



**the dplg**

Department:  
Provincial and Local Government  
**REPUBLIC OF SOUTH AFRICA**

# **Policy Process on the System of Provincial and Local Government**

*Background to Policy Questions,*

*Process and Participation*

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**Pretoria  
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## 1. Context & Exec. Summary

- Current Governance Model
- Useful Lessons from Project Consolidate
- Development outcomes
- Summary

# Context

## The Current Governance Model according to the Constitution

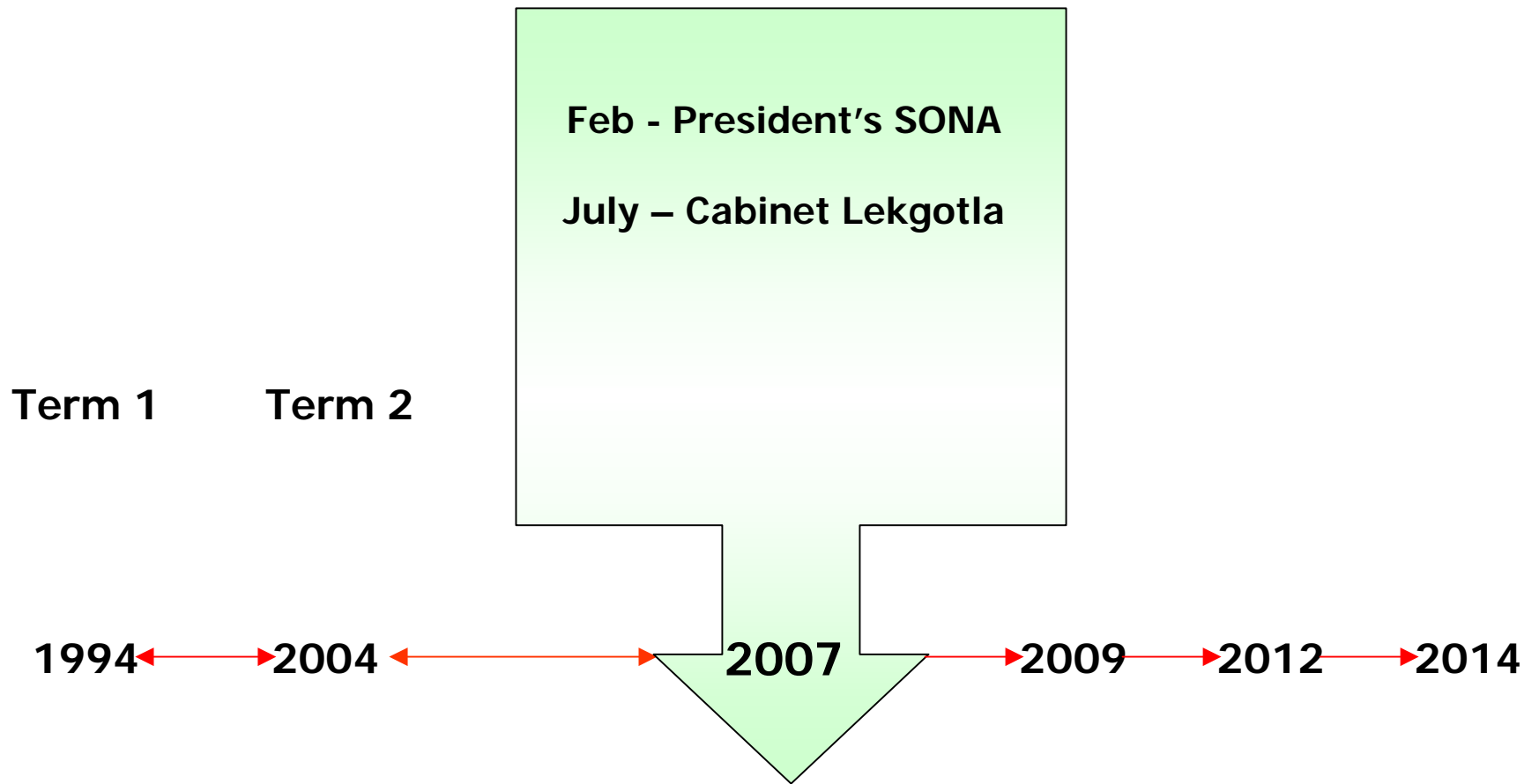
“One, sovereign, democratic state”

“Government is constituted as national, provincial and local spheres which are distinctive, interdependent and interrelated”

- ✓ Principles of Cooperative Government (s41)
- ✓ Chapter 6: Provinces
- ✓ Chapter 7: Local Government
- ✓ Caters for Concurrency of Powers (Schedules 4 & 5)



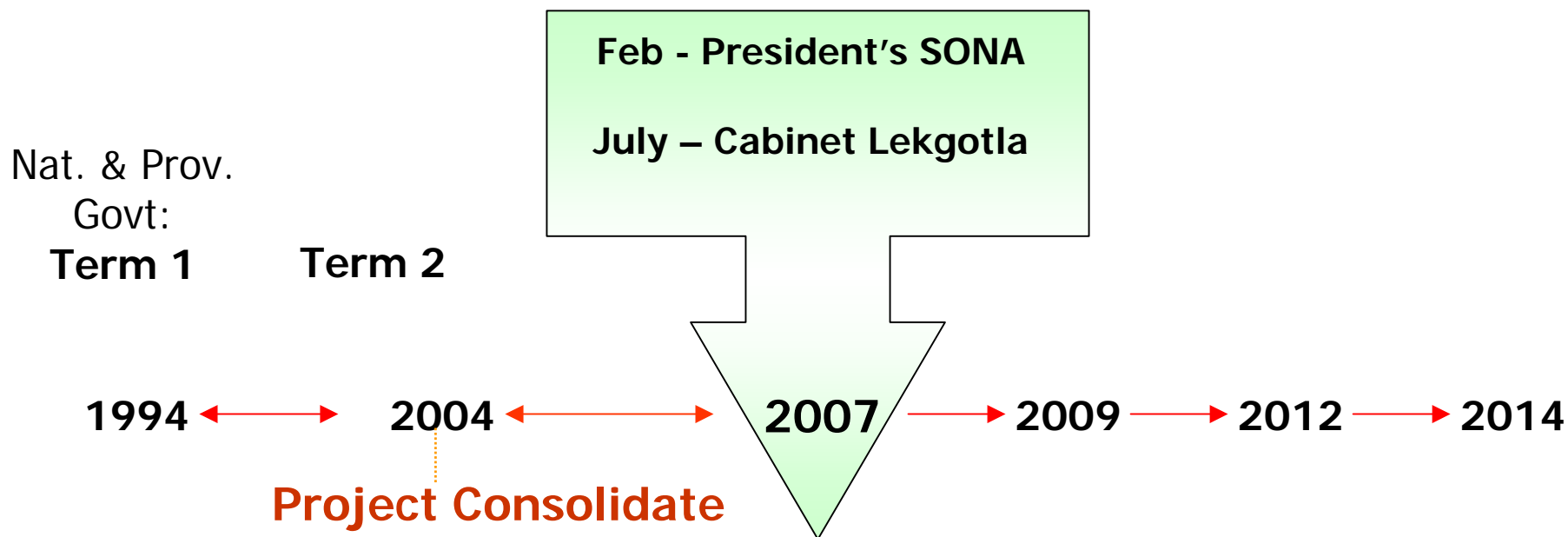
# Context ...



**Policy, Practice and Lessons**

**Acceleration & Sustainability**

# Context ... useful lessons from Project Consolidate



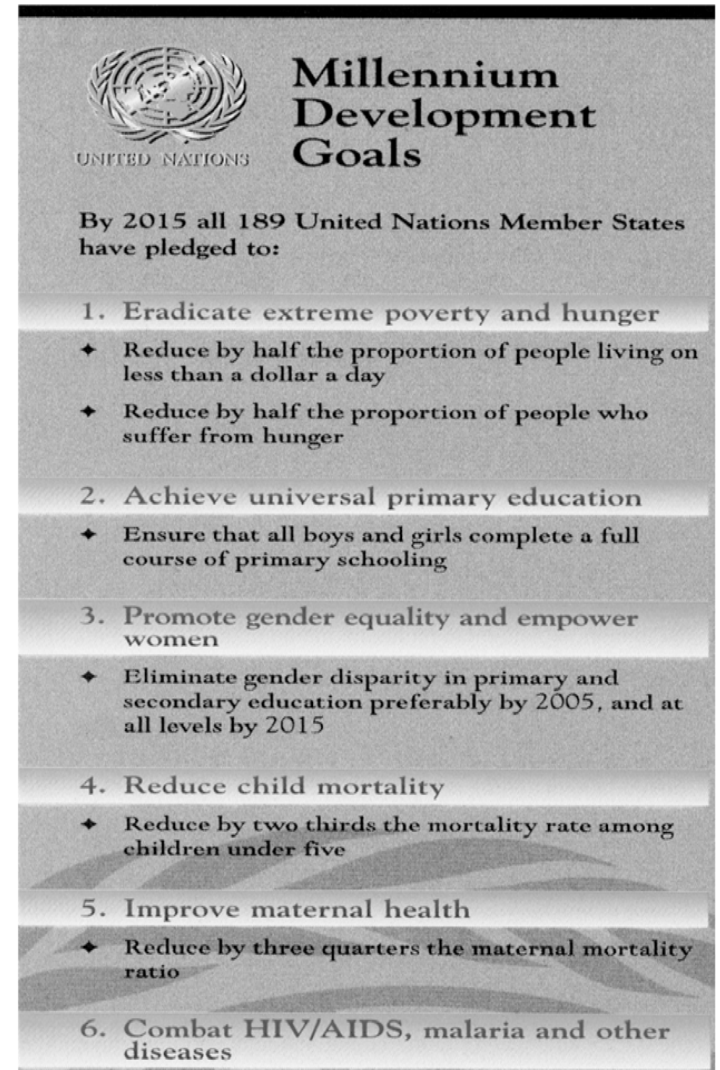
## "Key Elements

- Targeted hands-on support and engagement programme on building the **capacity** of municipalities to perform their mandate.
- A complementary process of systematic refinement of **policy, fiscal and institutional matters** that will enable the consolidation of the local government system in the long-term."

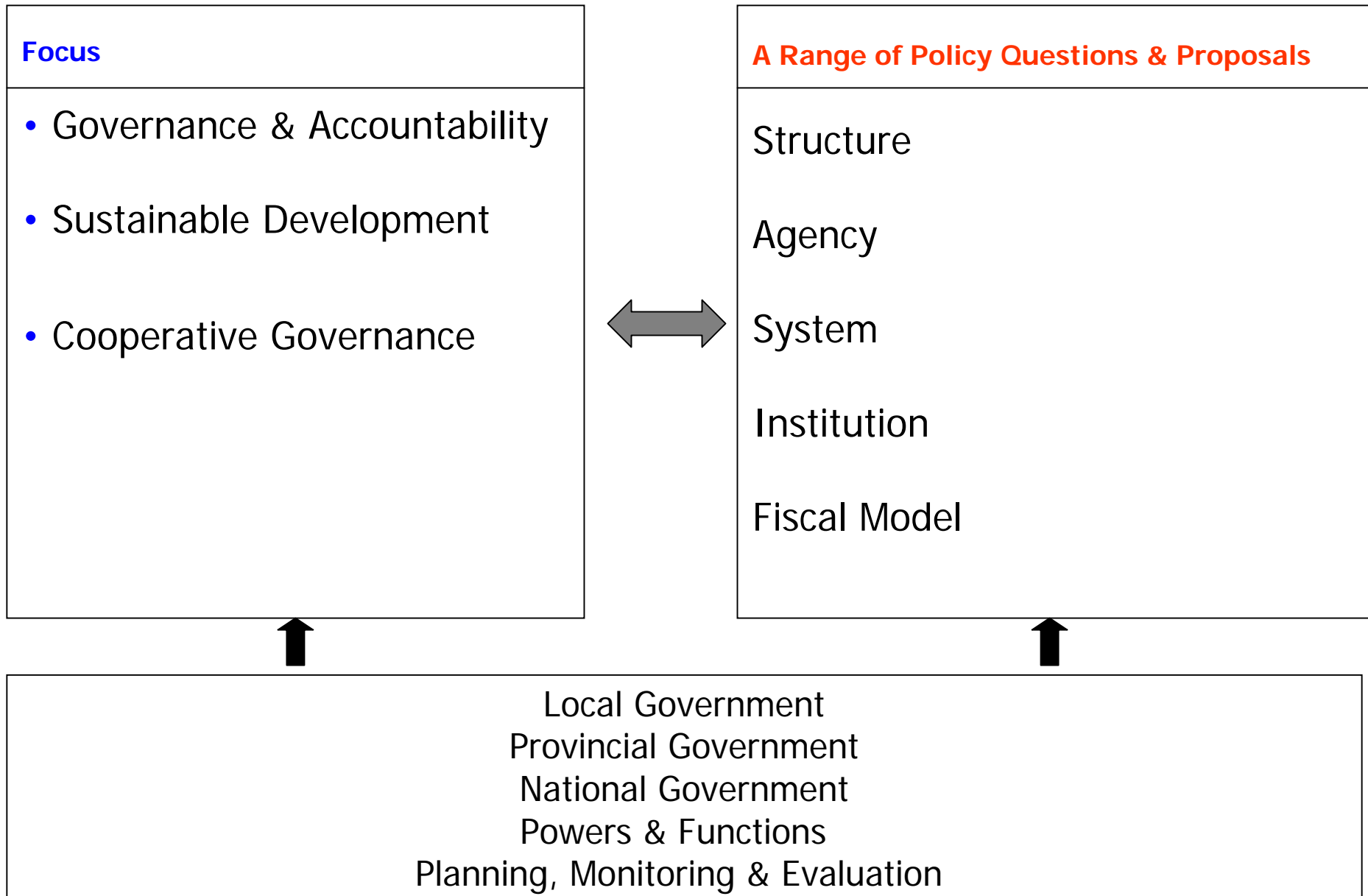
(Also refer to PC Booklet, 2004: 16)

# Context ... a process directed at development outcomes

- a. Government is mobilizing, deploying and retaining **capacity** and resources whilst improving accountability and performance systems
- b. Government seeks to improve the **governance** system and policy framework
- c. Government seeks to accelerate the pace and quality of **development**



# Summary





# Summary

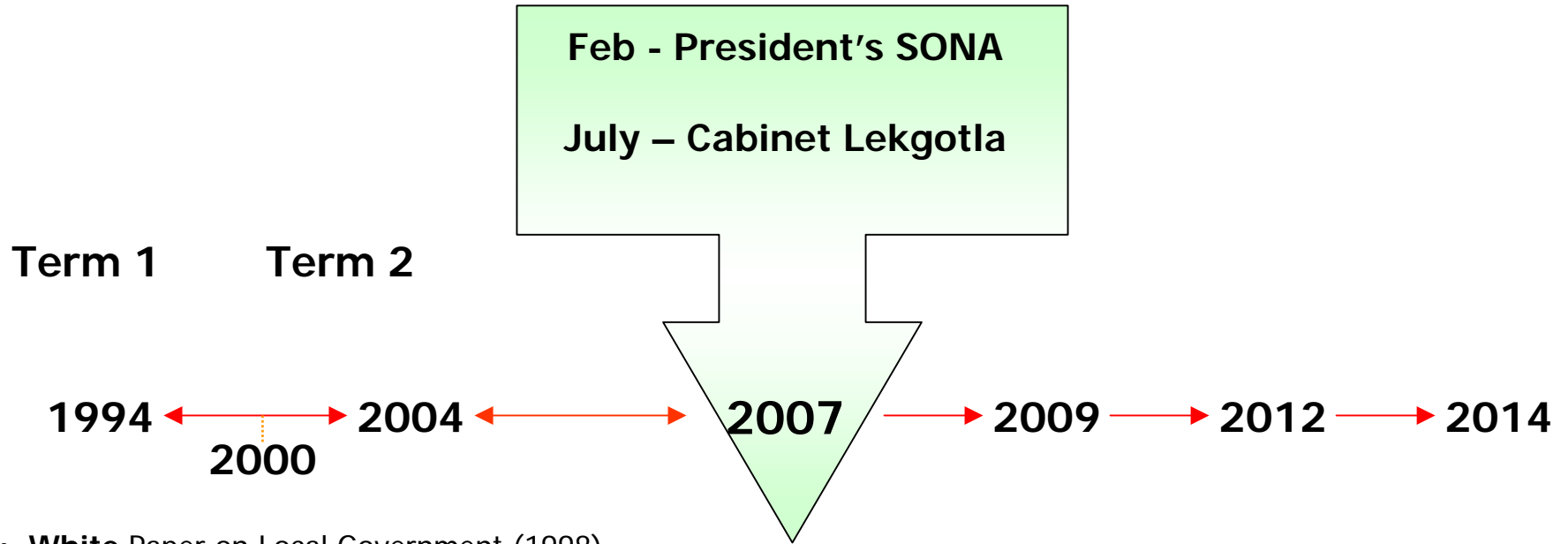
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- Decentralised **local government** has played a valuable role in supporting the implementation of national and provincial policies and programmes and in discharging its own assigned duties.
- Many **provinces** have displayed the ability and potential to perform a valuable and innovative role in discharging their powers and functions and mediating a positive relationship between national and local government. But challenges remain.
- **National government** will need to re-assess its support role to provinces and municipalities and some of the functions that it currently discharges as they relate to provincial and local government.

## 2. Improving Local Government

- Current Policy
- Successes
- Practice, trends and lessons
- Emerging policy questions & proposals

# Local Government ... current policy



- **White Paper** on Local Government (1998)
- Municipal **Demarcation** Act (1998)
- Municipal **Structures** Act (1998)
- Municipal **Systems** Act (2000)
- **Disaster** Management Act (2002)
- **Traditional** Leadership & Governance Framework Act (2003)
- Municipal **Finance** Management Act (2003)
- Municipal **Property Rates** Act (2004)
- **Intergovernmental** Relations Framework Act (2005)

# Successes

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- **Access to water:** Percentage of households with access to water has increased from **59%** in 1994 to **86%** in 2007.
- **Access to sanitation:** Percentage of households with access to sanitation has increased from **48%** in 1999 to **73%** in 2007.
- **Access to electricity:** In 1994 **30%** of households in South Africa had access to electricity and in 2006 this percentage increased to **73%**.
- **Housing:** Number of housing units completed from 1994 to 2007 = **2,35 million from 1994 to 2007.**

# Practice, trends and lessons

*BUT, migration patterns: 2001 to 2006 ... effect on service delivery*

Ranking	Name of Municipality	Province	Net in-migration	In-migration as percentage of total population in 2006
1	Ekurhuleni	Gauteng	140 252	5,88
2	City of Tshwane	Gauteng	137 685	7,15
3	City of Cape Town	Western Cape	129 400	4,38
4	City of Johannesburg	Gauteng	120 330	4,02
5	West Rand DM	Gauteng	42 674	5,82
6	eThekweni	KwaZulu- Natal	27 277	0,92
7	Eden DM	Western Cape	22 983	5,48
8	Bojanala Platinum DM	NorthWest	20 168	1,70
9	Boland DM	Western Cape	18 770	3,15
10	Metsweding DM	Gauteng	18 560	10,13

- **Community** involvement, improvement in the quality of local democracy, municipal responsiveness and accountability
- Meaningful **partnerships** with community organizations, labour organizations and the private sector
- Functional and structural challenges of the 3 **categories of municipalities** (Metros, Districts & Locals)
- The importance of the **environment** in the context of sustainable development
- **Financial** and revenue generation
- Local economic development (**LED**)

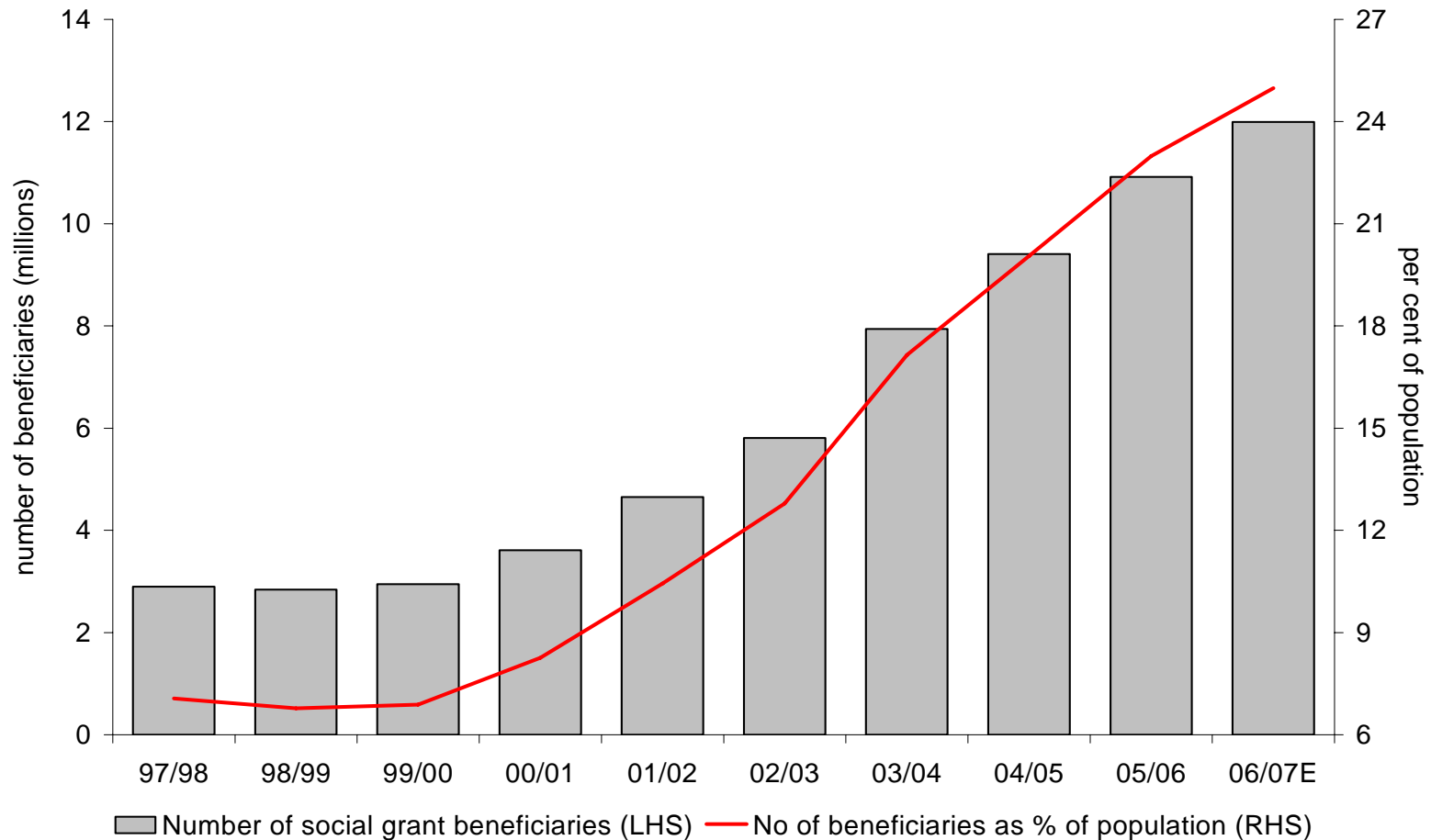
### **3. Provincial Government**

- Practice, trends and lessons
- Emerging policy questions & proposals

- Social grants
- Health
- Education
- Infrastructure
- Arts, Sports, Culture & Heritage



## No. of social grant beneficiaries has increased significantly since 2000



- Beneficiaries have increased from **2,6 million** in 1999 to **12,0 million** in 2006

# *Provincial Government ... emerging policy questions & proposals*

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- Role of sphere
  - Purpose
  - Structure & functions
  - Number
  - Sources of funding
  
- Legislative functions, if any
  
- Potential synergies within and between geographical spaces/spheres that could result in improved developmental imperatives

## 4. Implications for National Government

- Successes
- Practice, trends and lessons
- Emerging policy questions

# National Government ... Successes

## Positive economic outlook

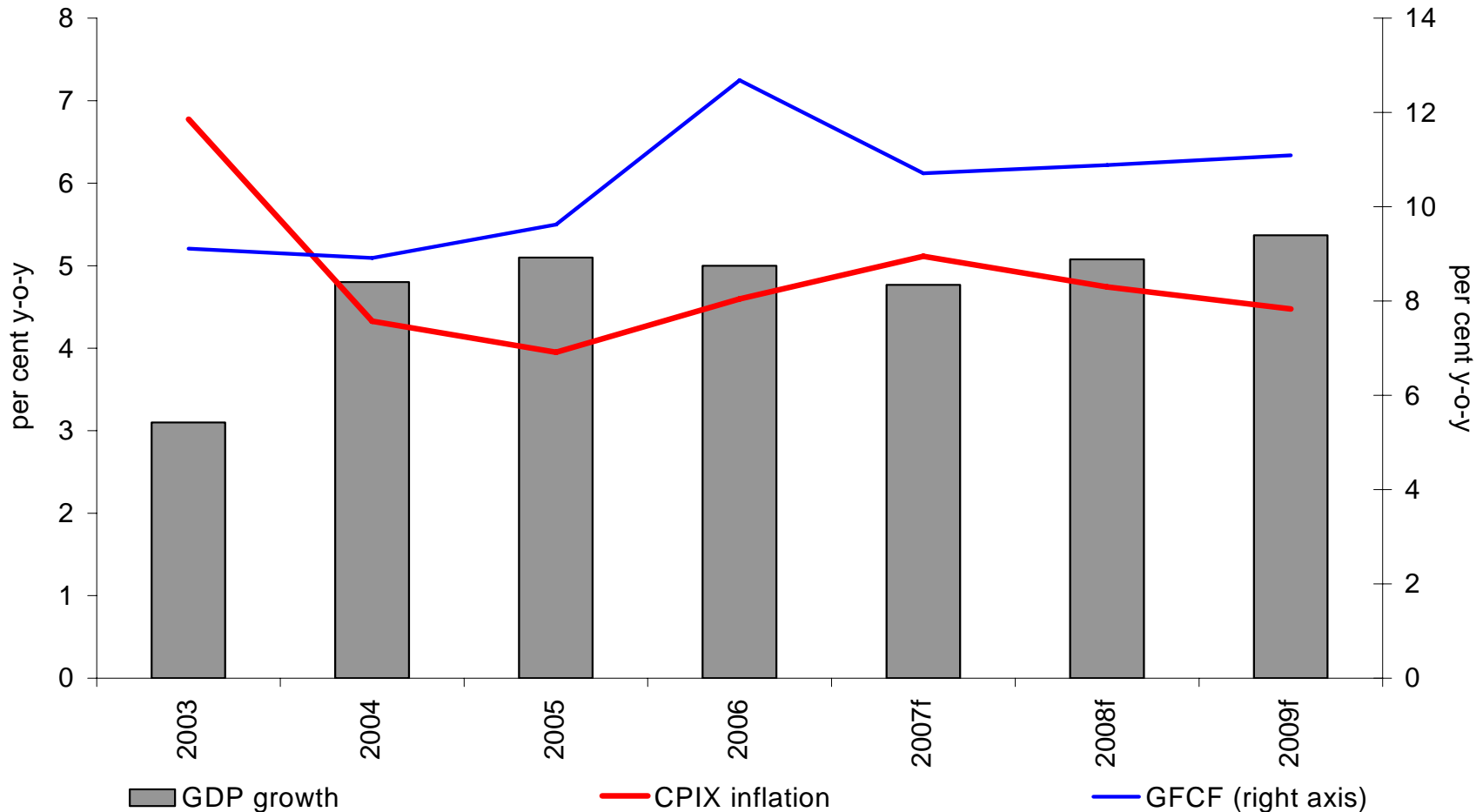
Calendar year	Actual				Forecast		
	2003	2004	2005	2006	2007	2008	2009
Gross fixed capital formation	9.11%	9.6%	9.6%	12.8%	10.7%	10.9%	11.1%
Gross domestic expenditure	5.21%	7.9%	5.9%	8.7%	5.1%	5.8%	6.1%
Exports	0.11%	2.9%	8.0%	5.5%	7.3%	6.3%	6.4%
Imports	8.08%	14.5%	10.7%	18.4%	7.9%	8.4%	8.5%
Real GDP growth	3.12%	4.8%	5.1%	5.0%	4.8%	5.1%	5.4%
CPIX (Metropolitan & urban)	6.78%	4.3%	3.9%	4.6%	5.1%	4.7%	4.5%
Current account balance (% of GDP)	-1.08%	-3.2%	-3.8%	-6.4%	-5.3%	-5.7%	-5.9%

Forecasts as of the 2007 Budget Review.

# National Government ... Successes

## Growth expected to rise to just over 5 per cent by 2009

Growth, inflation and investment outlook



Sources: NT, Stats SA

# *National Government ...*

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## *Emerging questions & proposals*

- Ensuring effective intergovernmental relations (IGR)
- Authority and accountability mechanisms

## 5. Reviewing Powers and Functions

- Emerging policy questions & proposals

# *Powers & Functions ...*

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## **Emerging questions & policy proposals**

- Clarity and predictability
- Appropriate location of functional responsibilities between spheres
- Evaluation of concurrency principle & appropriateness



## **6. Improving Planning, Monitoring and Evaluation**

- Emerging policy questions




## **Emerging questions & policy proposals**

- Integrating plans and frameworks to achieve national vision (NSDP, PGDS, IDP's)
- Effective contribution of Provincial Growth & Development Strategies (PGDSs) to economic growth and social development
- Addressing semi-urban and rural characteristics in municipal areas
- Co-ordinating, monitoring and evaluation

# Conclusion

## Policy

- Review of the White Paper on Local Government
- Formulation of a White Paper on Provincial Government

Three Phase Process	July 2007	Dec 2007	Early 2008
Overview of major policy issues and publication of questions			
Extended research and policy options – Green Paper on Provinces			
Gazetting, public comment, feedback, final drafting of White Paper on Provinces and Review report on Local Government			

# *Conclusion*

We call on all sectors of society to participate and continue to engage in these processes of development.

This policy process will be enriched by the benefit of experience and views of the South African people.

***Thank you!***