some municipalities included delay on tabling of Intergovernmental Monitoring, Support, and Intervention Bill (IMSI, failure to table section 48 consolidated national report on the performances of the municipalities, lack of consequence management; non –functionality of Municipal Public Accounts Committee, lack of absorption and exit strategy on community works programmes, irregular and wasteful expenditure, lack of skills of appointed administrators as well as slow progress on processing of corruption cases in the municipalities

**9. Recommendations of the Select Committee**

**9.1. Having considered and deliberated on 2022/2023 Annual Performance Plan and Budget Allocation of the Department of Cooperative Governance, the Select Committee reports to the National Council of Provinces as follows:**

9.1.1. The Department of Cooperative Governance should fast- track the tabling of Monitoring and Intervention Bill so as to provide guidelines and norms on the invocation of section 139 in the municipalities and minimum standards for the Administrators

9.1.2. The Department of Cooperative Governance should table section 48 Consolidated National Report on the Performance of the Municipalities in the Provinces in terms of the requirement of Local Government: Municipal System Act of 2000.

9.1.3. The Select Committee to align its quarterly programs in line with annual targets of the Department of Cooperative Governance in order to ensure monitoring, executive accountability and parliamentary oversight on the implementation of the 2021/2022 Annual Performance Plan

9.1.4. The Select Committee to develop a programme that will allow the Department of Cooperative Governance to brief members on the State of Local Government Report and 64 municipalities which were identified with challenges across the key performance areas of governance, administration, service delivery and financial management including support provided

9.1.5. The Select Committee should during 2022 parliamentary fourth term scheduled meeting with the Department of Cooperative Governance to consider departmental Annual Report on the achievements and challenges related with strategic priorities contained in the annual performance plan

**10. Presentation on 2022 /2023 Annual Performance Plan and Budget Allocation of the Department of Traditional Affairs**

10.1. The Director-General presented the 2022/2023 Annual Performance Plan and Budget allocation of the Department of Traditional Affairs. The presentation focused on outputs, indicators and annual targets related to departmental programmes. These include programmes on administration; research, policy and legislation; institutional support and coordination and budget allocation over the medium term period

**11. Programme on Administration**

11.1. The 2022/2023 performance outcome of this departmental programme includes; effective governance of the Department and transformation of the institution of Traditional and Khoi-San Leadership

11.2. The 2022/2023 annual targets of this programme include; review policies of the Department to ascertain the level of mainstreaming of women, youth and persons with disabilities; and implementation of anti-GBVF advocacy programmes aimed at changing attitudes, behaviours and social norms driving GBVF in traditional communities and creating awareness on the impact of GBVF on women, children and society as a whole

**12. Programme on Research, Policy and Legislation**

**12.1.** The 2022/ 2023 performance outcomes of this programme include; ensuring functional institution of Traditional and Khoi-San Leadership; transforming institution of Traditional and Khoi-San leaders; and ensuring safe Initiation Practices.

12.2. The annual targets of this programme include conducting research on the effect of customs and culture in the socio-economic development of women within traditional communities; drafting of national regulations as contemplated in section 50 of the TKLA and establishment of Provincial Initiation Coordinating Committees, the registration of traditional surgeons and the registration of initiation schools

13. Programme on Institutional Support and Coordination

13.1. The 2022/2023 outputs and indicators of the programme on institutional support and coordination include the development of communities in areas of traditional and Khoi-San leadership; ensuring functional institution of traditional and Khoi-San leadership and transforming institution of traditional and Khoi-San leadership

13.2. The annual target of this programme include ccoordinating dialogues aimed at promoting social cohesion in traditional communities; Strengthening the relationship between government and traditional leaders; developing a social cohesion programme which was consulted with provinces. The indicator therefore entails monitoring provinces in the implementation of the programme and monitoring the functionality of Houses of Traditional and Khoi-San Leaders.

**14. Observations of the Select Committee**

**14.1. Having considered and deliberated on the annual performance plan and budget allocation, the select committee has observed and noted that:**

14.1.1. The vision of the Department is to have a community development-oriented institution of traditional leadership. This is pursued through ensuring effective governance of the Department itself, promoting safe initiation practices, embarking on initiatives to support a functional institution of traditional and khoi-san leadership, development partnerships in traditional and khoi-san communities and promoting the transformation of the institution to conform with Constitutional obligations.

14.1.2. The 2022 /2023 Annual Performance Plan (APP) of the Department of Traditional Affairs was tabled in Parliament on 11 March 2022

14.1.3. The Department of Traditional Affairs will be monitoring the implementation in 8 provinces of the section 24 of the TKLA. This intervention is meant to encourage traditional councils to enter into partnership agreements with government and other partners for socio-economic development of traditional communities.

14.1.4. While welcoming the 20221/2023 Annual Performance Plan of the Department of Traditional Affairs, the Select Committee raised concerns about the non -establishment of provincial house of traditional leaders in Western Cape, resource allocations to traditional leaders and dispute resolutions among traditional leaders

**15. Recommendations of the Select Committee**

**15.1. Having considered and deliberated on 2022/2023 Annual Performance Plan and Budget allocation of the Department of Traditional Affairs, the Select Committee recommends to the National Council of Provinces as follows:**

15.1.1. The Department of Traditional Affairs should provide a provincial break down of the dispute of traditional leaders including the nature, challenges and progress

15.1.2. The Select Committee to align its quarterly programs in line with annual targets of the Department of Traditional Affairs in order to ensure monitoring, executive accountability and parliamentary oversight on the implementation of the 2021/2022 annual performance

15.1.3. The Department of Traditional Affairs should provide quarterly progress reports on the implementation and achievements of annual targets as contained in departmental 2022/2023 Annual Performance Plan and allocation of Budget

**16. Presentation on 2022/2023 Annual Performance Plan and Budget Allocation of the Municipal Infrastructure Support Agent (MISA)**

16.1. The Chief Executive Officer presented the 2022/2023 Annual Performance Plan and Budget allocation of the Municipal Infrastructure Support Agent. The Chief Executive officer reported that the Municipal Infrastructure Support Agent (MISA) tabled its approved APP for 2021/22 financial year in Parliament on 15th March 2022. The presentation focused on outputs and annual target of the programmes related to Administration; Technical Support Services and Infrastructure Delivery Management Support

**17. Programme on Administration**

17.1. The mina output indicators of the administration programme will be to Improved governance, administrative support system and ethical practices. The 2022/2023 annual targets of this programme include production of 4 quarterly reports on the implementation of the approved communication strategy. 4 quarterly reports on the implementation of the approved risk management plan and 4 quarterly reports on the implementation of the approved internal audit plan

**18. Programme on Technical Support Services**

18.1. The 2021/2022 outputs of the Technical Support Services programme include; effective water management system for the benefit of all, efficiency in infrastructure Management; efficiency in infrastructure Management; Enhanced intergovernmental and interdepartmental coordination through the implementation of the District Development Model; Transformation of national space economy that enables equal access to social services and economic opportunities in cities, regions and rural areas and Improvement of municipal capacity to deliver basic services, quality infrastructure and integrated public transport to increase household access to basic services

18.2. The 2022/2023 output indicators and annual targets of the Technical Support Services programme include; Number of districts supported to implement Solid Waste/Integrated Waste Management (IWM) services (Conditions; Number of districts supported to improve capacity and access to electricity services with implementation of a performance monitoring strategy and electricity supply management strategies;

18.3. The other output indicators in number of Districts where technical capacity assessment undertaken; Number of partnerships established with professional bodies towards best Practice on infrastructure management and promotion of infrastructure related research and development

**19. Programme on Infrastructure Delivery Management Support**

19.1. The 2022/2023 outputs of the infrastructure delivery management support programme include; the eefficiency in infrastructure management; Long term municipal infrastructure investment and Increased access to climate change mitigation and adaptation funds by municipalities

19.2. The output indicators and annual targets of the infrastructure delivery management support include; Number of annual reports development on state of municipal functionality for infrastructure delivery; Number of municipalities supported to improve infrastructure development through partnerships with public, private sector and non-governmental entities; Number of annual reports on the coordination and planning of the Eastern Seaboard Development;

19.3. The other output indicators include number of municipalities supported with implementation of long-term infrastructure investment plans through DDM; Number of municipalities supported to access alternative and innovative funding mechanisms for infrastructure development through DDM and Number of municipalities supported to plan and implement climate friendly projects through infrastructure grants and access funding for climate change mitigation and adaptation projects

**20. Observations of the Select Committee**

20.1. Having considered and deliberated on 2022/2023 Annual Performance Plan and Budget Allocations of the Municipal Infrastructure Support Agency, the Select Committee has observed and noted that:

20.1.1. The Municipal Infrastructure Support Agent (MISA) tabled its approved APP for 2022/23 financial year in Parliament on 11th March 2022. This APP is based on the current Strategic Plan (SP) – with 8 outcomes and 15 outcomes indicators covering the five-year period 2020 – 2025.

20.1.2. Through both the Strategic Plan and Annual Performance Plan, MISA seeks to contribute to the achievement of outcomes aligned to relevant priorities in the revised Medium Term Strategic Framework (MTSF) for 2019 – 2024.

20.1.3. The presentation made by MISA reflected all 33 outputs and 35 outputs indicators for the 2022/23 financial year. It also gave a summary of financial resources allocated to the Agency over the three-year period of the current MTE

20.1.4. While welcoming the 2022/2023 Annual Performance Plan of the Municipal Infrastructure Support Agency, the Select Committee raised concerns about lack of provincial breakdown on the technical support provided to municipalities and reluctance of municipalities to request and use the technical support provide by MISA.

**21. Recommendations of the Select Committee**

21.1. Having considered and deliberated on 2022/2023 Annual Performance Plan and Budget Allocations of the Municipal Infrastructure Support Agency, the Select Committee recommends to the National Council of Provinces as follows:

21.1.2. The Municipal Infrastructure Support Agent to provide the Select Committee with the provincial breakdown of the list of the municipalities and districts that are technically supported including progress and challenges

21.1.3. The Select Committee to align its quarterly programs in line with annual targets of the Municipal Infrastructure Support Agent in order to ensure monitoring, executive accountability and parliamentary oversight on the implementation of the 2022/2023 Annual Performance Plan

21.1.4. The Select Committee should during the 2022 Parliamentary Fourth Term schedule a meeting with the Municipal Infrastructure Support Agency in order to engage on the annual report to assess progress on the implementation and achievements of annual targets as contained in Annual Performance Plan and allocation of Budget

**Report to be considered**