



## **Good Governance Learning Network**

Submission to the  
Department of Provincial and local Government (**dplg**)

on the

## **Review of the White Paper on Local Government**

October 2007

The full members of the network are:

Afesis-corplan  
Built Environment Support Group (BESG)  
Centre for Policy Studies (CPS)  
Centre for Public Participation (CPP)  
Community Law Centre (CLC)  
Democracy Development Programme (DDP)  
Electoral Institute of Southern Africa (EISA)  
Fair Share  
Foundation for Contemporary Research (FCR)  
Institute for Democracy in South Africa (IDASA)  
Isandla Institute  
Planact  
Project for Conflict Resolution and Development (PCRD)  
Trust for Community Outreach and Education (TCOE)

This submission was workshopped at an event involving most GGLN members on  
15 & 16 October 2007.

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## 1. Introduction

The Good Governance Learning Network (GGLN) welcomes the opportunity to make a submission to the **dplg** on the review of the 1998 White Paper on Local Government. This submission is based on the experience and collective learning of the network over the past four years. We believe the review is a critical process, which will enable government and civil society to collaboratively take stock of local governance in our country, to identify areas of strength and shortcomings within the system, and to develop strategies and plans to realign local government on a path towards achieving its full developmental promise. We would like to commend the **dplg** for its commitment to an open and inclusive process of reviewing the White Paper on Local Government. We trust that our submission will be afforded serious consideration.

The GGLN was founded in 2003 as an initiative to bring civil society organisations working in the field of local governance in South Africa together to network and share information and lessons towards the goal of promoting good governance, participatory democracy and pro-poor service delivery at local level. Now in its second phase (2007-2009), the network has taken on a more active focus on positively impacting on the local governance context in South Africa through collective learning, research, information dissemination, piloting innovative practices, and advocacy. The network has fourteen full member organisations, which are NGOs involved in local government research, training and capacity building and advocacy. The network is supported by three donor partners, namely the Ford Foundation, the CS Mott Foundation, and the German Agency for Technical Cooperation (GTZ).

This submission was workshopped at an event involving all but one of the full GGLN members and a number of other civil society organisations that took place in Johannesburg on 15<sup>th</sup> and 16<sup>th</sup> October 2007. The **dplg** was represented by the Director-General, Ms Lindiwe Msengana-Ndlela, who opened the event with an input on the Local Government White Paper review process.

## 2. Structure of the submission

The submission begins with a review of the key principles of developmental local government as enunciated in the White Paper on Local Government. It then provides our assessment of the practice of local governance in South Africa over the period since the introduction of the White Paper in 1998. This section is structured around three key thematic areas, which we believe together encompass the entire spectrum of issues within the local government context that need to be reviewed. The first area deals with local democracy, responsiveness and accountability. The key questions this area covers are: To what extent is participatory democracy being realised at local government level in South Africa? To what extent is local government responsive to the needs and concerns of citizens, and to what extent are local government politicians and officials held accountable for their decisions and actions?

The second thematic area we look at is municipal planning and budgeting, which includes a discussion of Integrated Development Planning (IDP), municipal finances and budgeting, performance management and intergovernmental relations. Here the key areas of interrogation are: To what extent are the key instruments of state delivery at local government level (namely IDP, budgeting, performance management) geared towards effective, pro-poor service delivery and integrated, sustainable development? To what extent are relations between the three spheres of government operating effectively such that developmental interventions and resources are appropriately focussed at a municipal level?

The third and final thematic area covered in the assessment of current practice is municipal service delivery, implementation and poverty reduction. The key questions here are: To what extent are municipalities making sufficient inroads into reducing service delivery backlogs, how they are doing this, and are municipalities fulfilling their envisaged development role as vehicles for poverty reduction?

The submission concludes with a number of recommendations that we would like the **dplg** to consider.

### **3. Fundamentals of developmental local government still relevant**

As a network we believe that the fundamental vision and principles of developmental local government articulated in the White Paper for the most part remain as relevant today as they were nine years ago when the document was published.

The White Paper defines developmental local government as "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." Key roles for developmental local government are expressed as "representing our communities, protecting our human rights and meeting our basic needs." The White Paper further states that developmental local government should "focus its efforts and resources on improving the quality of life of our communities, especially those members and groups within communities that are most often marginalised or excluded, such as women, disabled people and very poor people."

The White Paper elaborates four interrelated characteristics of developmental local government:

1. *Maximising social development and economic growth*: focussing on meeting people's basic needs and growing the economy, primarily through basic household infrastructure provision and regulation
2. *Integrating and co-ordinating*: which means providing a vision and leadership to ensure that different agencies from both the public and private sectors contribute to development within each municipal area
3. *Democratising development, empowering and redistributing*: focussing on promoting local democracy and the involvement of citizens in the design and delivery of municipal programmes
4. *Leading and learning*: building social conditions favourable to development through, amongst others, strengthening local political leadership and empowering ward councillors, responsive problem-solving and creating partnerships, knowledge management, and raising awareness of human rights issues, environmental issues and investing in youth development.

The White Paper further discusses three envisaged developmental outcomes of local government:

1. Provision of household infrastructure and services
2. Creation of liveable, integrated cities, towns and rural areas
3. Local economic development

Finally, the White Paper sets out three key tools and approaches that are intended to realise these developmental outcomes, namely:

1. Integrated Development Planning, budgeting and performance monitoring
2. Performance management, and
3. Working together with local citizens and partners

With regard to the third approach, citizens are encouraged to participate actively at four levels: as voters; as citizens who express their views in policy processes through various stakeholder associations; as consumers and end-users of government services; and as organised partners involved in the mobilisation of resources for development via businesses, NGOs and CBOs.

#### **4. Local government in crisis?**

To what extent have the envisaged outcomes of developmental local government been achieved over the past nine years? We would argue that there is a serious mismatch between the vision and objectives for developmental local government set out in the White Paper and the reality as it has played out since 1998.

Sporadic community protests, some of which have turned violent, have become a striking feature of the local government landscape over the past three years. Over the period 2004-05, 881 illegal and over 5000 legal protests were recorded in municipalities across the country.<sup>1</sup> Many observers would argue that the scale of these protests points to a crisis of local governance in South Africa. Typically, these protests have been considered to be about poor service delivery. While at face value this may be true, there is a sense that there is more to these civil uprisings than grievances around service delivery. They also appear to be a reaction to a perceived general lack of government responsiveness and accountability, and concerns about corruption, the quality of representation by elected councillors, and the lack of opportunities for people to participate meaningfully in making decisions that affect them. The obvious case in point with regard to the latter is the unrest in Khutsong over the redemarcation of the town from Gauteng into the North West Province. What is clear is that these protests have not just sprung out of nowhere. They are a manifestation of a deep frustration that has surely been fermenting under the surface for a long time. We also concede, however, that the protests have not always been motivated by purely developmental concerns. In some cases, legitimate community grievances appear to have been mobilised to serve individual political ambitions.

A more positive reading of the protests is that they represent an opportunity for government to engage with a highly mobilised citizenry who, by their actions, are expressing a desire to be heard by the authorities.

The key question is whether these protests are indicative of general negative public sentiment towards government and its service delivery performance, or are they what government has often explained as isolated outbursts in response to localised delivery shortcomings?

On this question there is some contradictory evidence. Data provided by the government on public opinion on service delivery shows a generally high level of satisfaction with service delivery performance, measured between 2000 and 2007.

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<sup>1</sup> Johnston, 2. 2007. *Voices of Anger: Protest and conflict in two municipalities*. Centre for Development and Enterprise, Johannesburg.

**Table 1: Public perceptions of local government**

	May '00	May '01	May '02	May '03	May '04	May '05	May '06	May '07
Performing well	72	65	74	75	81	73	76	68
Not performing well	28	35	25	25	19	26	24	31

Source: Development Indicators – Good Governance: Government effectiveness, Mid-term review, 21 June 2007, accessed at [www.gov.za](http://www.gov.za), 5 October 2007

Other surveys paint a different picture. A slightly different question, which nevertheless has a bearing on citizen's perceptions of service delivery performance, is that of the level of trust citizens have in local government. As table 2 reveals, data from successive nationally representative annual surveys conducted by the Human Sciences Research Council shows consistently low levels of public trust in local government. In 2005, more than a third (35.5%) of respondents stated that they either distrust or strongly distrust their local government.

**Table 2: % Strongly trust or trust local government, 1999-2005**

1999	2000	2001	2003	2004	2005
48,0	36,5	37,9	42,8	54,6	48,1

Source: derived from Human Sciences Research Council survey databases

It is worth noting, too, that levels of public trust in local government (48.1% in 2005) are substantially lower than those of provincial government (59.5%) and national government (64.3%).<sup>2</sup>

The question is; what underlies these low levels of public confidence in local government? Something would appear to be seriously amiss with our local government system. Against the backdrop, it is timely that government undertake a thorough review of local governance in the country.

## 5. Our assessment of the current local governance landscape

The following is the GGLN's assessment of the current local governance context in South Africa. It starts by reviewing issues related to the nature and quality of local democracy, responsiveness and accountability. It then examines municipal planning and budgeting issues, including performance management and intergovernmental relations. Finally, the section gives an assessment of Municipal service delivery, implementation and poverty reduction issues.

### 5.1: Local democracy, responsiveness and accountability

#### 5.1.1 Political systems, processes and accountability

Within the realm of formal political participation, it should be noted that levels of voter participation are the lowest in local government elections compared to elections for the provincial and national spheres of government. Voter turnout in the last three municipal elections was 49% in 1995/6, 49% in 2000 and 48,4% in 2006. By comparison, voter turnout for the national and provincial elections was much higher, at 76% in 2004, 88% in 1999 and 86% in 1994. (On a more positive note, however, while voter turnout rates for local government elections have been relatively low, they have been consistent). While compared to other countries (even developed countries) the lower turnout for municipal elections is not unusual, we would nevertheless welcome interventions to increase voter participation in municipal politics. Part of the answer would appear to lie in

<sup>2</sup> South African South Attitudes Survey, 2005, Human Sciences Research Council

generating greater awareness about municipal functioning and the importance of political participation amongst the public. This should occur on a more sustained basis, rather than only once every five years around election time.

We note and welcome the important progress that has been made in terms of women's representation on municipal councils. There was an increase in the number of female councillors elected, from 29% in 2000, to 40% in the 2006 municipal elections. Women now make up 37% of ward councillors and 43% of PR councillors.<sup>3</sup> Three out of the six metropolitan municipalities now have women mayors.

While we recognise that there are certain potential positive attributes of the Executive Mayoral system, we do believe that there is the innate danger within this type of governance arrangement for a lack of transparency and accountability. Indeed nearly seven years after adopting this system the benefits remain largely unproven in any empirical sense and there has never been a cost - benefit analysis of the system according to its impact on local democracy. It also tends to generate unnecessary tension between executive councillors and ordinary councillors. There is a need to interrogate this system carefully and to implement measures to monitor and enforce greater accountability and openness.

Floor crossing has become a highly contentious issue which, we believe, is undermining voter interest in participating in electoral processes. While the theoretical basis for floor crossing in South Africa, as in many other democracies, may be legitimate, there is a need for a fundamental review of floor crossing as, in the manner it is currently being exercised, it is impacting very negatively on the accountability of elected representatives to citizens. Beyond this concern, floor crossing has also led to a high degree of instability within municipal councils, especially with regard to executive decision-making, and within administrations, which is having a deleterious effect on the functioning of municipalities.

We note that in 2006 a significant rise in the remuneration of full- and part-time councillors was effected. The main argument in favour of the increase is that it will result in councillors being more effective in their roles. Whilst this logic is widely accepted, we note again that there is little evidence that a causal relationship exists between levels of councillor remuneration and actual performance. Indeed the last five years of growing crisis in local government capacity, acknowledged by our President and other senior Ministers, have occurred against a backdrop of escalating human resource costs both within councils and their administrations. Remuneration is not, and should not be, the sole motivating factor for how well councillors carry out their duties.

It is clear that at least some of the blame for the public protests that have been sweeping the country can be placed directly at the door of municipalities for failing to adequately ensure that communities have an opportunity to have their concerns and grievances heard through formal structured processes of public participation. In certain cases it has been clear that a breakdown in communication by municipalities with regard to their plans for particular areas has resulted in communities losing patience and taking their frustrations out onto the streets. In some instances, communities complain that they have repeatedly brought their concerns to the attention of local councillors and officials, only to receive no response. One of the related challenges is to ensure that engagement between ward councillors and their constituencies is deepened.

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<sup>3</sup> Baatjies, R and Jordan, J. 2006. "Edging towards 50/50: The final score," Local Government Bulletin, Community Law Centre, Cape Town, May 2006.

### **5.1.2 Public participation spaces, processes and structures**

Beyond political participation, it is important for there to be a range of ways in which citizens can participate in local governance. A distinction can be made between two types of 'spaces' for public participation. One is 'provided space' which refers to government-provided opportunities for participation, which tend to be regulated and institutionalised through a set of policies and laws. Since 1994, we acknowledge there has been a significant widening of 'provided spaces' for public participation in democratic local governance through policies and laws such as the South African Constitution, the White Paper on Local Government, the Municipal Structures Act, Municipal Systems Act, the Municipal Finance Management Act, and the Municipal Property Rates Act. These policies and laws invite citizens to participate through a range of government created and regulated structures such as Integrated Development Planning (IDP) representative forums and ward committees. Participation taking place in these 'provided spaces' is generally known as structured participation or participation by invitation. An important characteristic of such participation is that it takes place within parameters set by the state and is invariably regulated and systematised to neatly fit within broader government operating frameworks.

Research conducted and experience shared by GGLN members shows that structured participation/participation by invitation often excludes the poor and other marginalised groups (e.g. women, the youth). This is due to physical and hidden barriers to participation that the provided spaces for participation do not take into consideration. One example of such a barrier is the distances poor people have to travel to attend meetings, given that they do not have resources to travel.

With regard to provided spaces for participation, experience shows that generic, enforceable principles of citizen participation should be preferred over detailed prescriptions, which are easily regarded as a minimum and thereby eclipse local creativity around ways to involve the community. This assertion is based on research conducted by GGLN members on the value and practice of citizen participation in local government. More importantly there are indications that the provided spaces for participation are regarded with increasing scepticism by communities who perceive a growing element of political manipulation by local elites. One of the challenges that needs to be overcome is the apparent preoccupation that has emerged in the South African local government context with a narrow procedural and technocratic approach to participation, which has undermined the scope for, and the willingness to experiment with, alternative ways for citizens to engage with the state. For example, we would argue, too much emphasis has been placed on participation through ward committees, to the detriment of acknowledging the range of other channels and mechanisms through which citizens, across all classes, may choose to participate in local governance. A "one size fits all" approach does not work when it comes to public participation.

In this regard, a second set of spaces for public participation in local governance can be defined as 'popular spaces', which refers to arenas in which people come together at their own initiative – whether for solidarity or to protest government policies or performance or simply to engage government on terms that are not provided for within 'provided spaces'. 'Popular spaces' may be institutionalised in the form of groups or associations (e.g. the Anti-Privatisation Forum or civic associations), but they are mostly transient expressions of public dissatisfaction or dissent.

In any democracy citizens have the right to occupy the spaces they regard as the most appropriate sites for raising their concerns. Rather than being confined only to participation through a limited number of structures such as ward committees and IDP Representative Forums, citizens have a right to choose their own ways of engaging government, provided they act within the law. The measure of a true democracy is therefore not just the complexity of its regulatory framework for citizen's participation (provided spaces) but the extent to which it is able to accommodate independent initiatives by civil society for engagement. Furthermore, a sophisticated government approach allows for the processing of civil society feedback from the realms of provided space as well as popular space.

It needs to be noted that the response from government to social mobilisation in the form of protests has sometimes been to use force to close down such protests, even where they have been convened legally. In some cases it would appear that local police have not been sufficiently informed about laws governing public gatherings, or have acted upon political instructions to prevent legal protests from taking place.

The GGLN believes that government should accept that citizen-initiated forms of participation and even protest or critique are as important as the provided spaces for participation set out in policy and law. In particular, we would like to see local government, and the state more generally, being more receptive to input from and engagement with social movements. We acknowledge, however, that local government, being institutionally weak and suffering serious capacity shortfalls in this juncture of South Africa's evolving democracy, may find it particularly difficult to accommodate popular and non-regulated forms of participation. International experience suggests that effective structured participation may lead to better service delivery and improved livelihoods for the poor. Thus the temptation for frustrated communities to enter into a confrontational relationship with municipalities can be reduced. Though structured participation in South Africa should never be conceived of as a substitute for an autonomous and vibrant civil society, it can prevent the more disruptive forms of public participation that arise when entire communities and local populations begin to perceive themselves as alienated from their elected political representatives and appointed senior municipal officials.

### ***Ward committees***

Ward committees have been established to serve as the primary vehicle for organised citizen participation in local governance. While the intent behind the establishment of the ward committee system was arguably noble, in the manner in which the system has evolved, serious problems relating to the functionality of ward committees have emerged. Various studies have indicated that in general ward committees are not functioning well. Some of the reasons for sub-optimal performance include:

- Fundamentally, a lack of clarity on the roles and powers of ward committees. One of the challenges appears to be that ward committees have no real powers, and as such, are easily ignored and not taken seriously by municipal decision-makers.
- Uneven credibility and awareness amongst local communities. According to one study, for example, less than half (43%) of respondents surveyed knew of the existence of ward committees in their areas.<sup>4</sup> Knowledge of ward committees also appears to decline as respondents' incomes increase, which

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<sup>4</sup> Hemson, 2006. "Can participation make a difference? Prospects for people's participation in planning," *Critical Dialogue: Participation in Review*, 2(1), Pages 1-6, Centre for Public Participation, Durban.

indicates that more affluent citizens are less inclined to participate or take an interest in ward committees.

- Insufficient training and capacity to carry out mandated activities.
- A lack of administrative support and resources (e.g. office space, computers).
- Insufficient compensation for out of pocket expenses.
- A perception that the membership of ward committees is aligned to political parties.
- A lack of evidence that ward committees have preferred access to municipal information or are able to influence council in any significant way.
- A lack of municipal capacity to facilitate and support ward committees.
- Physical constraints, such as the vastness of wards, inappropriate demarcation and the familiar challenges of largely rural constituencies;

It is critical that these issues are addressed if ward committees are to be utilised effectively as an integral component of the community participation model.

### ***Izimbizo***

Aside from ward committees, izimbizo have featured prominently as vehicles for government to consult with citizens and to provide citizens with opportunities to raise issues and concerns. Some research is required to gauge the effectiveness of these processes for genuine citizen participation. On the surface, the izimbizo would appear to promote a relatively superficial level of consultation between communities and government, rather than genuine participation. Concerns have been expressed by observers as to the extent to which issues raised by citizens in izimbizo are followed up after the event. A further concern is that izimbizo tend to be “stage-managed” public relations exercises: there is a perception that the location of the events tends to be selected in line with strategic political motives, and access to the events by the general public is carefully controlled. It is also unlikely that the most marginalised voices within communities will be heard at these mass events. On a positive note, however, izimbizo do give a sample of members of the public a rare opportunity to engage directly with high-ranking political leaders (such as the President, Ministers, Premiers, MECs, Mayors etc) and officials (DGs, municipal managers etc) and as such, should be welcomed. More such opportunities should be created.

### ***Community Development Workers***

The Community Development Workers (CDW) programme was initiated in 2003 to establish a special cadre of resource persons to link citizens with government resources and assistance, and unblock obstacles to effective service delivery, across all three spheres of government. As such, CDWs can be considered a key instrument for promoting greater government responsiveness and accountability. The roll-out of the CDW programme appears to have proceeded reasonably well, with CDWs having now been deployed in most districts across the country.

However, a number of challenges with respect to the functioning of the CDW programme have been noted. These include<sup>5</sup>:

- reports of acrimonious relationships between CDWs and other stakeholders, such as councillors, ward committee members and officials. The perception that ward committee members do the same work as CDWs but, unlike CDWs, are not compensated for their efforts appears to be an important source of the tensions;

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<sup>5</sup>Mackay, K and Davids, I. 2006. *Unpacking the relationships between Community Development Workers and municipal stakeholders in the Western Cape Province*. Foundation for Contemporary Research: Cape Town.

- insufficient public awareness and confusion about the existence of CDWs and their roles and responsibilities;
- a lack of clarity with regard to the responsibility for employing CDWs and lines of accountability between municipal and provincial authorities;
- perceptions of CDWs acting as “watchdogs” with regard to local government on behalf of provincial and national government;
- perceptions of CDWs being party-politically aligned.

### ***Public participation strategies***

Few municipalities have public participation strategies, which specify exactly which sectors should be involved within the local municipality and identify all relevant local stakeholders, and indicate how resources will be allocated to promote public participation. Relatively few municipalities also have dedicated public participation units to drive public participation. There is a need for guidance and support to municipalities to implement effective public participation strategies, in particular paying special attention to the participation of traditionally marginalised sectors, such as women, youth, people with disabilities, and people living with or affected by HIV/AIDS. We note that there is at present a National Framework for Public Participation, which, when finalised and implemented, we hope will provide municipalities with the encouragement and practical support that they require.

### ***Traditional leadership***

The relationship between municipal councils and institutions of traditional leadership is an issue that requires special attention. We note that improving relations between the two groups is a strategic objective of the government’s five year strategic plan for local government.

### ***Corruption***

Corruption remains a serious threat to good governance at municipal level. Steps do appear to have been taken by government to try to stamp out corruption. We note that a Local Government Anti-corruption strategy was launched in October 2006.

### ***Powers and functions***

One of the concerns related to accountability is the current fuzziness with regard to certain powers and functions, which serve to blur lines of accountability for good governance. There is a need for a thorough review and clarification of the current regime of powers and functions across the three spheres of government, with possible redistribution of some functions and powers where this is likely to lead to more effective implementation. We return to this issue later in the submission.

At municipal level, there is an issue pertaining to the respective roles and powers of municipal Speakers versus Mayors with regard to responsibilities for public participation, which has caused tension between the two parties in some municipalities.

### ***Role of provinces***

The role of provincial Departments of Local Government in monitoring and enforcing legal and regulated provisions for municipal responsiveness, accountability and other aspects of good local governance needs consideration. The organisational capacity of these departments to play an effective monitoring and support role in this regard requires attention. There needs to be a clear framework for M&E, and a clear allocation of responsibilities across the three spheres. It is noted that concurrent to the review of the White Paper on Local

Government there is a process to develop a Provincial Government White Paper, which should address some of these needs.

### ***Lessons from international experience***

Finally, internationally, there is a wealth of experience with forms of local participation and deliberative planning and engagement between local governments and citizens. There is much we as a country can learn from these experiences.

## **5.2: Municipal planning and budgeting**

### **5.2.1 Integrated Development Planning**

As a network we acknowledge that the IDP process has generated more public participation in municipal planning than ever before in the history of South Africa. This appears to be one of the most valuable outcomes of the IDP process thus far. However, the IDP programme in South Africa has generally not benefited from a more critical understanding of the role of planning in extending the control of the state and the extent to which decision-making can easily become the exclusive preserve of experts. Where IDPs have generally made no impact on local government effectiveness, resource distribution, and helping to frame strategic decisions, the credibility of IDP policy and its programmatic conventions hang in the balance. Important questions remain about who is actually served by IDPs and how non-technical discourse and knowledge are often relegated to the periphery. Frequently it seems that IDPs perform largely a political function i.e. they are used to signify that the municipality is achieving progress rather than tracking and assessing the nature of that progress.

It is clear that IDP suffers from a number of shortcomings:

- The quality of the IDP documents is a serious concern in many cases. There is often inadequate analysis of the local development context, and inappropriate or unrealistic development objectives and projects are included;
- There is a lack of inter-governmental co-ordination, such that IDPs whilst frequently making broad reference to national and provincial development plans / growth strategies do not actually speak to the substance of these plans and programmes
- There is also the challenge of horizontal cooperation within municipalities, with a silo mentality and even competitiveness still predominating amongst municipal departments;
- On the whole, IDP processes have been unable to fundamentally alter apartheid patterns of spatial and socio-economic inequality.
- Frequently there is manipulation of the technical and professional elements of planning to achieve a pre-ordained and often politically determined outcome or simply to preserve the status quo.

Public participation in IDP is an issue we believe requires more attention. A number of factors have impacted on the quality of participation in IDP processes, including:

- Inadequate time being allocated for public participation in IDP processes;
- Information being presented in technical, non-user friendly formats and in languages not accessible to most community members;
- Non-participation of community representatives in the setting of agendas for IDP meetings;
- Vast distances that have to be travelled due to the size of municipal areas and venues that are not centrally located for all communities to access;

- Participation fatigue – people are tired of ‘participating in their own development’ without seeing meaningful benefits of their participation;
- The way the process has been managed – bureaucratic red-tape and under-resourcing of participatory structures such as IDP forums;
- The inability to ensure the participation of the business sector (including farming) at area-based and local municipal level;
- The lack of special efforts to ensure the participation of non-organized marginalised groups in the IDP process (e.g. unemployed or specific poverty groups such as landless and homeless people).
- Failure to manage participation in such a way that different interests are clearly distinguished and the decisions regarding the interplay and trade-off of such interests become clear

While the IDP process is generally well-known, there is often very inadequate public understanding of the core economic and social strategies that underpin such plans. Because IDPs frequently fail to capture the strategic choices that must be made in allocating state resources, the public are often unaware of the practical implications of such plans for maintaining and expanding existing infrastructure, services and development undertakings.

It is noted that there has been a concerted government focus on the generation of “credible” IDPs over the past two years. However this has also been accompanied by overly prescribed formats for IDPs and a misguided effort to standardise fairly complex IDP templates irrespective of municipal size and capacity. These issues notwithstanding, there has been improvement in the adoption rate of IDPs, which, according to Minister Mufamadi in his June 2007 budget speech, has increased to 98%. There has also been some improvement reported in the alignment between IDPs and municipal budgets.

### **5.2.2 Municipal finances and budgeting**

The fiscal viability of many of the country’s municipalities is a serious issue that needs to be examined. Many of the poorer municipalities, especially those located in rural areas, lack any kind of sustainable revenue base. While in general municipalities derive some 85% of their revenue from local sources, there are many municipalities that are almost totally dependent on government transfers. Increasing dependence on national transfers does not appear to be regarded as a matter for caution by municipal councils. In the case of district municipalities, increasing dependence arises from the policy decision to abolish RSC levies from July 2006.

That municipalities are reliant on intergovernmental financial transfers for their survival is significant insofar as it potentially alters the flow of accountability. Where the main source of the municipality’s income, is provincial and national government, this tends to be the level at which it accounts rather than to local citizens.

In general, availability of funds is not a major constraint to delivery for municipalities. It is noted that there has been a significant increase in allocations to municipalities from national treasury in the last few years, and projections over the next few years are that this trend will continue.

Indeed, more of a problem is underspending on municipal budgets, especially capital budgets and inadequate provision for the operation and maintenance of infrastructure installed through capital projects. It has been reported that municipalities are set to underspend on their capital budgets by as much as a

third in the 2007/08 financial year.<sup>6</sup> This points to a shortage of capacity to implement infrastructure projects as planned.

The capacity of municipalities to manage their financial affairs is a critical concern. One report notes that between 2003/04 and 2005/06 the number of qualified audits of municipalities doubled.<sup>7</sup> In the Eastern Cape, 93.4% of municipalities were reported to have either qualified audits or disclaimers.<sup>8</sup> The implementation of the Municipal Finance Management Act (MFMA) has no doubt brought about a much higher level of rigour and consistency in the application of basic financial management systems and procedures, which helps in part to explain the rise in qualified audits. There are clearly many municipalities that are struggling to comply with the requirements of the MFMA. One of the challenges is the lack of senior financial management skills within municipalities. Vacancy rates amongst senior personnel such as chief financial officers (CFOs) and municipal managers are reported to be high, ranging from 30% to 70%. Many of the country's CFOs and municipal managers are also not properly qualified.<sup>9</sup>

According to Minister Mufamadi in his June 2007 Budget Speech, thanks to interventions through Project Consolidate, a number of improvements in the financial management of some of the country's worst performing municipalities have been achieved:

- All municipalities have annual financial statements up to the 2004/05 financial year.
- Revenue collection in twelve targeted municipalities has risen by an average of 21.4%, which has generated new funding for service provision

There would appear to be an urgent need to improve community participation specifically in municipal budgeting processes as this is an area of participation which is particularly weak. Municipal budgeting processes, according to laws such as the MFMA, should be open and transparent. However, in practice this is rarely the case. Much more work needs to be done to educate councillors and communities around budget literacy and enabling them to engage more critically with budgeting processes to understand what trade-offs are made and why.

### **5.2.3 Performance management**

Performance management is another important area that, we note, has been the focus of government attention. The implementation of the Municipal Performance Regulations is key to improving performance management. There is still a challenge to ensure that all municipal managers and senior managers ("Section 57" managers) have signed performance agreements. According to government reports, the problem of municipal managers not having signed performance agreements is particularly pronounced in the Western Cape, North West, Gauteng and Free State provinces. The numbers of Section 57 managers without signed performance management agreements is noted to be highest in the Eastern Cape, Limpopo, North West and Free State provinces. Critical vacancies at the level of Section 57 managers are highest in municipalities in the North West, Gauteng, Mpumalanga, Gauteng and Eastern Cape provinces.<sup>10</sup> Even where performance agreements for senior managers are in place, there have often been cases of irregular awarding of performance bonuses, in the face of demonstrable poor performance. In some of the country's poorest and most under-performing

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<sup>6</sup> Red Alert. Mail and Guardian online. 6 July 2007

<sup>7</sup> Pressly, D. 2007. "Manual reads riot ct to SA councillors," Mail and Guardian, 26 April 2007

<sup>8</sup> January 2007 Cabinet lekgotla report, pg. 8

<sup>9</sup> Pressly, D. 2007. "Manual reads riot act to SA councillors," Mail and Guardian, 26 April 2007

<sup>10</sup> Information supplied by dplg

municipalities, senior managers have been awarded substantial bonuses, which merely compounds negative community perceptions that municipal officials and councillors are reaping personal benefits while they continue to wait for basic services.

In reality complex performance management systems developed at vast expense have achieved very little due to incapacity to operate these systems and lack of political will to deal with the consequences. Where managers manipulate these systems for their own benefit, typically to obtain undeserved performance bonuses, the credibility of the system and the administrative governance of the municipality as a whole is compromised.

The Municipal Systems Act requires that municipalities involve communities in the development, implementation and review of their performance management systems. For example, ward committees are supposed to be involved in the setting and monitoring of municipal performance indicators and targets, which themselves should be closely aligned to the municipality's IDP. To a large extent such participation does not appear to be happening, in large part because of the general dysfunctionality of ward committees and the lack of capacity to carry the function of performance management. This issue needs to be addressed as it has a direct influence on the effectiveness of service delivery and budget implementation.

#### ***5.2.4 Intergovernmental relations***

Intergovernmental relations have been a key issue hampering the development and implementation of effective IDPs, as well as the realisation of good governance more generally. It is widely accepted that levels of co-operation between the three spheres of government, as well as between district and local municipalities, have not been optimal and have not contributed to effective service delivery. In many cases there have been strained relationships between district and local municipalities, sometimes based on party-political or personal tensions. There have been some notable efforts recently to deal with these challenges head-on. The implementation of the Intergovernmental Relations Framework Act from 2005 has resulted in some improvement in the level and quality of co-operation between the spheres of government. All 46 districts have established district inter-governmental fora in terms of the Act. The issue is how well these fora are functioning and what can be done to improve their functionality. It is also important to guard against the danger of these fora becoming "shadow governments" where executive decisions might be taken outside of any democratic oversight and with little accountability.

Appropriate assignment of functions between the three spheres of government is also an important consideration with regard to intergovernmental relations. In some cases provinces appear to be resisting devolution of functions, for example, housing. We would argue that decisions about which functions should be devolved to local government level should be guided by the extent to which the function requires grassroots community participation; where this is more the case, the function would tend to be best located at municipal level. Of course the principle that funding follows the function should be adhered to in order to exacerbate the challenge of unfunded mandates. In some situations, the argument against devolving powers to municipalities is made on the basis of insufficient capacity to handle the function. However, while we recognise the need for an asymmetrical approach to assigning functions, based on a recognition of different sizes and capacities of municipalities, we would also argue that municipalities are unlikely to be in a position to develop the required capacity unless they are given the function in the first place. It is therefore important to guard against further

entrenching the status of low-capacity municipalities through not assigning them new functions.

### 5.3: Municipal service delivery, implementation and poverty reduction

#### 5.3.1 Service delivery

There is no doubt that huge strides have been made in the provision of basic services and infrastructure since 1994. As table 3 indicates, over the ten-year period between 1995 and 2005, housing delivery soared dramatically, and extremely impressive increases in the provision of electricity, sanitation and water have been achieved.

**Table 3: Housing and basic services delivery 1995 - 2005**

	<b>1995 (No. of HHs)</b>	<b>2005 (No. of HHs)</b>	<b>% change 1995 - 2005</b>
Subsidised housing units completed/in progress	74 409	2 084 694	2 701.7%
Access to water at or above RDP standard	6 400 836 (61.9% of HHs)	10 469 361 (82.7% of HHs)	63.6%
Access to sanitation	5 268 320 (50.9% of HHs)	8 742 015 (69.1% of HHs)	65.9%
Access to electricity	4 477 400 (50.9%)	9 508 000 (74.7%)	112.4%

*Source:* Development Indicators - Household Community Assets: Basic Services, Mid-term review, 21 June 2007, accessed at [www.gov.za](http://www.gov.za), 5 October 2007

Yet for all the progress that has been achieved, significant service delivery backlogs remain and the patience of the many thousands of households who are still waiting for basic services seems to be wearing thin. In 2005, 231 040 households still used the bucket system for sanitation. The government has set a target of eradicating the bucket system by December 2007 and providing water to all citizens by 2008.

Another concern is the quality of the human settlements that have been created since 1994. Many RDP housing projects have not created sustainable human settlements. Instead, they have delivered sterile living environments, with inadequate access to key community facilities.

One recent survey found that 27% of members of the public were dissatisfied with service delivery. The provinces where levels of satisfaction were found to be lowest were Gauteng, Limpopo, Mpumalanga and the North West.<sup>11</sup>

Shortcomings in the area of service delivery are usually attributed to institutional capacity constraints, in particular a lack of skilled personnel, especially in the case of rural municipalities. Project Consolidate, launched in 2004, has been government's primary response to these constraints. Project Consolidate was designed as "a hands-on support and engagement programme" focussed on 139 targeted municipalities. According to government, Project Consolidate has been a success which has brought about a number of notable improvements in terms of improving financial management, planning, project management and other skills, the unblocking of some stalled service delivery projects, the development of LED strategies and the setting in place of financial systems and improvements in

<sup>11</sup> Bangerezako, H. 2007. Making government listen," Mail and Guardian online, 27 July 2007.

revenue collection.<sup>12</sup> In terms of the **dplg's** five year Strategic Plan released in January 2006, the plan is now to mainstream hands-on support to municipalities.

Capacity for basic infrastructure delivery has been targeted by Project Consolidate in a number of municipalities, with the deployment of approximately 281 skilled "Service Delivery Facilitators" to 85 municipalities by the end of 2006. The value of the infrastructure projects – mostly water, sanitation and roads projects – that have been implemented as a result is said to be in the order of R2.2b.

In his 2007 budget speech the Minister noted that progress with the implementation of Project Consolidate "has so far been realised in a limited number of municipal areas." According to the Minister, "[c]ommunities which have so far not benefited from this must ask themselves whether they have done what they have to do to help create an environment of collective responsibility for what needs to happen in their localities."

Another key issue hampering service delivery at local level is a lack of clarity on roles and responsibilities for various aspects of infrastructure provision between different spheres of government and, in particular, between the district and local tiers of local government. We believe it is critical for there to be a thorough review of the powers and functions of local government in relation to service delivery as well as serious consideration of the relevance and appropriateness of district municipalities. There are various reasons for this. The standard division between district and local municipalities has proved to be problematic. The new policy is premised on the principle that the *locus* of responsibility for development falls to district municipalities. The initial role of a district municipality as being responsible for strategic oversight, redistribution, delivery of district-wide services and bulk services seems to make way for a role whereby direct service delivery in water, sanitation, electricity and health is the key.

The most fundamental problem with the allocation of direct service delivery responsibilities to district level is the fact that governance over critical developmental areas is too far removed from the citizens. District councils have inherently weak accountability systems. First, district municipalities cover areas that could easily stretch for hundreds of kilometres. For example, the Northern Free State District Municipality has the same diameter as Belgium; the Namakwa District Municipality stretches virtually the same length as Kansas; Xhariep District Municipality is the size of Hungary. The enormous physical distances between service delivery and administration, coupled with a rural clientele that often has little or no access to modern communication mechanisms, is a recipe for unresponsive, bottom-down governance.

Second, there are no constituency representatives on district councils. The council is comprised of representatives from local municipalities and party representatives that represent the district as a whole. In most cases, a particular community's ward councillor would not be a member of the district council. Matters pertaining to the price, quality and coverage of water, sanitation, electricity or municipal health services are typically matters that require a high degree of citizen participation. Complaints and suggestions will be raised with the ward councillor who has little or no access to decision-making at district level. If a particular community wants to raise an issue pertaining to these matters it thus depends either on politicians that formally represent the entire district area or on politicians that represent the (majority) position of their entire local municipality. It is suggested that the subsidiarity principle that underlies local government

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<sup>12</sup> Information supplied by dplg

autonomy is ignored when governance over critical developmental issues is lifted above the closest level to a level that is practically out of reach for the beneficiaries of these developmental efforts.

The two-tiered system of local government in South Africa has produced a great deal of uncertainty after the 2000 municipal elections. Planning and budgeting efforts were seriously impaired by doubts over the allocation of functions and powers. The complexity of the system, whereby the exact division of powers and functions between two tiers of local government is made subject to executive decisions, has harmed South Africa's performance on achieving a clear demarcation of powers.

Arguably, there needs to be a fundamental rethink of the approach to service delivery in South Africa. As one newspaper report framed the problem and solution, "the current model – where the government is the doctor and the community is the patient – has not been successful. An empowerment model is needed, whereby communities participate and are involved right from the policy conception to the community determining their priorities."<sup>13</sup>

There is a need to explore other modalities of service delivery besides the dominant public-private and public-public models, to include greater scope for partnerships between municipalities and communities. In this regard, certain aspects of legislation, in particular the MFMA, need to be looked at as they currently make it very difficult for municipalities as well as community-based structures to enter into such partnerships.

We note that service provision to communities on privately-owned land, farms and communal land remains a challenge that needs to be addressed.

### **5.3.2 Poverty reduction**

Poverty remains one of the most intractable challenges facing the country. According to government figures, the percentage of the population living in poverty (measured using a poverty line of R3000 per capita per annum) in 2006 was 43.2%. While this represents a decline from a decade earlier (53.1%), few would agree that this level of poverty is acceptable. Unemployment has been rising despite growth in jobs since 2000. A further worrying situation is that inequality (as measured by the Gini co-efficient) has increased over the ten year period between 1996, when it was 0.678, and 2006, when it was 0.685.

In line with the Millennium Development Goals, the government has set itself the ambitious goal of reducing levels of poverty in the country by at least half by 2014. Municipalities clearly have an all-important role to play in this effort. The question is the extent to which local government service delivery and developmental interventions are achieving the desired outcome of sustainable poverty reduction? While poverty reduction is a multi-faceted process, the delivery of basic services and infrastructure is a central element, as is sustainable economic development and employment creation, the creation of a comprehensive social security safety net and land reform. Basic service delivery and local economic development are two key areas in which local government has a central role to play.

With regard to basic service delivery, the provision of free basic services is a critical poverty reducing intervention that local government can make. We note that impressive progress has been made in rolling out free basic services such as water, electricity and sanitation. According to government figures, 74% of

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<sup>13</sup> Bangerezako, H. 2007. Making government listen," Mail and Guardian online, 27 July 2007.

indigent households were receiving free basic water in 2006, while 58% of indigent households were receiving free basic electricity.<sup>14</sup> It is important that access to these free services be made as accessible as possible, and that municipalities implement a concerted campaign, through councillors and officials, to educate communities about the availability of free basic services and how to access them.

Municipalities should also explore more progressive tariff policies that increase access to basic services by the poor, while penalising the excessive consumption of basic services, especially water. Limits on maximum usage and taxes on over-consumption could also be explored.

### **5.3.3 Local Economic Development**

In terms of local economic development (LED), it is noted that guidance and support to municipalities has been provided in the form of a LED Framework, which was launched in August 2006. According to one government report, all the metros and 40 districts have adopted LED plans. The viability of these plans, and the capacity to implement them is obviously key. In terms of implementation capacity, the capacity of national and provincial government to support municipalities is critical. It is also essential that LED plans pay particular attention to the economic empowerment of previously disadvantaged groups and especially marginalised sectors of society, such as women and youth. It should go without saying that affected communities should not be treated as passive beneficiaries of LED programmes but should be involved in all processes around planning for LED.

## **6. Recommendations**

### **6.1 Local democracy, responsiveness and accountability**

As a starting point, it should be stated that while prescriptive guidelines for public participation mechanisms exist, there needs to be a political commitment from government to participation that takes place within a broader, more permissive framework. As a network, we therefore strongly advocate for the scope of structures, processes and mechanisms through which citizens can participate in their own governance to be widened as far as possible, and for it not to be confined to a few "invited" spaces, such as ward committees.

Another issue we would like to highlight is that when national and provincial government department undertake community participation, they should make use of already established mechanisms at local level and not duplicate or undermine these processes, which has at times been the case.

#### *Ward committees*

We believe that ward committees should be retained but they need to be seen as a bare minimum, with accommodation for a range of other flexible mechanisms for community participation (that don't necessarily need to be linked to ward committees). While we support ward committees in principle, we think there needs to be a fundamental review of the way they are constituted and how they function, in order to overcome some of the key challenges highlighted earlier in this submission. Without a thorough assessment, and a willingness to make far-reaching changes to the system, ward committees are unlikely to serve a useful purpose as vehicles for meaningful public participation in local governance.

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<sup>14</sup> Information supplied by dplg

We do not support making ward committees compulsory in all municipalities. However, where municipalities opt not to have ward committees, we would suggest that they be compelled to demonstrate that they have some other organised mechanism/s for community participation.

As part of a review of ward committees, we would offer the following recommendations:

- Monitoring of election processes for ward committees needs to be strengthened. This is to ensure that proper representivity is brought about in the composition of ward committees, and to safeguard against political interference in the selection of ward committee members;
- Municipalities need to adopt ward committee policies, to ensure consistency of application of the ward committee guidelines in all wards within the municipality;
- The accountability of ward committees to communities needs to be enhanced;
- There is a need to review legislative prescriptions regarding ward councillors being the automatic chair of ward committees. We believe that there needs to be more flexibility in terms of who may chair ward committee meetings. The powers of the chair also need to be specified clearly, especially with regard to convening meetings;
- Provision needs to be made for greater flexibility in the number of ward committee members; there should be allowance for more than ten members (for example up to twenty), depending on local discretion based on the demographic and spatial profile of the ward. As is currently provided for in legislation, ward committees should also be encouraged to set up sub-committees where appropriate to broaden representation and participation on the committees.
- Ward committee members should receive reimbursement for costs incurred in the performance of their responsibilities. We do not support ward committees being paid for what should remain a voluntary civic contribution. The amount of reimbursement should be determined by each council with consideration of what other local municipalities in the district are providing, to ensure that there is some consistency across the district. We also recommend that ward committee members should have a say in how the amount is determined, to ensure that the amount is realistically based on actual costs incurred. The provisions and the limitations of the MFMA will need to be assessed; the legislation may need to be amended to enable provision for reimbursement.
- More resources need to be provided for ward committees (e.g. office space, administrative resources, phones, fax etc.). We propose that a special transfer from national government to municipalities be instituted to provide for resources for ward committees, including allowance for capacity building. This transfer should assist municipalities more broadly with facilitating community participation.
- In order to encourage their oversight role, ward committee members should be encouraged to attend council meetings;
- Capacity building initiatives targeted at ward committees currently appear to be fragmented. There is a need for an audit of who is doing what, and to identify good practices.

#### *Izimbizo*

The format of izimbizo needs to be reviewed to ensure that maximum benefit is derived from them as opportunities for meaningful engagement between citizens and political representatives.

Inasmuch as izimbisos are opportunities for those in positions of power to hear from citizens, this needs to be complemented by responsiveness; there should be

stronger mechanisms for follow-up on commitments made and for report-backs to be given to communities.

The party political alignment of izimbizos is a concern which needs to be addressed. Steps need to be taken to limit perceptions that these gatherings are rallies for certain political parties.

#### *Local and international good practice*

There is a wealth of both local and international good practice in the area of community participation in local governance that government and civil society can learn much from. We suggest that these experiences be synthesised and made available to all municipalities to draw on and modify. This can be done through publications or web-based resources.

#### *Technology*

There is much potential in the use of technology to further broaden possibilities for public participation in local governance - for example, the use of sms technology to notify members of the public of events, council meetings, important municipal processes, and to solicit input. The creative use of community radio and print media also needs to be explored.

#### *Communication*

Municipalities need to improve communication with citizens as this is the starting point for constructive engagement. Information on municipal policies, strategies etc. need to be shared with civil society in order to enable it to better understand what government is doing, what its plans are and what constraints it faces. Such knowledge should create a more receptive environment for engagement, which may reduce the need for protest action by community members.

#### *Participatory spaces outside of formal mechanisms*

Government should be more receptive to input from civil society that does not come via the currently limited number of "officially sanctioned" structures and processes. As part of this, there is a need to develop a more robust democratic culture within government (and civil society) in which the views of the full spectrum of role-players within society are respected and considered on merit. Just because suggestions come from certain social movements, for example, does not mean that they should not be afforded equal consideration to those that arise from established, well-known NGOs or academic institutions.

#### *Political systems and processes*

There is a need to strengthen accountability of municipal executives to councils and to communities, especially in Mayoral executive type municipalities. We recommend that Mayoral Committee meetings be required to be open to the public and the media, except in certain specified exceptional circumstances.

There is a need to fast-track the implementation of the professionalisation of local government in order to limit the over-politicisation of administrative appointments.

#### *Ward councillors*

Ward councillors need to be more visible and to engage more directly with residents (incl. through their ward committees).

#### *Community Development Workers*

Mechanisms need to be introduced to enhance the accountability of CDWs to municipalities (and not just to provinces). There needs to be greater clarity on the roles and functions with regard to ward councillors and CDWs.

### *Traditional leadership*

The role of traditional leaders in terms of community participation needs to be more clearly defined. The current legislation dealing with traditional leaders and their role in governance needs to be implemented.

### *Electoral systems*

While we believe the electoral system for local government is basically sound, we suggest that there should be a careful review of the electoral systems at various levels of government to ensure that they give maximum expression to notions of representation and accountability. For example, we would support changes that would encourage a constituency-based process of nominating candidate councillors, rather than a purely party political process.

While we are not necessarily calling for the scrapping of floor crossing legislation, we are advocating for a fundamental review of it in order to eradicate some of the more perverse effects it has unintentionally given rise to. Changes to the balance within councils often lead to dysfunctional planning and implementation as new groups often wish to impose their priorities that often have a political bias. As part of a review, various options need to be explored; for example, it may be appropriate to consider retaining floor crossing in relation to ward councillors, but abolish it for PR councillors.

The size of councils needs to be investigated further to ensure that they are appropriate for achieving optimal levels of representation and accountability.

### *Culture and values*

There is a need to inculcate an understanding of and appreciation for the spirit of developmental local government and open democratic culture within government as well as civil society. Political education within political parties should make a contribution to this, as should local government capacity building curricula, and the civic education programmes run by NGOs and CBOs.

### *Mobilisation and advocacy*

One of the key challenges within the local governance context is to establish a common basis of shared interests amongst citizens that cuts across class and racial lines. We believe that this can be promoted through defining what public goods are, which all citizens have a stake in. Linked to public goods is the notion of human rights as enshrined in the Bill of Rights. Local government needs to play a greater role in generating awareness and realising these rights.

## **6.2 Municipal planning and budgeting**

### *Integrated development plans*

Current IDP context:

- Complexity (too technicist)
- Too tightly formatted (little room for local differences and contexts. Most IDPs have been put together by consultants using a common template that is often not aligned fully to the local context, including local institutional and financial realities)
- Ownership problems – no outward/downward accountability (accountability seems to be more to the upper levels of government than to the people that it is meant to serve.

RECOMMENDATIONS:

1. Simplification of IDP Process (to make it understandable to councillors and other elected officials and to the communities when they are asked to review the IDP).
2. Core template – asymmetrical approach (each IDP has to have certain core components but the final product should be determined by the local circumstances and the assessed capacity of a particular municipality).
3. Summarised IDP document for councillors, including three core components:
  - What is the need? (Analysis)
  - What must be done? (Strategy)
  - How will you do it? (Budget and Resources – Sector and other agents to be integrated)
4. IDP to be based on: municipal priorities, community needs, strategic issues (the IDP document needs to be based on the current reality within a municipality. This means that it has to take into account the wishes of the local community and their priorities as well as to create an enabling environment where strategic issues could be discussed and agreed on).
5. IDPs to be disaggregated sectorally and geographically (this is to ensure that review processes can be tied to actual progress within the different sectors as well as to delivery on the ground (tangibles)).

*Municipal finance and budgeting*

Current finance and budgeting context:

- Equitable share framework basically sound
- Reduced own revenue for local government vs. transfers
- Insufficient O&M budgeting in relation to capital projects

RECOMMENDATIONS:

1. Asymmetrical control of finances - Need for appropriate control regimes for different local government capacities.
2. Financial resources (capital grant to be accompanied by operational grant).
3. Regular performance reviews of municipal budgets: There is a need for an oversight body (outside institutional structures) for these reviews – not to be rolled out nationally but to conduct pilot study.
4. Tax revenues to be revisited – not to be growth punitive.
5. Unfunded mandate argument is now obsolete, but there is a need to rationalise financial flows.
6. Recategorisation of local government functions – to be based on well-defined municipal capacity (asymmetrical approach).
7. Transparency and content processes of budget to be reviewed (more detailed sector budgets and emphasis on expenditure reporting rather than budget formulation).
8. Civil society accountability and review to be integrated into new system. Civil society is an important component in review processes as they often have the capacity to interrogate issues more seriously. Relationships between CSOs and communities and the municipality should be strengthened.

### *Performance management systems*

#### Current PMS context:

- Abuse ( people who understand the system and abuse it)
- Conceal performance weakness
- Political manipulation
- Expensive in terms of time and resources

#### RECOMMENDATIONS:

1. Individual performance bonuses for senior management to be replaced with collective performance bonuses. There is a need for a more holistic approach that requires buy in and commitment from all departments and demands accountability as well.
2. Interface with communities – system to be put in place on how to improve ward committees and level of education (downward accountability) – civil society can play role. The whole issue of public participation in the planning and budgeting process remains vague and non-prescriptive. As a result the present process has become nothing more than a fulfilment of legal obligations in terms of the legislative acts governing municipalities.
3. Improve the understanding around PMS – it is a tool not the product! The present performance appraisal system has become an end in itself and could easily be manipulated by people who understand the key performance indicators. The entire system needs to be placed in the context of service delivery and good governance in a more tangible way.
4. Create more conducive working environment at municipal level for e.g. via a coherent management development programme (the idea of mentorships, leadership development and coaching is an area that has not been fully explored. Yet it is these “soft skills” that create the impetus for significant transformation in the workplace).
5. Mechanisms to be put in place to intervene in municipal management, accountability etc.

### *Intergovernmental relations*

#### Current IGR Context:

- Attempt to legislate improved IGR has been largely unsuccessful

#### RECOMMENDATIONS:

1. Compliance has not led to functionality.
2. Rationalise oversight functions (rationalising the roles of provincial and dplg? – regulating function (policy to set out how roles should take place).
3. Research/case studies to be conducted on IGR.
4. Two-tier system – confused accountability? Research needed – Districts to be strengthened in terms of service delivery.

## **6.3 Municipal service delivery, implementation and poverty reduction**

The GGLN recommends that government should create an enabling environment for active citizenship in the delivery of municipal services and poverty reduction by articulating and promoting an explicit rights-based approach to local development and service delivery that will empower citizens to know and claim their rights and responsibilities. Such a rights-based approach should however be

complimented with a context-specific needs-focussed approach, which takes into consideration the different needs of households and communities. In addition to a rights-based approach, there is also a need to improve the quality of services to citizens through an ongoing programme which will (re-)instill and cultivate the spirit of the Batho Pele principles among government officials and representatives.

With regard to appropriate service delivery models, government should acknowledge and support municipal-community partnerships (MCPs) in local service provision and infrastructure maintenance as a service delivery model that can contribute towards poverty alleviation and job creation within disadvantaged communities. Though collective experience, some of the GGLN members have learnt that the MCP model is not suitable for the delivery of all types of municipal services. The following services can however be rendered through the MCP model with positive impacts on poverty, unemployment, community ownership and pride:

- refuse removal and cleansing of public spaces,
- maintenance of community/municipal facilities and infrastructure

The successful implementation of the MCP model however requires the review of policies such as the Municipal Services Partnership White Paper and legislation such as the MFMA and Municipal Systems Act, as certain provisions in these policies and laws pose legal barriers for civil society-government partnerships.

To enhance service delivery at the local level, there is a need for especially ward councillors to be better informed of service delivery challenges and related concerns at ward level and to be better equipped to be an effective interface between communities and Councils. In this regard, the GGLN recommends that existing monitoring mechanisms to ensure that councillors have regular constituency meetings should be enhanced or more effectively implemented. There is also a need for the availability of disaggregated ward-based information which will assist both communities and ward councillors to monitor progress with regard to service delivery and poverty reduction. Such information must be reliable and accessible to all stakeholders.

With regard to the notion of 'unfunded mandates' the GGLN regards poverty reduction, community empowerment and socio-economic development as part of the core mandate of developmental local government. As part of the mandate of developmental local government, municipalities should therefore not consider these functions as unfunded mandates. The GGLN recommends that national, provincial (and district) government not devolve functions and responsibilities without adequate resources, capacity and authority to the local government sphere. Also, when functions and responsibilities are devolved, these need to be explicitly articulated and translated into measurable impact indicators.

Accountability for municipal service delivery and local development needs to be enhanced. On the one hand there is a need to strengthen accountability downwards/outwards, i.e. to communities through community-driven initiatives - for example, 'People's Assembly's' and 'People's Referendums'. On the other hand, accountability upwards must also be enhanced to ensure compliance with legal provisions (including to build the capacity of communities).

There is a need to broaden the limited interpretation of the service delivery mandate of local government. The role of municipalities in service delivery goes beyond merely the delivery of basic household services and infrastructure. Municipalities need to concentrate on building sustainable human settlements that

include access to social facilities (e.g. parks, recreational facilities, public space, schools, clinics) and economic services.

With regards to housing delivery, the GGLN recommends that housing should be devolved to local government level and become the competency of some municipalities which, on the basis of clearly defined criteria, have the capacity to provide housing. More research should be conducted into the terms, conditions, and mechanisms of housing delivery by municipalities.

The GGLN recommends that the provision of free basic services should be in line with the norms and standards determined by international bodies, such as the WHO and respond effectively to the needs of poor communities. Government should consider setting minimum national standards for all (such as the current 6kl of water per household per month), with top-up standards for poor households in line with international standards (for example that would be higher than 6kl provision).

The GGLN further recommends that municipalities need to explore alternative technologies to reduce natural resource use (e.g. renewable energy). More research should be conducted in this regard.

With regard to local economic development, the GGLN recommends that the function of economic development be located at district and metro level, with the possibility of larger urban non-metro municipalities being tasked with aspects of this function (consideration would need to be given to the relationship between the urban municipality and the district).