

SIYENZA MANJE MUNICIPALITIES WHICH HAVE SPENT LESS THAN 30% OF THEIR MIG ALLOCATION BY THE END OF DECEMBER 2007

1. Introduction

The Select Committee on Finance has requested the Development Bank of Southern Africa (DBSA) and the Department of Provincial and Local Government (dplg) to provide reasons for low MIG expenditure in municipalities in general and Siyenza Manje municipalities in particular. The purpose of this document is to provide the reasons for low expenditure and the steps taken by the DBSA & dplg to address the challenges.

2. Background

The DBSA Development Fund has deployed engineers, finance experts and planners to a number of municipalities in the country to facilitate service delivery and capacity building. In the 07/08 financial year the deployees have facilitated MIG and CAPEX expenditure to the value of R1.2 billion and R700 million respectively by January 2008. However, there are still challenges in some municipalities with expenditure of less than 30% by December 2007. The following section provides an analysis and reasons for low expenditure.

3. The Reasons for Low MIG Expenditure

Siyenza Manje programme is present in 131 municipalities. There are a total of 72 municipalities which have spent less than 30% of their MIG allocation. Out of the 72 municipalities, 24 (33%) municipalities have Siyenza Manje deployees (engineers) working on MIG and other CAPEX projects. Analysis shows that deployees were present or working in 11 municipalities through out the year, while 13 worked for less than a year meaning that the impact will only materialize in the next financial year. There are various reasons for low MIG expenditure in municipalities, the following are some generic causes and the specific reasons per municipality are outlined in Annexure 1:

- Delay in the registration of projects in the dplg provincial and national offices
- Some deployees are handling more than two municipalities, as a result they are overstretched and impact is low
- Suspensions of officials and vacancies in the municipalities which affects decision making
- Slow procurement processes in municipalities
- Political instability and the adhoc change of priorities which affects planning & expenditure

- Change of Council priorities during the financial year result in applications by municipalities to MIG to redirect funds to priority sectors leading to delays in implementation and expenditure on original and new projects

4. Interventions to Address the Challenges

The following are some of the interventions to deal with the challenges:

- DBSA through Siyenza Manje has deployed experts to dplg and DWAF to facilitate registration of projects and the approval of technical reports
- The reason why Siyenza Manje has deployed experts to 24 municipalities experiencing difficulty with MIG expenditure out of the 72 is that there are fewer experts on the market available for deployment. The DBSA is currently finalizing the procurement of Professional Service Providers to be deployed to municipalities by April 2008. This will also address the problem of deployees managing more than two municipalities
- In order to address the issue of vacancies in municipalities, the DBSA through Siyenza Manje is deploying young professionals to municipalities who are trained by experts for absorption by municipalities
- The deployees have developed supply chain management policies for municipalities; the challenge has been implementation of the policies, given that bid and adjudication committees are not sitting regularly.

Annexure 1. Siyenza Manje Municipalities which have spent less than 30% of their MIG Allocation by December 2007

**MUNICIPALITIES WHICH HAVE SPENT LESS THAN 30% OF THEIR MIG ALLOCATION BY THE END
OF DECEMBER 2007 & SIYENZA MANJE DEPLOYMENTS THERETO**

Municipality	MUNICIPAL INFRASTRUCTURE GRANT					MUNICIPAL SYSTEMS IMPROVEMENT			Active Employees as at 31-Dec-07	Areas deployed	Position	Date of Deployment	PMU	COMMENTS
	Allocation (R'000)	Transferred to date (R'000)	% Transferred	Actual Expenditure to date (R'000)	% Expenditure from total allocation	Allocation (R'000)	Actual Expenditure to date (R'000)	% Expenditure from total allocation						
Eastern Cape														
Umzimvubu	10 976	6 000	54.67%		0.00%	734	0	0.00%					No	No SM Deployee
Baviaans	22 204	15 700	70.71%		0.00%	0	0	0.00%	Du Preez, Samuel	Baviaans	Project Manager / Technical Expert	01-Dec-07	Yes	Employee involved in a major bulk water project of R18m which will be implemented over the METF period. Project would enter construction phase in March 2008 and expected to start disbursing. Project expected to take 17 months to complete.
Nkonkobe	7 555	4 236	56.07%		0.00%	734	0	0.00%					No	No SM deployee
Ikwezi	12 300	11 480	93.33%		0.00%	734	0	0.00%					Yes	No SM deployee
Inxuba Yethemba	2 357	2 357	100.00%	514	21.80%	150	0	0.00%					Yes	No SM deployee
Ntabankulu	6 577	3 562	54.15%	4 222	64.19%	734	0	0.00%					Yes	No SM deployee
Koukamma	7 092	5 892	83.08%	2 299	32.42%	150	30	20.00%	Du Preez, Samuel	Koukamma	Project Manager/ Technical Expert	01-Mar-06	Yes	Employee involvement initially on unblocking stalled projects, outstanding contractor payments which were due over a period of one year and above. Support to Technical Manager to conduct audits and reconciliations. Strengthen the management capacity of the PMU through setting up of processes and procedures for projects, budgets, cash flow management, etc.
									Mpumelelo Nzuzo	Koukamma	YP:Civil Engineering	01-Jun-06	Yes	
Makana	15 144	5 800	38.30%	3 671	24.24%	150	0	0.00%					Yes	No SM deployee
Blue Crane Route	11 559	10 859	93.94%	8 964	77.55%	734	0	0.00%	Johannes De wet	Blue Crane & Ndlambe	Project Manager / Technical Expert	01-Oct-07	Yes	Employee involved with bucket eradication, support to water supply and Operations and Maintenance on existing infrastructure. The correct expenditure as up to 31st January 2008: 1) Total Expenditure is = R9'478'000
Kouga	17 569	7 648	43.53%	6 458	36.78%	150	76	50.67%					Yes	No SM Deployee
Mnquma	18 479	11 509	62.28%	6 961	37.67%	734	653	88.96%	Johannes Rossouw	Mnquma	Project Manager	01-Nov-07	Yes	Employee involvement in LM is supporting with MIG project registration, liaison with Province and expedite MIG processes. The employee has completed an assessment of the municipality and the business plan.
Elundini	12 965	9 928	76.57%	5 689	43.88%	734	3	0.41%					No	No SM deployee
													Yes	
Buffalo City	109 470	72 676	66.39%	43 246	39.50%	0	0	0.00%					Yes	No SM Deployee
Nelson Mandela	109 536	66 091	60.34%	33 096	30.21%	0	0	0.00%					Yes	
Alfred Nzo District Municipality	88 085	64 120	72.79%	27 455	31.17%	1 000	0	0.00%	Pavel Polasek	Alfred Nzo	Project Manager / Technical Expert	01-Aug-06	Yes	Employee involvement is in facilitating the incorporation/hand over of DWAF Water Schemes and water quality management problems and operations and maintenance processes. Employee instructed to also focus on MIG projects.

**MUNICIPALITIES WHICH HAVE SPENT LESS THAN 30% OF THEIR MIG ALLOCATION BY THE END
OF DECEMBER 2007 & SIYENZA MANJE DEPLOYMENTS THERETO**

Municipality	MUNICIPAL INFRASTRUCTURE GRANT					MUNICIPAL SYSTEMS IMPROVEMENT			Active Deployees as at 30 Dec 2007	Areas deployed	Position	Date of Deployment	PMU	COMMENTS
	Allocation (R'000)	Transferred to date (R'000)	% Transferred	Actual Expenditure to date (R'000)	% Expenditure from total allocation	Allocation (R'000)	Actual Expenditure to date (R'000)	% Expenditure from total allocation						
Northern Cape														
Frances Baard District Municipality	838	100	11.93%		0.00%	1 000	664	66.40%	No	N/A	N/A	N/A	Yes	No deployee
Kamiesberg	1 416	600	42.36%		0.00%	734	0	0.00%	No	Kamiesberg LM	Financial expert		No	The FE was in Kamiesberg for 15 months after which an exit strategy took place and is assisting on a one week per month basis.
Karoo Hoogland	390	390	100.00%		0.00%	734	0	0.00%	No	N/A	N/A	N/A	No	
Mier	876	453	51.73%		0.00%	734	0	0.00%	Yes	Siyanda DM	Financial Expert	March 07 to date	No	Financial deployees are not involved in the physical MIG projects
Renosterberg	7 513	500	6.66%		0.00%	734	0	0.00%	Yes	Renosterberg LM	Financial Expert	September 07 to date	Yes Shared	Financial deployees are not involved in the physical MIG projects
uBunlu	1 538	1 000	65.04%		0.00%	734	734	100.00%	No	N/A	N/A	N/A	Yes Shared	
Richtersveld	823	500	60.78%	10	1.26%	734	0	0.00%	No	N/A	N/A	N/A	No	
Phokwane	7 576	3 223	42.55%	427	5.64%	734	0	0.00%	No	N/A	N/A	N/A	No	
Namakwa District Municipality	2 056	930	45.25%	156	7.60%	1 000	183	18.30%	Dave Dunstan	NDM	Technical Expert	07-Nov-08	No	Vacancies; The district area is huge and the deployee is now attending to all IDP /MIG projects, has started too recent to be able to make a difference although he is monitoring and coordinating all MIG projects and was involved in the BE projects. Efforts are made to disburse and to keep MIG funds within the LM areas.
Khai-Ma	2 912	1 150	39.49%	248	8.53%	734	734	100.00%	No	N/A	N/A	N/A	No	
Magareng	4 103	1 510	36.81%	518	12.63%	734	0	0.00%	Johan Pieterse	Magareng LM	Technical Expert	November 06 to date	No	Deployee has worked in Dikgatlong and Magareng, but has embarked on an exit strategy due to the FBDM deploying a young engineer on 3 days per week basis. Coordination/handover of files and information have taken place. A number of problems were experienced, e.g. contractors were off site, Council took a resolution that a specific contractor's contract must be terminated, this took 8 months after which the MM again re-instated the contractor. Presently, all projects are up and running, all contractors are on site and good relations have been built by the deployee with the FBDM, which also ensured quite some money flowing from the DM to the LM. Expenditure should pick up.
Tsantsabane	4 612	3 008	65.22%	608	13.18%	1 000	1 000	100.00%	Yes	Siyanda DM	Financial Expert	March 07 to date	No	Financial deployees are not involved in the physical MIG projects
Umsobomvu	5 335	2 400	44.98%	1 270	23.81%	734	0	0.00%	No	N/A	N/A	N/A	Yes Shared	
Kgatelopele	4 009	2 750	68.59%	1 168	29.12%	734	0	0.00%	Yes	Siyanda DM	Financial Expert	March 07 to date	No	Financial deployees are not involved in the physical MIG projects

MUNICIPALITIES WHICH HAVE SPEELED THAN 30% OF THEIR MIG ALLOCATION BY THE END OF DECEMBER 2007 (YENZA MANJE DEPLOYMENTS THERETO)

MUNICIPAL INFRASTRUCTURE GRANT				MUNICIPAL SYSTEMS IMPROVEMENT									
Mu	Transferred to date (R'000)	% Transferred	Actual Expenditure to date (R'000)	% Expenditure from total allocation	Allocation (R'000)	Actual Expenditure to date (R'000)	% Expenditure from total allocation	Active Deployees as at 30 Dec 2007	Area/s deployed	Position	Date of deployment	PMU	COMMENTS
W													
Ca ⁴		0.00%		0.00%	1 000	291	29.10%				N/A	Yes In-house	No SM deployee
Mi													
Wi ⁵	2 501	58.65%	787	18.46%	734	161	21.93%	Gregory de Villiers	Breedevalley, Witzenberg	Technical expert	02-Jan-07	Yes In-house	SM Deployee not involved with MIG. Current Deployee involvement is in Water Demand Management and Housing Projects
M ²	2 000	59.41%	661	19.63%	734	0	0.00%				N/A	Yes In-house	No SM Deployee
Hi	2 539	71.99%	663	24.48%	0	0	0.00%	Gysbert Van Der Westhuizen	Hessequa	Financial Expert	01-Jul-07	No	
								Johan Wiese	Hessequa	Project Manager/Technical Expert	01-Oct-07		Deployee involved with bucket eradication. Projects to the amount of R3,222,500 (91.4%) still awaiting EIA approvals since 2006 expected to be approved in March. Deployee to assist with project/contract management.
K													
H ⁰⁶	800	14.27%		0.00%	734	0	0.00%	Robert Slaughter	Hlabisa	Project Manager / Technical Expert	12-Jul-07	Yes Shared	Professional Service providers were appointed in Nov 2007 but could not deliver on any projects thus far which resulted in low MIG expenditure and poor municipal performance. Their contracts were terminated in January 2007 and the municipality has appointed 7 new contractors in February 2008. The relationship between Technical Director and deployee was not good. As a result the deployee was moved to another municipality and replaced by a new deployee in July 07.
								Sinethlaha	Hlabisa	Young Professional	01-Feb-07	Yes	
								Erasmus, Jan	Hlabisa, Indaka & Jozini	Financial Expert	01-Nov-06	Yes	The Financial Expert assisted the municipality to develop the Service Delivery Budget Implementation Plan (SDBIP); to compile the financial statement and reporting on SDBIP; also assisted with developing the Annual Report.
								Siddle, Andrew	Indaka, Jozini & Hlabisa	Financial Expert	01-May-06	Yes	Developed 16 policies varying from budget policy, asset management policy, skills retention policy and others. The Expert was involved in the municipality until January 2007.

MUNICIPALITIES WHICH HAVE SPENT LESS THAN 30% OF THEIR MIG ALLOCATION BY THE END OF DECEMBER 2007 & SIYENZA MANJE DEPLOYMENTS THERETO

Municipality	MUNICIPAL INFRASTRUCTURE GRANT					MUNICIPAL SYSTEMS IMPROVEMENT			Active Deployees as at 30 Dec 2007	Area/s deployed	Position	Date of deployment	PMU	COMMENTS
	Allocation (R'000)	Transferred to date (R'000)	% Transferred	Actual Expenditure to date (R'000)	% Expenditure from total allocation	Allocation (R'000)	Actual Expenditure to date (R'000)	% Expenditure from total allocation						
Ingwe	5 086	1 500	29.49%		0.00%	734	0	0.00%	Phindie Dlamini	Ingwe	YP:Civil Engineering	07-May-07	Yes Shared	<p>The Technical Expert was deployed in Sisonke District in August 06. It was impossible to set up an appointment with the MM and Senior Management of Ingwe Municipality to introduce the DBSA SIYENZA MANJE PROGRAMME despite several attempts by the DM. When the deployee was finally introduced to the MM in 1 November the following was discovered:</p> <ul style="list-style-type: none"> - The Municipality did not have Technical Manager and PMU Department but the MIG programme and other infrastructure programmes were managed by a Technical Officer. - The municipality was still spending the 2005/06 allocation. - The Technical Manager had been suspended the previous year and his disciplinary case was still outstanding. - There were serious problems with regards to securing land to build two of the community halls which caused a 6 month delay both in the 2007/07 FY. - Political instability as a result of dispute amongst political parties resulted in delays implementing the 2006/07 projects. - Changing of project priorities by Council in the middle of the MIG financial year put the final nail in the coffin of the already struggling PMU. - The MM was not in municipality for most of time between December 6 and July 07 because of political infighting. - The situation was not very suitable for anyone to provide support since there was no unity amongst council and management. - Other political stakeholders including DLGTA attempted to intervene but the situation did not improve quickly enough and as a result the PMU felt the result in the form of expenditure. - The current MIG allocation is not enough to cover all municipal wards. - Council and Infrastructure Committee did not understand the MIG programme. <p>The DBSA Technical Expert continued to assist the Technical Officer in managing MIG projects, providing advise with regards to project prioritization and budgeting, registration of MIG Projects on MIS, elevating the challenges experienced to DBSA, Project Consolidate, DLGTA, Sisonke DM and DLGTA between January 07 and October 07. The DBSA then appointed a Technical Young Professional from the area of Sisonke in May 07 to assist the MM and Technical Officer in the project management, contract administration, site supervision, procurement (attending site inspection meetings, progress meetings etc.).</p>

MUNICIPALITIES WHICH HAVE SPENT LESS THAN 30% OF THEIR MIG ALLOCATION BY THE END OF DECEMBER 2007 & SIYENZA MANJE DEPLOYMENTS THERETO

Municipality	MUNICIPAL INFRASTRUCTURE GRANT				MUNICIPAL SYSTEMS IMPROVEMENT			Active Deployees as at 30 Dec 2007	Areas deployed	Position	Date of deployment	PMU	COMMENTS
	Allocation (R'000)	Transferred to date (R'000)	% Transferred	Actual Expenditure to date (R'000)	% Expenditure from total allocation	Allocation (R'000)	Actual Expenditure to date (R'000)						
													<p>The municipality has 100% of the 2006/07 allocation of R4,526,000.00 in September 07 besides having limited human resources, lack in capacity, limited understanding of project management and procurement procedures, political problems in November 07. Due to the changing of priorities by Council and delaying projects which were already registered on the MIG MIS, there were not enough projects at tender stage to start implementing right away. The Infrastructure Committee and EXCO are not equipped with the right advice to assist the PMU in enhancing service delivery but all their decisions are contrary to service delivery enhancement. The role of the deployee together with all relevant stakeholders (including political) is to assist the Council and MM in understanding the impact caused the lack decisions or making poor decisions in service delivery.</p> <p>Two Technical Deployee continue to support the Ingwe PMU consisting of a full time Technical Officer and full time Projects Technician (DBSA Technical Young Professional) with the emphasis on getting more 2008/09 projects registered on the MIG MIS before the end February 08 and into tender stage before 1 April 08 so that the municipality and council can focus on building a proper Technical Department and PMU. The deployees have managed to fast-track the registration five MIG Projects on the MIG MIS in liaison with the Provincial and National PMU's. The short term goal is to assist the PMU to save as much as it can of R5,086,000.00 before the end of March 08. According to the planning of the deployee and PMU all the 2006/07 and 2007/08 projects which were left behind due to technical, political and social challenges are all in the process of tender and will be awarded before the end of March 08. According to the planned expenditure for the 2008/09 the municipality should not under-spend but should however exhaust their allocation before the end of March 08.</p> <p>It must be noted that the current acting MM was deployed by DLGTA in October 07 after the MM resigned to stabilize the administrative environment and provide continuity. The Council has elected a new Mayor, Deputy Mayor and Speaker from councillors serving the Ingwe Municipality and Sisonke DM in February 08 in an attempt to stabilize the political situation and enhance service delivery.</p>

MUNICIPALITIES WHICH HAVE SPENT LESS THAN 30% OF THEIR MIG ALLOCATION BY THE END OF DECEMBER 2007 & SIYENZA MANJE DEPLOYMENTS THERETO

Municipality	MUNICIPAL INFRASTRUCTURE GRANT				MUNICIPAL SYSTEMS IMPROVEMENT			Active Deployees as at 30 Dec 2007	Areas deployed	Position	Date of Deployment	PMU	COMMENTS	
	Allocation (R'000)	Transferred to date (R'000)	% Transferred	Actual Expenditure to date (R'000)	% Expenditure from total allocation	Allocation (R'000)	Actual Expenditure to date (R'000)							% Expenditure from total allocation
													The municipality is in the process of appointing the Technical Manager and interviews were conducted on 28 February 08 which is a big boost to the PMU. The acting MM has worked very hard with the PMU and Deployees to improve the MIG programme and planning for the oncoming financial years. The deployees are in the process of setting up a workshop for the Municipal Council to explain the importance of establishing a Technical Department, Planning, alternative funding for infrastructure projects, preferential procurement, supply chain etc. The focus of the DBSA SIYENZA MANJE PROGRAMME is currently on establishing processes and procedures, establishing a Technical Department and PMU, promoting the DPLG CIP and DBSA IIP in-order to enhance service delivery in the Ubuhlebezwe Municipality.	
Maphumulo	5 236		0.00%		0.00%	734	0	0.00%		Maphumulo & Ndwendwe	Project Manager / Technical Expert	01-Jan-07	No	The Technical Expert assisted the municipality with the Maphumulo-Ndwendwe road construction projects; trained officials from water and housing department on implementation of capital projects. The contractors appointed did not have enough cash-flow to implement the projects. The Technical Manager in the municipality did not have the necessary qualification to perform the duties of the technical department. The Siyenza Manje deployee was transferred from this municipality in November 2007 due to family relocation to the Western Cape.
Mkhambathini	2 045	1 045	51.09%		0.00%	734	0	0.00%					No	No Siyenza Manje deployee
Nkandla	5 721	1 253	21.90%		0.00%	734	0	0.00%					Yes Shared	No Siyenza Manje deployee
Ubuhlebezwe	5 491	1 000	18.21%		0.00%	734	0	0.00%	Sicelo Nyide	Ubuhlebezwe	YP-Civil Engineering	07-May-07	No	The Technical Expert was deployed in Sisonke District in August 06. The support was given to Ubuhlebezwe Municipality from the beginning of September 06. The deployee discovered that the Municipality did not have Technical Department and PMU Department to implement the MIG programme but the Community Services Manager was mandated by the municipality to manage 2006/07 MIG projects. The 2006/07 MIG allocation was the first allocation for Ubuhlebezwe and therefore they had no previous experience in managing such a programme since the DM implemented most of their infrastructure projects. The deployee had to take 15 MIG 1 Forms from the Community Services Manager towards the end of September 06 and captured all of them in the MIG MIS with the help of the Sisonke DM Data Capturer and Provincial MIG Evaluator.

MUNICIPALITIES WHICH HAVE SPENT LESS THAN 30% OF THEIR MIG ALLOCATION BY THE END OF DECEMBER 2007 & SIYENZA MANJE DEPLOYMENTS THERETO

Municipality	MUNICIPAL INFRASTRUCTURE GRANT				MUNICIPAL SYSTEMS IMPROVEMENT			Active Employees as at 30 Dec 2007	Assets deployed	Position	Date of Deployment	PMU	COMMENTS
	Allocation (R'000)	Transferred to date (R'000)	% Transferred	Actual Expenditure to date (R'000)	% Expenditure from total allocation	Allocation (R'000)	Actual Expenditure to date (R'000)						
													<p>The delay in appointing Consultants and preparing the Project Business Plans was caused by the lack of understanding of the MIG Programme, confusing the MIG and Municipal Financial Years, understating the project budgets, lack of understanding of the procurement processes, lack of Technical Staff with the appropriate experience, qualifications and training, no sense of urgency with staff and Council. After several attempts to turn around the situation between September 06 and February 07 the deployee decided to address the Municipal Council and Senior Managers on the challenges experienced and made several recommendations to improve under-expenditure for the coming FY's.</p> <p>The preparation of 2007/08 MIG projects could only commence in May 07 because the municipality had to reauthorize the 2007/08/09/10 with the support from the deployee. After the reauthorization of 2007/08/09/10 projects on the MIG MS the municipality started to implement MIG Projects according to the approved 3 year priority list. The DBSA then appointed a Technical Young Professional from the area of Siyemba in May 07 to assist the Community Services Manager and Technical Expert in the project management, contract administration, site supervision, procurement (observing site inspection meetings, progress meetings etc.), updating monthly cash-flows and DORA Reports.</p> <p>The municipality had only spent only 10% of the 2006/07 allocation of R4,896,000.00 and managed to spend the balance of R4,896,000.00 and before October 07 besides having limited human resources, lack in capacity, limited understanding of project management and procurement procedures and social problems at project level. The Community Services Manager attempted to convince EXCO to implement MIG projects as they get registered in-order to accelerate expenditure but was refused due political sensitiveness of changing the priority list.</p>

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I. INFRASTRUCTURE GRANT				MUNICIPAL SYSTEMS IMPROVEMENT			Active Deployees as at 30 Dec 2007	Areas deployed	Position	Date of deployment	PMU	COMMENTS
Municipality (id no)	% Transferred	Actual Expenditure to date (R'000)	% Expenditure from total allocation	Allocation (R'000)	Actual Expenditure to date (R'000)	% Expenditure from total allocation						
												<p>The deployee continues to support the Ubuhebezwe PMU consisting of a part time PMU Manager (Community Services Manager), full time Projects Administrator and full time Projects Technician (DBSA Technical Young Professional) with the emphasis on getting more 2008/09 projects into tender stage before 1 April 08 so that the municipality and council can focus on building a proper Technical Department and PMU. The municipality has only spent only 25% of the 2006/07 allocation of R5,491,000.00 as at the end of February 08 and was planning to spend 80% before the end of March 08 and the balance before the end of May 08. According to the planning of the deployee and PMU all the 2006/07 and 2007/08 projects who were left behind due to land, technical and social challenges and all 2008/09 MIG projects are all in the process of tender and will be awarded before the end of March 08. According to the planned expenditure for the 2008/09 the municipality should not under-spend but should however exhaust their allocation before the end of October 08.</p> <p>It must be noted that the current MM's contract expires at the end of February 08 along with other 3 senior managers (Community Services and LED Manager) and therefore the PMU will rely on the CFO and Corporate Services Manager for support. The biggest challenge facing the PMU is the demand of infrastructure from all 12 wards within the limited financial constraints. The municipality does not have a capital budget for infrastructure but relies on grants due to a limited cost recovery base. In my opinion you cannot operate a PMU if you rely on grants only because if you experience delays it is not easy to recover as you have not committed your own funds on other projects and therefore do not have the opportunity of converting such projects to MIG projects as it is the case with Metros, DM's and other LM's. The deployee is in the process of setting up a workshop for the Municipal Council to explain the importance of establishing a Technical Department, Planning, alternative funding for infrastructure projects, preferential procurement, supply chain etc.</p> <p>The focus of the DBSA SIYENZA MANJE PROGRAMME is currently on establishing processes and procedures, establishing a Technical Department and PMU, promoting the DPLG CIP and DBSA IIP in-order to enhance service delivery in the Ubuhebezwe Municipality.</p>
Umzumbe 873	31.98%		0.00%	734	0	0.00%					Yes	No Siyenza Manje deployee
Umtshali 100	50.77%	72	3.33%	734	0	0.00%					No	No Siyenza Manje deployee
Ezingolweni 000	81.20%	204	8.28%	734	0	0.00%					No	No Siyenza Manje deployee

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Municipality	MUNICIPAL INFRASTRUCTURE GRANT					MUNICIPAL SYSTEMS IMPROVEMENT			Active Deployees as at 30 Dec 2007	Areas deployed	Position	Date of Deployment	Paid	Comments
	Allocation (R'000)	Transferred to date (R'000)	% Transferred	Actual Expenditure to date (R'000)	% Expenditure from total allocation	Allocation (R'000)	Actual Expenditure to date (R'000)	% Expenditure from total allocation						
uMgungundlovu District Municipality	41 608	11 596	27.87%	4 905	11.79%	1 000	127	12.70%	Maisiri, Patrick	Umgungundlovu	Project Manager / Technical Expert	01-Nov-07	Yes	SM has deployed an expert in November 2007. The expert has completed an assessment and the Business Plan. The problems identified by the expert are procurement processes i.e. lack of coordination between finance department resulting in tenders not awarded on time or service providers not paid in time. The other problem was inadequate provisions for counter funding of some of the MIG projects and hence construction could not go ahead.
Umlalazi	7 840	3 300	42.09%	1 146	14.62%	734	0	0.00%					Yes Shared	No Siyenza Manje deployee
Msunduzi	58 036	16 276	28.04%	8 786	15.14%	0	0	0.00%					Yes	No Siyenza Manje deployee
Umvoti	4 201	2 000	47.61%	946	22.53%	734	0	0.00%					No	No Siyenza Manje deployee
Ntambanana	2 014	1 000	49.66%	482	23.95%	734	156	21.25%					No	No Siyenza Manje deployee
Jozini	8 568	3 767	43.97%	2 410	28.13%	734	0	0.00%	Robert Slaughter	Hlabisa, Jozini & Umhlabuyalingana	Project Manager/Technical Expert	12-Jul-07	No	There is slow progress on implementation of MIG projects by contractors resulting in low MIG expenditure and poor municipal performance. Revised implementation plans were developed in Feb 2008 for the contractors to fast-track the implementation of MIG projects.
									Erasmus, Jan	Hlabisa, Indaka & Jozini	Financial Expert	01-Nov-06	No	Assisted the municipality with developing the Service Delivery Budget Implementation Plan (SDBIP); trained officials on the SDBIP; trained officials on the compilation of financial statements; assist on the quarterly report of SDBIP and mid-year assessment, trained officials on the compilation of the Annual Report.
									Siddle, Andrew	Indaka, Jozini & Hlabisa	Financial Expert	01-May-06	N/A	Developed 16 policies varying from budget policy, asset management policy, skills retention policy and others.
Limpopo														
Greater Marble Hall	5 713	2 701	47.27%	34	0.60%	734	81		Matthews, Willem	Ex-Thabazimbi & Maruleng, now assisting Greater Marble Hall and Lepelle- Nkumpi.	Financial Expert	01-Apr-07	Yes	Key policies were developed i.e. Supply chain Management, Credit & Debt collection, Rates policy and Tariff policy since the Siyenza Manje deployment. In addition an audit committee is in the process of being established.

MUNICIPALITIES WHICH HAVE SPENT LESS THAN 30% OF THEIR MIG ALLOCATION BY THE END OF DECEMBER 2007 & SIYENZA MANJE DEPLOYMENTS THERETO

Municipality	MUNICIPAL INFRASTRUCTURE GRANT					MUNICIPAL SYSTEMS IMPROVEMENT			Active Deployees as at 30 Dec 2007	Areas deployed	Position	Date of deployment	PNU	COMMENTS
	Allocation (R'000)	Transferred to date (R'000)	% Transferred	Actual Expenditure to date (R'000)	% Expenditure from total allocation	Allocation (R'000)	Actual Expenditure to date (R'000)	% Expenditure from total allocation						
									Jacobus Pieterse	Greater Marble Hall	Project Manager/Technical Expert	11-Sep-07		Managing 12 MIG projects and he assisted in facilitating the expenditure of R5m since deployment for 06/07 projects, 7 projects in planning, 1 project completed and 4 projects are in implementation. Deployee developed financial reporting system for projects.
									Peter Malahlela	Greater Marble Hall	YP: Technical	01-Dec-07		Resigned a month after deployment. Is now employed by private sector.
									Wilson Ranala	Greater Marble Hall	YP: Finance	01-Dec-07		Working with financial expert and mentored in finance issues.
Bela Bela	4 580	2 640	57.64%	740	16.15%	734	303					N/A	No	There is no Siyenza Manje Deployee
Makhuduthamaga	13 562	7 515	55.42%	3 328	24.54%	734	0	0.00%	Aubrey Mantsha	Makhudu thamakga	Technical Expert	01-Oct-07	Yes	Technical Director passed away, the PMU Manager resigned, SM deployee assisting the municipality in recruiting key positions and has dealt with processes of outstanding claims and payments on MIG projects. Also assisted in developing a finance and infrastructure reporting system.
Greater Giyani	11 534	5 323	46.15%	3 005	26.05%	734	462	62.94%	Daison Mashanda	Giyani	Project Manager/Technical Expert	11-Sep-07	Yes	Managing 13 MIG projects including MIG district projects affecting Giyani and he assisted in facilitating R5m MIG expenditure. Currently the MIG Expenditure is at 41%. There is a need for financial expert since there are cash flow problems. Managing R11m budget for 06/07 and 07/08.
Mpumalanga														
Msukaligwa	13 141	7 240	55.10%	997	7.59%	734	734	100.00%	No deployee	N/A	No deployee		No	Prioritized for PSP deployment
Ehlanzeni District Municipality	18 779	6 135	32.67%	1 900	10.12%	1 000	0	0.00%	No deployee	N/A	No deployee		Yes	Not currently prioritized for deployment but will be considered on recommendation from stakeholders
Thembiisle	40 039		0.00%	4 868	12.16%	1 634	0	0.00%	No deployee	N/A	No deployee		No	Prioritized for Financial and Technical Experts deployment
Govan Mbeki	33 606	18 483	55.00%	6 016	17.90%	734	734	100.00%	Vd Westhuizen, Petrus	Govan Mbeki (to be moved to DWAF-MP)	Project Manager / Technical Expert	01-May-06	Yes	Siyenza Manje deployees assisted with the following tasks: preparation of Business Plans and Technical Reports for projects up to year 2009; preparation of procurement documents such as TORs, scope of works, project definition and monitoring tools; and assisted with the identification of water and sanitation projects up to year 2011. They also developed Project Quality Management Systems and Water and Sanitation Performance Management System. Their input was reduced when the Director for Technical Services came on board in May 2007 as he did not see any value for Siyenza Manje input. As a result the Technical Deployee was finally transferred to DWAF Mpumalanga in February 2008. Their prior input contribute to a MIG expenditure amounting to R20,572,544 in 2006/07.

MUNICIPALITIES WHICH HAVE SPENT LESS THAN 30% OF THEIR MIG ALLOCATION BY THE END OF DECEMBER 2007 & SIYENZA MANJE DEPLOYMENTS THERETO

Municipality	MUNICIPAL INFRASTRUCTURE GRANT					MUNICIPAL SYSTEMS IMPROVEMENT			Active Deployees as at 30 Dec 2007	Areas deployed	Position	Date of deployment	PMU	COMMENTS
	Allocation (R'000)	Transferred to date (R'000)	% Transferred	Actual Expenditure to date (R'000)	% Expenditure from total allocation	Allocation (R'000)	Actual Expenditure to date (R'000)	% Expenditure from total allocation						
Dr JS Moroka	41 108	16 000	38.92%	7 724	18.79%	734	0	0.00%	No deployee	N/A	No deployee		No	Not currently prioritized for deployment but will be considered on recommendation from stakeholders
Lekwa	17 590	6 000	34.11%	3 385	19.24%	750	0	0.00%	Jere, Sydney	Lekwa	Project Manager/ Technical Expert	01-May-06	No	Since there is no PMU, the deployee performs some of its functions. When he started he focused on preparation of Business Plans and Technical Reports; compilation of Master Plans; and was actively involved in monitoring of proper close-out of the bucket eradication programme. Poor expenditure on MIG allocation is directly attributed to the municipality's delays in procurement of service providers, DPLG's delays in MIG registration and DWAF's delays in approval of Technical Reports. Some of the projects that qualified for MIG funding are implemented using other sources while waiting for MIG registration with the hope that these funds can be recovered from MIG later. As a result they are not reflected as MIG projects until they have been properly registered. The deployees are currently processing claims amounting to R5,344,789 to be submitted to DPLG by 29 February 2008. Since there is no PMU, the DBSA has since appointed 2 young professionals to assist the expert. Appointment of a Financial Expert has been proposed to assist with the administration backlogs in the finance department.
									Mulalo Tshisikule	Lekwa	YP:Civil Engineering	01-Oct-07		
									Clarence Moswazi Sc	Lekwa	YP:Civil Engineering	08-Oct-07		
Emalaheni	34 746	8 241	23.72%	6 926	19.93%	750	18	2.40%	No deployee	N/A	No deployee		No	Prioritized for PSP deployment
Delmas	6 990	6 990	100.00%	1 613	23.07%	734	424	57.77%	No deployee	N/A	No deployee		No	Prioritized for Technical Expert deployment
Free State														
Mohokare	19 807		0.00%	3 537	17.86%	734	0	0.00%	Henry Badenhorst			05-Mar-07	Yes	The municipality is having serious administration problems and capacity challenges. Currently, all the Heads of Departments including the MM have been suspended. Although there is progress in implementation of projects on the ground, the fact that there is lack of capacity to process payments and make decisions on time, affect the disbursement of funds. By the end of January 08 the municipality had spent 49% on the bucket eradication funds and 0% on the MIG allocation. The DLG&H plans to deploy staff to assist in the administration of the municipality. DBSA has also prioritised to deploy a PSP during April 2008 in the municipality. The SM expert has assisted the municipality in developing a business plan for the establishment of a PMU, developed a number of infrastructure business plans for funding, and compiled a number of technical reports which were approved by the municipality. The expert is also transferring skills to the existing technical staff.

MUNICIPALITIES WHICH HAVE SPENT LESS THAN 30% OF THEIR MIG ALLOCATION BY THE END OF DECEMBER 2007 & SIYENZA MANJE DEPLOYMENTS THERETO

Municipality	MUNICIPAL INFRASTRUCTURE GRANT					MUNICIPAL SYSTEMS IMPROVEMENT			Active Deployees as at 30 Dec 2007	Areas deployed	Position	Date of Deployment	PMU	COMMENTS
	Allocation (R'000)	Transferred to date (R'000)	% Transferred	Actual Expenditure to date (R'000)	% Expenditure from total allocation	Allocation (R'000)	Actual Expenditure to date (R'000)	% Expenditure from total allocation						
Masilonyana	87 128		0.00%	20 015	22.97%	734	0	0.00%	Mafike, Vincent	Masilonyana	Project Manager/ Technical Expert	2007-03-05 and redeployed in August 07	Yes	The Municipality recommended in August 07 that since the Technical Division was adequately staffed (PMU established and there was also a Technical Manager in place), that the Siyenza Manje Technical Expert assigned to the municipality be used on a needs basis. Thus, this capacity was then moved to another municipality (Tokologo) where they were also facing capacity challenges. However, due to the recent challenges that the municipality was facing and the resignation of the Technical Manager, DBSA was approached by the municipality and the DLG&H to deploy the Technical PSP that would urgently intervene in the municipality. It is thus, envisaged that this expertise will be deployed in the municipality during April 2008. When the SM expert was in the municipality he facilitated the establishment of the PMU and recruitment of staff. The expert also provided general support to the technical unit.
									Mokhobo, Mamorello	Masilonyana	Young Professional			Employed permanently by the municipality
Kopanong	33 018		0.00%	8 710	26.38%	1 000	0	0.00%	Moshanyana, Palesa	Kopanong	Project Manager/ Technical Expert	04-Sep-07	No	By end of January 2008, the municipality has spent around 56% of their Bucket Eradication budget and 2% of their MIG allocation. Amongst some of the reasons stated for the low expenditure was that- although all the projects are currently under implementation, the municipality delayed to appoint contractors. For instance two big contracts were awarded in November 2007. Secondly, implementation of a number of projects is slow because of non-performing contractors and consultants. It is envisaged that the municipality will spend an extra R7m by March 2008.
									Casper Badenhorst	Kopanong	Planner			
Metsimaholo	16 856		0.00%	4 608	27.34%	734	0	0.00%				N/A	No	
Thabo Mofutsanyana District Municipality	22 416		0.00%	6 198	27.65%	1 000	0	0.00%				N/A	No	NO SM Deployee
Gauteng														
Nokeng tsa Taemane	6 905		0.00%	638	9.25%	734	0	0.00%						NO SM Deployee
North West														
Potchefstroom	13 577		0.00%	586	4.32%	0	0	0.00%				N/A	No	NO SM Deployee
Mamusa	3 752		0.00%	231	6.17%	734	0	0.00%				01-Aug-06	Yes	The Technical Expert deployed in the municipality resigned in August 2007. Due to the instability and political challenges in the municipality, the process of replacing the Technical Expert was delayed. The DBSA has planned to deploy another Technical Expert in the municipality by February/March 2008.
Bophirima District Municipality	68 959		0.00%	11 062	16.04%	1 000	0	0.00%				N/A	Yes	No SM deployee

**MUNICIPALITIES WHICH HAVE SPENT LESS THAN 30% OF THEIR MIG ALLOCATION BY THE END
OF DECEMBER 2007 & SIYENZA MANJE DEPLOYMENTS THERETO**

Municipality	MUNICIPAL INFRASTRUCTURE GRANT					MUNICIPAL SYSTEMS IMPROVEMENT			Active Deployees as at 30 Dec 2007	Area/s deployed	Position	Date of Deployment	PMU	COMMENTS
	Allocation (R'000)	Transferred to date (R'000)	% Transferred	Actual Expenditure to date (R'000)	% Expenditure from total allocation	Allocation (R'000)	Actual Expenditure to date (R'000)	% Expenditure from total allocation						
Ventersdorp	7 002		0.00%	1 196	17.08%	734	375	51.09%				N/A	No	Through Siyenza Manje, DBSA has only deployed a financial expert. Due to the municipalities non-performance, DBSA is going to engage the DLG&H to discuss and identify areas of support and intervention for the municipality. It is envisaged that the municipality will be supported through the Siyenza Manje PSP or individual Technical Expert.
Naledi	2 889		0.00%	618	21.38%	734	674	91.83%	Andries Pretorius	Naledi	Project Manager/ Technical Expert	01-May-07	Yes	The project scope for three projects was redefined and the application was made through DPLG and MIG for the redirection of funds to the critical identified project (Bulk Sewer - Upgrading of sewerage purification works). The new application is being processed and it is envisaged by the appointed consultant that 75% of the funds will be spent by end of March 2008 and the balance of 25% by end of May 2008. The low expenditure is also attributed to the change in Executive Management and the lack of capacity in the PM Unit impacted on the project progress and cancel approval.
Lekwa-Teemane	3 453		0.00%	803	23.26%	734	0	0.00%					No	No deployee