

Appendix 9

Outcome 9: Responsive, accountable, effective and efficient developmental local government system

1. National Development Plan 2030 vision and trajectory

The National Development Plan (NDP) envisages that by 2030 South Africa will be a state that is capable of playing a developmental and transformative role. In broad terms such a state intervenes to support and guide development in such a way that benefits accrue across society, with particular emphasis on the poor.

Drawing from the NDP chapter on a Capable and Developmental State, by 2030 we will have a developmental state that is accountable, focused on citizen's priorities, and capable of delivering high-quality services consistently and sustainably through cooperative governance and participatory democracy. As depicted in the White Paper on Local Government, developmental local government is "local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives"¹. In this scenario, local government is at the forefront of participatory democracy, involving citizens in meaningful deliberations regarding governance and development; is responsive to citizens' priorities, and enjoys high levels of trust and credibility amongst the public; whose employees are skilled, competent and committed to delivering quality services; is able to cost-effectively increase the quantity and quality of services and operates within a supportive and empowering intergovernmental system.

The NDP however, cautions that such a developmental state cannot materialise by decree, nor can it be legislated or waved into existence by declarations. It has to be consciously built and sustained. Local government is at the centre of development, and to achieve the aspiration of a transformed and effective local government system will require strong leadership through a clear and consistent, long-term strategy.

2. Constraints and strategic approach

In order to achieve the above vision a number of immediate barriers, constraints and challenges need to be addressed. More than R1 billion per annum is spent on municipal support and capacity building. There are large numbers of credible municipal strategies, policies, guidelines and programmes available to facilitate support, monitoring and interventions within the local sphere. In addition, municipalities are governed through a complex yet robust legislative and regulatory framework. Despite all of this, in a number of instances, municipal performance is far from optimal. Additionally, whilst the metro municipalities have made significant progress in addressing service delivery backlogs, even these advances are obscured by overwhelming challenges related to the fast pace of urbanisation and in-migration.

¹White Paper on Local Government, March 1998

Municipalities operate in a complex environment and municipal performance is impacted at four levels: the individual, institutional, environmental and macro-socio-economic. The priority issues within each of the four levels that are negatively impacting on municipal performance are reflected in the table below:

Institutional Capacity	Enabling Environment	Macro Context
Weak political leadership	Lack of central co-ordination support, information and M&E	Huge pressures of poverty, unemployment and inequality
Technical skills gaps and lack of relevant competencies	Financial viability of municipalities	Huge service delivery backlogs
High staff turnover and vacancy levels	Bulk infrastructure gaps	Weak public participation
Weak understanding of policies	Lack of clarity re decentralisation of powers and functions and role of the districts	Huge social issues, such as crime, drug abuse, gender-based violence
Political deployments not always competent appointments	Role of DCOG unclear	Weak revenue base of municipalities with low levels of affordability
Lack of career progression	Lack of planning alignment amongst the 3 spheres – IDP not taken seriously by other spheres	Political dynamics, including coalitions resulting in inertia
Poor attitudes & values of staff	Local government financing system, including Equitable Share, needs to be reviewed	Pressures of in-migration and urbanisation
Lack of professionalism & regulation thereof by professional bodies & government	Unstable political environment	Weak education system
Corruption at all levels with no consequences	Inconsistent, incoherent and complex local government legislative environment	
Unclear administrative/political interface	Lack of customised support to municipalities, and support focused on compliance	
Weak strategy – focus on compliance		
Weak financial management and low budget spend		
Weak council decisions, often contrary to technical advice		
Organisational instability, including review of S 57 contracts linked to political term of office		
Lack of oversight and accountability		
Lack of legal compliance or regulatory support		
Weak municipal systems		

Responding to the issues above will require a proactive approach to managing the intergovernmental system, in order to address specific weaknesses in collaboration and capacity support. National and provincial departments and entities impacting on local government will have to cooperate better and act with greater synergy in providing oversight and support to the local sphere. Moreover, provincial departments of local government will need to improve the way they monitor and support local government.

Decisive leadership and a cohesive plan is crucial, as is a coherent approach to the following constraints:

- Since 2004, the level of public trust in local government has steadily declined. Municipalities for their part have not always endeavoured to be more efficient and effective, to prioritise, maintain and sustain services (including basic services) to all in support of social and economic development, or to curtail the wasting of funds on non-priority expenditure and to collect all revenue due.
- Poor governance and accountability are also of major concern, with communities often feeling alienated and disconnected from decision-making processes. Much of this stems from undue political interference in operations, weak political leadership, and poor communication with communities, lack of transparency and accountability and weak and ineffective platforms for public participation. Governments' approach to citizen participation has too often become formulaic and symbolic. Unsurprisingly, this does little to improve citizens' confidence. Public confidence and trust in local government will have to be consciously rebuilt. Municipalities will need to pay greater attention to engaging citizens in their own spaces as well as ensuring that engagement in IDP processes is deliberative, with citizens actively involved in identifying and resolving trade-offs.
- The low confidence by citizens is also partly due to the fact that community expectations often exceed the administrative and financial capabilities of many municipalities. Amongst the categories and types of municipalities (from metropolitan municipalities through to small mainly rural municipalities) there is significant variation in capacities and socio-economic context, which has a direct impact on municipalities' ability to carry out their full mandate. The NDP specifies that we need to make better use of the scope for differentiation. In this regard practical actions are needed, such as to mediate agreements between district and local municipalities where there is duplication or conflict over the allocation of responsibilities and resources. There is also a need to develop different modalities for the delivery of services in less well-resourced municipalities, to name just two important issues.
- While a coherent yet flexible approach to differentiation should help to mitigate some of the effects of uneven capacity, a range of other factors will have to be simultaneously attended to for our local government system to become more effective and efficient. These include shortage of skills, undue political influence in the recruitment of senior managers, absence of a positive and focused role for provinces in building municipal capacity, intergovernmental collaboration problems, and lack of capacity to sustain service delivery through own revenue in the context of high levels of poverty and unemployment.

3. NDP priorities to achieve the Vision

The sub-outcomes spread across the different chapters of the National Development Plan that are particularly important to addressing the constraints above, improving local government performance, ensuring quality service delivery and ultimately putting the local government sector on a positive path to achieving the vision are as follows:

- a) Members of society have sustainable and reliable access to basic services.
- b) Intergovernmental and democratic governance arrangements for a functional system of cooperative governance strengthened.
- c) Sound financial and administrative management.
- d) Promotion of social and economic development.
- e) Local public employment programmes expanded through the Community Work Programme (CWP).

The specific actions and targets for the 2014-2019 period are provided for each of these priorities in the tables in section 5 below.

4. Management of implementation

Implementation of the five sub-outcomes above will require committed involvement and collaboration by various stakeholders and entities. The following national and provincial departments and entities will need to cooperate closely with one another to monitor and support the implementation of the MTSF actions:

- Department of Cooperative Governance ;
- National Treasury;
- Department of Water and Sanitation ;
- Department of Environmental Affairs;
- Department of Human Settlements;
- Department of Energy;
- Department of Economic Development;
- Department of Trade and Industry;
- Department of Agriculture, Forestry and Fisheries;
- Department of Public Works;
- Department of Rural Development and Land Reform;
- Office of the Auditor General;
- Department of Mineral Resources;
- Offices of the Premiers’;
- Provincial departments of local government;
- Provincial Treasuries; and

- Municipalities.

This outcome will be coordinated by the extended local government Minmec at political level and the local government Mintec at administrative level. Provincial departments of local government have a pivotal role to play in ensuring the success of the local government outcome. In particular it will be necessary for each province to contextualize the key actions and targets and establish the planning, management and administrative apparatus to ensure implementation, monitoring of delivery, and accurate reporting. Moreover, it is essential to ensure that the Local Government function within the province is geared towards strengthening collaboration for effective oversight of and support to municipalities.

While this document focuses on the actions that need to be taken by national departments, this is only intended to create an enabling environment for local government to flourish, and to provide a context for oversight over and support to municipalities. The ultimate responsibility for achieving the vision of development local government rests with municipalities themselves. It is therefore important that the priorities contained in this document inform the development of municipal Integrated Development Plans (IDPs). More generally, it is important that all municipalities are fully focused on ensuring they make optimal use of limited resources; developing and sustaining the skills they need to operate effectively; providing high quality, reliable and equitable services to citizens; and promoting meaningful citizen participation and engagement. National and provincial governments have a responsibility to ensure municipalities receive the best possible support in meeting these objectives, and organized local government will need to highlight where such support is missing, or is not of an adequate standard.

5. MTSF sub-outcomes and component actions, responsible ministry, indicators and targets

Sub-outcome 1: Members of society have sustainable and reliable access to basic services

The 2011 Census show improvements in the lives of most South Africans, with electricity, and to a lesser extent water, the star performers. In terms of water the Eastern Cape, KwaZulu-Natal and Limpopo are lagging, with, respectively, 22%, 14% and 14% of households not able to access piped water. Additionally 2.1% of South Africans still use the bucket system and 5.2% have no access to toilets, with sanitation challenges most pronounced in the Eastern Cape, Northern Cape, and Limpopo. While access to electricity has dramatically improved, there is tremendous variation in the use of electricity (for lighting, cooking and heating) suggesting that cost constraints at household level may be a factor. Additionally mining towns such as Greater Sekhukhune, Bojanala, Nkangala and Waterberg districts shoulder a significant proportion of the total number of households without access to basic water and sanitation services. Out of a total of 44 District Municipalities, the greatest number of households without water and sanitation that meet minimum standards reside in the 27 districts and mining towns (see appendix A for list of the districts).

Throughout the post-1994 period, government has set targets with for access to services, but universal access to functional infrastructure has been elusive primarily due to infrastructure backlogs, neglect of routine operation and maintenance of infrastructure, uneven or lack of technical capacity and the application of inappropriate delivery technologies in remote rural areas. Although household access to basic services has improved, it is evident that to make progress towards universal access in the 2014 – 2019 period, attention should focus on the 27 districts many of which are rural. The actions below are intended to facilitate this.

The key enabling activity involves each sector organising itself into a service delivery management structure, to plan and implement the delivery of basic services in the 27 districts (see appendix A for list of the districts). The central task is for service delivery backlogs for each sector to be mapped, and projects and funding coordinated per municipality to improve access to basic services. To this end, responsible sector departments (DWAS, DE, DHS and DEA) in collaboration with DCoG, should undertake the activities set out in the table below for each of their sectors.

One of the challenges noted in the provincial IDP assessment reports is weak development planning capacity in municipalities; resulting in municipalities unable to develop quality sector plans which are a cornerstone for the development of quality five (5) year IDPs. In order to improve the next generation of IDPs, municipalities must be supported to improve their development planning capacity to develop credible sector plans. Thus, beyond the 27 priority districts, provinces and sector departments will need to continue to provide appropriate support to municipalities with respect to integrated planning and effective implementation of the priorities contained in municipal plans, particularly in respect of the planning and delivery of core municipal services.

In doing this we have to be cognisant of the fact that both urban and rural municipalities are facing challenges in sustainable service provision. For example, despite Metros rolling out major service delivery programmes, the rate of urbanization and in-migration obscures progress as the demand intensifies. Weak economic growth rates within the metros contribute to rising unemployment and low wages, which in turn impacts on the affordability of services for the majority of citizens. Issues relating to climate change place new service delivery demands on

municipalities, as municipal plans and systems are affected and maintenance and rehabilitation requirements grow. Rural municipalities battle with service provision to spatially dispersed communities. In many instances, bulk infrastructure capacity inhibits service delivery, and the cost of such investment is often prohibitive. Municipal service delivery costings need to be reconsidered in terms of these realities. Currently, the focus is on addressing service delivery backlogs as monitored through the national, household and non-financial municipal censuses. Whilst this focus must remain, the challenge is to expand the developmental emphasis in the next term of government, in order to ensure far more realistic expectations of municipalities, and to factor in the required financial and non-financial support.

Sector departments responsible for monitoring and supporting the provision of municipal services must lead in this response, and must put in place the necessary capabilities in order for them to do so. The effectiveness of provincial support, monitoring and intervention (SMI) initiatives is undermined by certain factors which include, the fragmentation of SMI responsibility among sector departments, the complexity of the legislative framework, bias towards a compliance-based checklist approach to monitoring, inadequate strategic understanding of the local government environment, limited provincial capacity to support municipalities to secure long-term sustainability, and the lack of municipal buy-in with regard to support, monitoring and intervention initiatives. Tools and mechanisms will need to be developed to strengthen SMI initiatives by sector departments and provinces.

The NDP identified the Free Basic Services (FBS) Programme as one of the most critical social security services targeting poor/indigent households to improve the quality of life. Tariffs and service charges are on an upward trend, and these increases will have a direct impact on poor households who cannot afford to pay. Thus a functioning free basic services programme is of great importance to ensure that the right of access to essential services for the indigent is not compromised.

Actions	Minister responsible	Indicators	Targets
1. Joint initiative for each service (water, sanitation, electricity, refuse removal and roads) by relevant sector in conjunction with COGTA and provincial departments of local government launched, and functional coordinating arrangements in place to undertake the following in each local municipality in the 27 districts:	Sectoral Ministers and COGTA Provincial, COGTA	<ul style="list-style-type: none"> • Programme management and coordinating structure established • Implementation protocols defining roles and responsibilities of sector departments developed and signed 	August 2014 End December 2014

Actions	Minister responsible	Indicators	Targets
i. Confirm service delivery norms and standards for basic services and determine and quantify households without services that meet minimum standards per municipality.	Sectoral Ministers and COGTA	<ul style="list-style-type: none"> • Develop and confirm norms and standards. • Number of households without services that meet minimum norms and standards established and confirmed at municipal level. 	End December 2014
ii. Prepare a schedule and pipeline of costed projects to address maintenance, upgrading, refurbishment and new infrastructure requirements in each municipality (i.e. prepare an infrastructure capital and maintenance plan for each municipality).	Sectoral Ministers and COGTA	<ol style="list-style-type: none"> 1. Projects to address service demands identified. 2. Pipe line of costed new projects per municipality developed. 3. Maintenance and upgrading demands costed. 4. Infrastructure capital and maintenance plans, as part of IDP, developed and implemented. 	<p>Steps 1 – 3 to be progressively implemented by March 2017</p> <p>Step 4 progressively by December 2019</p>
iii. Support municipalities to plan, implement, operate and maintain infrastructure projects or implement alternative delivery mechanisms where local municipalities and or districts lack technical capacity.	Sectoral Ministers and COGTA	<ul style="list-style-type: none"> • Institutional support plans for municipalities developed or alternative delivery mechanisms utilized 	Dec 2017
iv. Establish integrated monitoring system for tracking the implementation of the pipeline of projects.	Sectoral Ministers and COGTA	<ul style="list-style-type: none"> • Information Management System developed. • Monitoring system established. 	<p>End March 2015</p> <p>End March 2015</p>
2. Audit the water and sanitation challenges among Water Services Authorities and develop a strategy to remedy the challenges.	Water and Sanitation and COGTA	<ul style="list-style-type: none"> • Assessment of the WSAs • Strategy and remedies per WSA 	<p>September 2014</p> <p>October 2015</p>
3. Strengthen and support the planning and delivery of services by municipalities (beyond the 27 targeted districts) within the regulatory framework of integrated development planning by:	CoGTA Provincial CoGTA Offices of the Premiers	<ul style="list-style-type: none"> • Development Planning Strategy to guide sector departments support to municipalities developed. 	April 2015 – March 2016

Actions	Minister responsible	Indicators	Targets
<ul style="list-style-type: none"> Developing, monitoring and implementing a Development Planning Strategy to guide sector support to municipalities; Monitoring and reporting on the SDBIPs that are submitted in line with the prescribed framework. 	Sectoral Ministers Finance	<ul style="list-style-type: none"> Development Planning Strategy implemented and monitored. Number of SDBIPs monitored and tracked. 	<p>April 2016 – March 2019</p> <p>Metro's by 2014/15 Secondary cities by 2015/16 Remainder of municipalities by 2016/17</p>
4. Co-ordinate sector department commitments within the Municipal Support, Monitoring and Intervention Plans (SMIPs) and the implementation of negotiated integrated support to municipalities through SMIPs.	CoGTA Finance Premiers Provincial MECs of LG and Finance	<ul style="list-style-type: none"> Number of SMIPs developed in consultation with Provinces, municipalities and sector departments. SMIPs approved by Premiers and MEC. Terms of Reference for National Municipal Capacity Coordination and Monitoring Committee (NMCCMC) reviewed to ensure joint decision-making on support and intervention. 	<p>Completion of pilots and full implementation by March 2015</p> <p>Review NMCCMC ToR by March 2015.</p>
5. Strengthen collaboration with sector departments and provinces to support municipalities to develop mechanisms to provide free basic services to indigent households.	COGTA Finance supported by sector depts. and Provinces	<ul style="list-style-type: none"> Number of municipalities in the 27 priority districts supported to apply mechanisms to provide FBS to indigent households. Standardised indigent register for provision of free basic services developed 	<p>All municipalities in the 27 priority districts by 2019</p> <p>September 2016</p>

Actions	Minister responsible	Indicators	Targets
6. Evaluate and monitor Free Basic Services Programme and make implementable recommendations to accelerate the roll-out of Free Basic Service to indigent households.	CoGTA Finance Supported by sector departments	<ul style="list-style-type: none"> • Free Basic Services Programme evaluated. • Recommendations of Free Basic Services Programme evaluation implemented. • Implementation of recommendations on Free Basic Services monitored. 	<p>March 2016</p> <p>April 2016 – March 2018</p> <p>April 2016 – March 2019</p>

Sub-Outcome 2: Intergovernmental and democratic governance arrangements for a functional system of cooperative governance and participatory democracy strengthened

Various intergovernmental relations systems and structures (at national, provincial and district levels) exist to foster cooperation, collaboration for planning and service delivery, and for policy alignment. However, these systems have not always been effective. Greater clarity is required regarding the practical purpose of these structures, their function, and how their performance and functioning can be improved.

Additionally and as a response to the lack of clarity concerning roles and responsibilities of the different spheres of government, and how this impacts negatively on functional and fiscal accountabilities, an Assignment Framework will be developed. This framework will include recommendations for the improved distribution of powers and functions between district and local municipalities. Policy reform proposals for other key assignment areas, such as improved governance of executive assignments devolved to local government will also be developed. Following these processes and reforms, the revised powers and functions framework will be implemented and monitored for its effectiveness.

With respect to strengthening the practices of local level democracy, municipalities are the lead agents for local democratic participation. They need to ensure that platforms and mechanisms exist for citizens to participate in decision-making, and be kept informed of key issues and developments. The anticipated impact through this sub-outcome is that participation at ward level becomes more deliberative, and that the scope for two way communication and interaction enables citizens to express their needs and concerns, as well as for citizens to be kept informed of key issues and developments that are underway. Provinces need to provide appropriate support to municipalities in achieving these objectives. The strategic imperative is to support municipalities to strengthen their capacity for deliberative public participation through improved consultation, communication and feedback mechanisms.

<u>Actions</u>	<u>Ministers responsible</u>	<u>Indicators</u>	<u>Targets</u>
1. Enhance the strategic performance of intergovernmental structures for improved inter-sphere alignment and collaboration.	CoGTA Sectors Premiers MECs	<ul style="list-style-type: none"> • Performance of IGR structures at national, provincial and district levels assessed. • Recommendations for strengthening performance of IGR structures developed and implemented. 	<p>March 2015</p> <p>March 2016 until March 2019</p>
2. Implement proposed policy reforms for management of assignment of powers and functions, including a review of the district system.	COGTA Finance Sector Ministers MEC's responsible for LG	<ul style="list-style-type: none"> • Policy reforms for key assignment areas proposed. • Framework for Powers and Functions developed. • Adjustments of powers and functions implemented and monitored. 	<p>March 2016</p> <p>March 2016</p> <p>March 2016 – March 2019</p>
3. Review the financial sustainability of municipalities with no or extremely weak revenue bases and develop proposals on what needs to be done.	COGTA MECs for LG Finance	<ul style="list-style-type: none"> • Review and develop proposals on financially unsustainable municipalities 	Dec 2014
4. Establish a response team to investigate root causes of protests in hotspots and introduce remedial measures to stabilise council-community relations.	COGTA MECs responsible for LG	<ul style="list-style-type: none"> • Response team established • Remedial measures introduced in hotspot municipalities 	<p>June 2014</p> <p>Dec 2014</p>
5. Ward committees to identify a set of basic concerns (potholes, non-functioning traffic lights, service interruptions, billing queries, etc.) of citizens in their wards for attention.	COGTA Provincial COGTA	<ul style="list-style-type: none"> • Number of Ward level improvement plans that include basic ward level issues (potholes, non-functioning traffic lights, service interruptions, billing queries, etc) to be addressed 	1777 by March 2015 Post 2016 LG elections all wards by March 2019

<u>Actions</u>	<u>Ministers responsible</u>	<u>Indicators</u>	<u>Targets</u>
6. Ensure an effective ward committee system to deepen participatory democracy by facilitating the establishment of ward committees and strengthening their oversight function in terms of monitoring and reporting to community progress against the IDP and SDBIP and ward service improvement plans/ward operational plans	CoGTA Premiers MEC's responsible for LG	<ul style="list-style-type: none"> • Number of municipalities with established ward committees post 2016 local government elections. • Number of ward committees supported to play an oversight function i.t.o. delivery per ward against the SDBIP and the ward level service improvement plans/ward operational plans. 	<p>All municipalities by Nov 2017</p> <p>All wards by Nov 2018</p>
7. Strengthen the implementation of Schedule 5 of the Local Government Municipal Structures Act (quarterly report back by Councillors) to ensure and encourage formal community involvement in matters of local government.	CoGTA Provincial CoGTA	<ul style="list-style-type: none"> • Monitoring report on the number of community report back meetings convened by Councillors for improved communication on service delivery including IDPs, SDBIP, etc. 	March 2015 (ongoing until March 2019)

Sub-Outcome 3: Sound financial and administrative management

Municipalities are required to strive, within their financial and administrative capacity, to achieve the desired objectives of local government. The state of financial governance and management shows that much still needs to be done. The legislative framework to build institutions of local government has been in place over the past 10 years, however, the implementation and capacitating of the system through support and interventions needs to be expedited during the next decade so that we achieve full compliance with laws and regulations, such as the Municipal Structures Act, Municipal Systems Act, the Municipal Finance Management Act (MFMA), Municipal Property Rates Act (MPRA) and Municipal Fiscal and Powers Act. The current state of municipalities shows that there are many weaknesses in this regard, weaknesses that compromise the ability of municipalities to fulfil their developmental mandate.

The quality of the operating environment and municipal administrative and management practices is directly correlated with the quality of service delivery and improved productivity. A proactive approach to identifying and resolving institutional problems is key to ensuring municipalities meet the minimum level of norms and standards of good institutional performance. The availability of collective data on municipal governance is key to inform smarter and more effective municipal support and intervention to improve financial and administrative management. The focus at national level will be three-fold: hosting of a repository for information on municipal governance, the development and implementation of a model and tool appropriate for measuring, monitoring and supporting improved management in municipalities, and

the creation of a forum of key stakeholders for joint decision-making and coordinated support and intervention. The anticipated impact is strengthened local government management and administration, for improved service delivery to citizens.

Various institutional and administrative challenges also impact on the ability of municipalities to effectively perform their functions and deliver on their various obligations. In response to these and other challenges that have been handicapping municipalities, the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers was promulgated to address the weaknesses in recruitment, management and human resources. This intervention will go a long way towards the professionalization of the local government sector, and in achieving the vision espoused in the National Development Plan of a skilled and professional public service.

There is a concern that a significant number of training courses used by local government are expensive and do not necessarily provide the desired results, delivering neither the long term benefit of local government itself nor the outcome of individuals who are trained. If local government is to become a career of choice capable of attracting and retaining a cohort of skilled and dedicated staff, there is a need to look at how on-the-job and workplace training can be shaped and adapted. Key to this will be the following:

1. Improving the general management competence of senior local government managers, and ensuring the creation of a local government management career path.
2. Supporting the implementation of the CoGTA Strategy to ensure that professionals working in local government (engineers, architects, planners, etc.) can become registered professionals whilst working in local government.
3. Sustaining the implementation of the National Capacity Building Strategy for Local Government.
4. Councillor orientation and ongoing training.
5. Providing basic and other training for traditional leaders.

There are mounting concerns regarding growing levels of corruption and a widespread disregard for the rule of law. There is a strong sense that in the main there are no consequences for transgressions at local level. Key issues that must be tackled include: a clamp-down on political interference in the administration, poor discipline and corruption; building the quality of political leadership at municipal level; the separation of executive and legislative powers within the municipal sphere, the transparent and accountable appointment of administrative staff; ensuring sound municipal financial management and governance systems; and building strong community engagement and communication platforms.

<u>Actions</u>	<u>Ministers responsible</u>	<u>Indicators</u>	<u>Targets</u>
1. Monitor, assess and guide municipalities to comply with all the legislative requirements relating to municipal revenue, financial management and sustainability.	Finance CoGTA Provincial CoGTA Provincial Treasuries DWA / Energy /DEA DME / Nersa	<ul style="list-style-type: none"> • Number of municipalities monitored, assessed and guided to comply with the MPRA. 	All in the period 2014 – 2019

<u>Actions</u>	<u>Ministers responsible</u>	<u>Indicators</u>	<u>Targets</u>
		<ul style="list-style-type: none"> • Municipal financial recovery plans developed within 90 days of request. • In-year financial management reports analysed. • Municipalities guided to implement corrective actions. • Municipal costing and pricing reviewed and proposals submitted to Cabinet. • Consideration of all recommendations by Finance and CoGTA MinMecs in reviewing the local government fiscal framework with regard to municipal financial sustainability implemented. • Financial reporting for all municipalities through implementation of SCOA standardised. 	<p>2014 – 2019 (reports submitted quarterly and annually)</p> <p>Analysis of reports done bi-annually and annually</p> <p>17 non-delegated municipalities supported through mid-year visits and benchmarking exercises</p> <p>Costing and pricing assessed annually</p> <p>2014 - 2019</p> <p>July 2017 for financial reporting through SCOA</p>
2. Support measures for sustainable municipal infrastructure spending in 17 non-delegated municipalities.	Finance CoGTA Provincial MECs for LG and Finance Sector departments	<ul style="list-style-type: none"> • 17 non-delegated municipalities supported. 	Bi-annual through mid-year visits
3. Review and reform the system of infrastructure grants to local government.	Finance CoGTA Sector departments	<ul style="list-style-type: none"> • Review completed • Reforms implemented to improve functionality of infrastructure transfers to local government 	March 2015 April 2015 – March 2019

<u>Actions</u>	<u>Ministers responsible</u>	<u>Indicators</u>	<u>Targets</u>
4. Support measures that address the financial management and governance of municipalities.	CoGTA Finance Provincial MEC's for LG and Finance	<ul style="list-style-type: none"> • Nr of municipalities with Audit Action Plans that have been assessed to adequately address the AG findings. • A coordinating structure per province that monitors the implementation of municipal audit action plans on a quarterly basis. 	All 278 municipalities annually March 2015
5. In conjunction with provinces develop an in-depth understanding of the operating environment and quality of management practices of municipalities using the Local Government Management Improvement and FMCMM Models.	PME with support from DCoG, NT and provinces Finance - FMCMM	<ul style="list-style-type: none"> • LGMIM and FMCMM scorecards completed. • Improvement plans in municipalities supported and implementation monitored by province. • Improvement plans incorporated in provincial SMIPs. 	20 LGMIM scorecards by end March 2015 100 municipalities go through at least one cycle from assessment to implementing an improvement plan by 2019
6. Monitor and guide municipalities in the appointments of competent and suitably qualified senior managers in line with the Municipal Systems Act and the MFMA.	COGTA Finance Sector Ministers	<ul style="list-style-type: none"> • Number of municipalities monitored and guided to comply with MSA regulations for appointment and conditions of employment for Senior Managers. • Number of municipalities monitored and guided to comply with minimum competency regulations for financial management • Appointment of competent and suitably qualified senior managers. 	100% of all new senior management appointments by March 2019 100% by March 2019 100% of all new senior management appointments by March 2019

<u>Actions</u>	<u>Ministers responsible</u>	<u>Indicators</u>	<u>Targets</u>
7. Institutionalise capacity building for local government so that officials meet the prescribed minimum competency requirements and councillors are able to fulfill their governance obligations.	CoGTA Finance Provincial CoGTA Sector Ministers	<ul style="list-style-type: none"> Draft Capacity Building Strategy for councillors developed.² Capacity building strategy for officials reviewed and implemented. 	Dec 2015 March 2015
8. Corruption within local government is tackled more effectively and consistently by identifying key risks and development of appropriate responses to address the risks.	COGTA Finance Provincial MECs for LG Finance Sector Ministers	<ul style="list-style-type: none"> Identify key risk areas, including political interference, associated with corruption. Risks addressed and reported on. 	Sept 2014 Quarterly

Sub-outcome 4: Promotion of social and economic development

Municipalities operate within, and govern defined geographical spaces with a range of socio-economic profiles and realities. Cities and large towns in South Africa produce 80% of the country's Gross Value Add and are home to 63% of the country's population. The majority of municipalities; smaller and rural in nature, make up the balance. All municipalities are confronted by the huge spatial inequities and fragmentation of the past, and share the challenges of high levels of unemployment, poverty, dependency and social ills. The ability of municipalities to respond to these challenges depends to a large extent on their strategic capabilities, and their ability to mobilise and effectively invest resources. The next term of government must drive a much clearer focus on the promotion of social and economic development by municipalities as both a core object of local government, and a necessary approach to securing the future sustainability of municipalities. Municipalities need to play a critical role in removing the most pressing constraints on growth, investment and job creation.

The NDP directs that although a "fundamental reshaping of the colonial and apartheid geography may take decades, by 2030 South Africa should observe meaningful and measurable progress in reviving rural areas, and in creating more functionally integrated, balanced and vibrant urban settlements." The NDP also paints a useful summary of the urban futures South Africa should be striving for, viz. cities and towns will be modern, predictable in terms of basic services and infrastructure, "well-oiled", clean, safe, distinguished by vibrant public life and active streets, and like all vibrant cities, filled with cultural surprise and enchantment.

To respond to the directive, a policy framework to promote integrated urban development, while also strengthening urban-rural linkages, is being developed. The Integrated Urban Development Framework (IUDF) is rooted in the policy agendas of the National Development Plan and the New Growth Path. Apart from establishing a common policy agenda for how the management and performance of urban areas can

²Capacity Building Strategy will be verified and implemented post the 2016 local government elections.

best contribute to the macro goals of the NDP and the NGP, the objective of the IUDF is to foster a shared understanding, across government and society, of how urbanisation should best be managed towards the societal goals of resilience and inclusion. It further aims to clarify the institutional reforms required to improve urban management, as well as providing a roadmap for the sequence of necessary policy reforms.

The National Development Plan further directs that the fruits of growth from the South African economy must be shared more equitably, in an economy that is growing faster, is more inclusive, and dynamic. To contribute to the attainment of this goal, the Department has developed a revised National Framework for Local Economic Development, (LED). One of the objectives of this revised framework is to position local government as an important and central sphere of government in national economic development, through an accountable, responsive, efficient and effective local government system. The Framework considers the role of a developmental local government, focusing on the role of local government in economic governance, by creating an enabling environment for economic development, and building public and market confidence in our municipalities as places to live, work and invest. The development of the revised framework has therefore been underpinned by the need to advance and deepen the understanding of LED and its role in South Africa, and to mobilise the country around one common agenda, and one collective response to stimulate competitive and inclusive local economies.

<u>Actions</u>	<u>Ministers responsible</u>	<u>Indicators</u>	<u>Targets</u>
1. Initiate and coordinate support for the urban development agenda.	CoGTA Finance Sector Departments Provinces	<ul style="list-style-type: none"> • Integrated Urban Development Framework (IUDF) approved; • Implementation Plan for IUDF monitored. 	March 2015 April 2015 – March 2019
2. Position local government to create an enabling environment for economic development to stimulate competitive, inclusive and sustainable local economies.	COGTA Finance DTI EDD DRDLR Provinces Premiers Offices	<ul style="list-style-type: none"> • Catalytic economic development programmes facilitated in 27 Rural Districts to create jobs and sustain livelihoods • Cost of doing business lowered by reducing Red Tape in municipalities • Support provided by national and provincial departments to municipalities to implement the National Framework for Local Economic Development 	2015- 2019

Sub-Outcome 5: Local public employment programmes expanded through the Community Work Programme

To tackle poverty and provide livelihood support for poor households, government adopted the Community Work Programme. The anticipated impact of this programme is creating access to a minimum level of regular work for those who need it, by targeting areas of high unemployment and poverty, and or where sustainable alternatives for employment are likely to remain limited for the immediate future.

<u>Actions</u>	<u>Ministers responsible</u>	<u>Indicators</u>	<u>Targets</u>
1. Effective and efficient programme management and administration.	CoGTA	<ul style="list-style-type: none"> Functional CWP unit and systems established within DCoG. 	New institutional arrangements implemented by March 2015
2. Proactively build capacity of non-profit implementing agencies and participants through skills development at site level.	CoGTA Provincial CoGTA	<ul style="list-style-type: none"> Capacity building strategy and programme developed. Number of participants trained to enhance ability for self-help. Capacity building initiatives for Non-Profit Organisations functioning as implementing agents developed. 	March 2015 At least 50000 participants trained annually Capacity of 8 NPO's strengthened by March 2015
3. Establish 15 new sites in identified municipalities.	COGTA, Sector Departments Provincial CoGTA	<ul style="list-style-type: none"> 15 additional sites established with a minimum of 1000 participants per site. 	15 000 new work opportunities by March 2015, giving a cumulative total of 187000 participants

<u>Actions</u>	<u>Ministers responsible</u>	<u>Indicators</u>	<u>Targets</u>
4. Establish and maintain strategic partners to enhance and sustain quality programme outputs.	COGTA Sector departments	<ul style="list-style-type: none"> Partnership Strategy developed. MOUs with sector departments, state owned enterprises and private sector to contribute resources and technical expertise concluded. 	March 2015 (ongoing guided by strategy)
5. Expand CWP sites in 234 municipalities.	CoGTA Provincial Departments of Local Government	<ul style="list-style-type: none"> Sites established in 234 municipalities. Minimum of 1000 participants enrolled per site. 	1 million participants reached by 2019 (depending on funding)

6. Impact indicators

The table of impact indicators below will serve as the basis for monitoring the extent to which government is making an impact on the long-term vision for local government, as outlined in the NDP.

Sub-Outcome	Indicator(s)	Ministers responsible	Baseline(s) (2013/14)³	2019 Target
Members of society have sustainable and reliable access to basic services	Number or percentage of hhs with access to a functional service at acceptable levels as per norms and standards	Water and Sanitation	Water: 85% (Number of HHs to be determined)	90% functional
		Water and Sanitation	Sanitation: 84% (Number of HHs to be determined)	90%

³The baselines for audit outcomes are based on the interim audit outcomes as released by the Auditor-General during May 2014.

Sub-Outcome	Indicator(s)	Ministers responsible	Baseline(s) (2013/14) ³	2019 Target
		Water and Sanitation; COGTA	HHs using bucket sanitation 88127 in formal areas	0% households in formal areas with a bucket sanitation service
		Energy	Electricity 12,8 million hhs connected to grid	1.4 million additional HHs connected
		Energy	Electricity: 75000 hhs on non-grid	105 000 additional HHs connected
		Environment	Refuse: 72%	80%
Intergovernmental and democratic governance arrangements for a functional system of cooperative governance strengthened	Public trust and confidence in local government	COGTA	51% (Ipsos 2012)	65%
Sound financial and administrative management	Number of municipalities that improve their audit outcomes	COGTA Finance	20% adverse and disclaimers 25% qualified audits 50% unqualified audits	No municipalities with disclaimers and adverse opinions Maximum of 25% municipalities with Qualified audits At least 75% of municipalities with unqualified audit opinions
Local public employment programmes expanded through the Community Work Programme	Number of participants reached	COGTA	174725 (actual participation rate end March 2014)	1 million

27 DISTRICT PRIORITY AREAS

In June 2011, Cabinet identified 21 distinct priority areas having less than 30% access to basic services. This was subsequently extended to 24 district areas which include Amathole, Xhariep, and Umgungundlovu District Municipalities. An additional three (3) district priority areas have been identified, but the focus is on ensuring that the areas evolve economically based on the current and potential mining activities

Below are listed the priority district areas indicating the number of households below basic level of service (water, sanitation, refuse removal and electricity) as informed by the Census of 2011.

No.	Name of Municipality	Total households	Backlog - Access to Basic Services			
			Below Basic Water	Below Basic Sanitation	Below Basic electricity	Below Basic Refuse Removal
1	Amathole	237 776	86 580	125 438	59 499	156 883
2	Chris Hani	210 852	48 367	80 571	42 698	118 714
3	Joe Gqabi	97 775	31 164	39 170	26 313	56 143
4	OR Tambo	298 229	150 277	131 242	75 566	207 047
5	Xhariep	45 368	1 181	5 758	3 162	10 610
6	Ugu	179 440	48 587	66 435	42 456	99 482
7	uMgungundlovu	272 666	29 480	54 785	31 366	107 881
8	Uthukela	147 286	36 552	43 461	30 450	73 608
9	Umzinyathi	113 469	41 292	39 595	47 153	69 341
10	Amajuba	110 963	10 454	30 978	14 274	34 854
11	Zululand	157 748	44 165	56 934	36 428	87 661
12	Umkhanyakude	128 195	48 535	44 541	63 692	86 334
13	uThungulu	202 976	35 227	64 313	38 146	100 260
14	ilembe	157 692	38 110	45 477	36 188	75 979
15	Ehlanzeni	445 087	101 653	203 251	42 091	245 953
16	Mopani	296 320	73 387	147 470	29 299	195 163
17	Vhembe	335 276	84 584	165 045	37 676	222 972
18	Capricorn	342 838	53 526	158 292	35 278	180 562

No.	Name of Municipality	Total households	Backlog - Access to Basic Services			
			Below Basic Water	Below Basic Sanitation	Below Basic electricity	Below Basic Refuse Removal
19	Waterberg	179 866	18 015	55 219	17 867	70 776
20	Bojanala	501 696	59 038	169 403	57 744	160 970
21	Ngaka Modiri Molema	227 001	46 164	97 333	37 747	108 862
22	Dr Ruth Segomotsi Mompoti	125 270	21 437	41 260	19 722	69 790
23	Sisonke	112 282	41 819	45 729	35 260	68 890
24	Alfred Nzo	169 261	86 435	82 346	76 534	126 571
25	Joe Taolo Gaetsewe	61 331	11 061	20 672	6 601	31 829
26	Greater Sekhukhune	263 802	77 765	156 520	30 165	177 479
27	West Rand	267 397	15 333	26 845	40 021	40 316
Total		8 283 239	1 460 759	2 587 477	1 253 444	3 468 183