

Strategic Priority No. 3:

Refining and Strengthening the Policy, Regulatory and Fiscal Environment for Local Government and giving greater attention to the Enforcement Measures

Strategic Priorities For The Next Term Of Local Government: 2006 - 2011

Strategic Priority No. 3

Refining and Strengthening the Policy, Regulatory and Fiscal Environment for Local Government and giving greater attention to the Enforcement Measures:

- (i) Providing greater attention to **enforcing existing aspects of local government legislation;**
- (ii) **Prioritising the refinement of the local government policy, regulatory and fiscal regime** in the following areas:
 - a. Planning for Growth and Development
 - b. Two-Tier System of Local Government
 - c. Distribution of Powers and Functions Across the State and Asymmetrical Assignment to Local Government
 - d. Ward Committees and Community Participation

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a) Planning for Growth and Development

The strengthening and rationalisation of development planning across government will focus on the following:

- The **planning capacity at all three levels of government** must be significantly improved, including designating districts as a planning hub.
- Municipal councils, following the 1 March 2006 elections, should prepare a **5-year perspective** for their term that translates their political mandate and national priorities into concrete and realistic localized development and service delivery targets. These targets will inform **performance contracts of senior municipal officials** and will form part of national monitoring system.
- **Institutionalizing certainty in the national development planning system and rationalising national responsibility** for and the location of development planning, with specific reference to spatial and land-use planning.
- Regulations and/or legislative amendments must be introduced to transform District and Metro IDPs into **expressions of government-wide commitments**.
- The **National Spatial Development Perspective** must gradually evolve into a **stronger and more directional and enforceable** national development planning instrument.

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b) Two-Tier System of Local Government

The two-tier system of local government will be stabilised through the following measures:

- Supporting the **implementation of the IGR Framework** in the context of District and Local Municipalities, through preparing standardized protocols and guidelines in view of the need to improve systematic and uniform monitoring across government;
- Progressively, Districts should begin to assume the **development facilitator and coordinator role** as local delivery capacity develops and is supported by national and provincial government.
- The District **development facilitation and coordination functions should be more clearly defined**.
- Proposals should be developed on a "**district shared service model**". The district could in future become a useful institutional base to which national and provincial services and officials are deconcentrated.

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c) Distribution of Powers and Functions

A report on the **distribution of powers and functions across government** and related matters of **assignment and devolution to local government** will be **submitted to Cabinet in July 2006**. Some of the issues that will be addressed include the following:

- Developing a **national strategy setting out a policy and conceptual framework for distributing powers and functions across the state** and the asymmetrical assignment to local government.
- Guidelines to **standardise definitions for schedule 4 and 5 functions** progressively.
- Examining the **feasibility of devolving built environment functions** to metropolitan municipalities, e.g. housing.
- **Adjustments of functions** between local government tiers.
- Progressively allocating **greater responsibilities to secondary cities**.

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d) Ward Committees

- Current legislation, i.e. the Municipal Structures Act, make it discretionary for municipalities to adopt the ward committee system of community participation. This has contributed to the uneven establishment rate and levels of functionality of ward committees across the country.
- Relevant legislation should be amended to **make it mandatory for all municipalities to adopt the ward committee system** for community participation.

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Concluding Summary of the Review and the Strategic Priorities

- i. First term of democratic local government has been one of the most complex projects of state transformation since 1994.
- ii. The tasks of local government transformation have proven to be more complex and protracted than was initially anticipated.
- iii. Project Consolidate has sharpened our understanding of the problems and challenges in the local government sphere and has led us to the conclusion that we **need to mainstream hands-on support to local government in general over the next 5 years**. Project Consolidate would have ceased to exist as a time-bound measure directed at particular municipalities.
- iv. In answering the question, "*What should be achieved with and through local government in the next 5 years?*" The response must be that we must have **viable municipalities** and that this sphere would have assisted us in **achieving our service delivery and development targets that we have set over the next 5 years**. Also we should be on course with those targets that go beyond 2011.

Concluding Summary of the Review and the Strategic Priorities

The three (3) strategic priorities for the next term of local government will be:

1. Mainstreaming hands-on support to Local Government to improve municipal governance, performance and accountability;
2. Addressing the structure and governance arrangements of the State in order to better strengthen, support and monitor Local Government; and
3. Refining and strengthening the policy, regulatory and fiscal environment for Local Government and giving greater attention to the enforcement measures.

Project Consolidate Priorities for 2006

PURPOSE

- Programme 4:

Provides support to Local Government to build institutional and administrative systems within the following areas

- The purpose of the Sub-Programme – Project Consolidate:

Project Consolidate is a hands-on support engagement initiative on local government that is directed at a targeted number of municipalities

BACKGROUND: CRITERIA FOR PROFILING

In 2004 the following criteria was used to select the 136 municipalities envisaged targeted and focused support:

- i. The municipalities affected by all four **service delivery measures** – electricity, water, sanitation and refuse removal;
- ii. The six metropolitan municipalities and secondary cities – particularly with regard to **municipal services debt and billing systems**;
- iii. The municipalities identified by the Municipal Demarcation Board as performing less than 30% of their assigned **powers and functions**, and not included in the other listed categories;
- iv. The municipalities currently under Section 139 (of Constitution) **interventions**;
- v. The municipalities in known **financial distress** – i.e. unable to meet financial obligations – particularly to bulk suppliers and financial institutions.

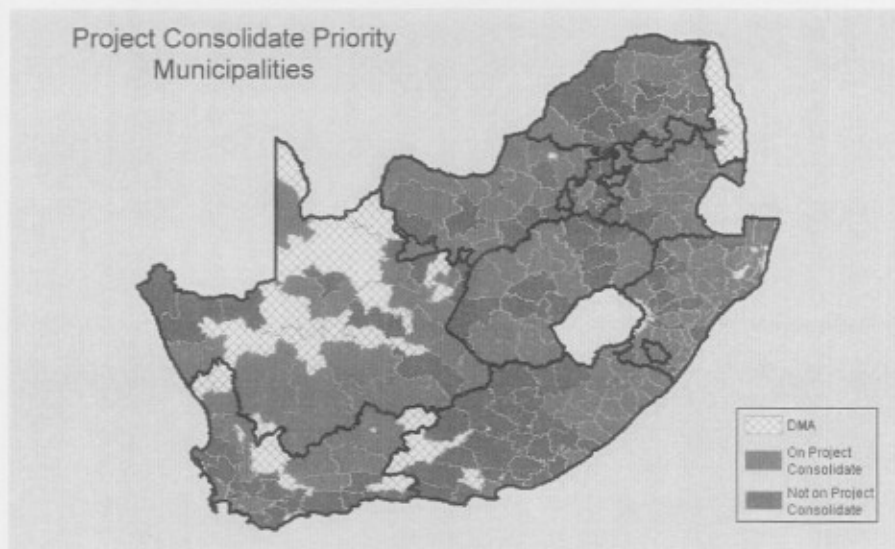
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136 PRIORITY MUNICIPALITIES

Project Consolidate Priority
Municipalities



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BACKGROUND: TWO PILLARS OF PROJECT CONSOLIDATE

- a. A targeted hands-on support and engagement programme on building the capacity of municipalities to perform their mandate.

- b. A complementary process of systematic refinement of policy, fiscal and institutional matters that will enable the consolidation of the local government system in the long- term.

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OVERVIEW OF PROGRESS

Milestones:

- ✓ October 2004: Launched
- ✓ April 2005: Roll-out and deployment of SDFs
- ✓ May 2005: 1st Presidential Imbizo (Bojanala)
- ✓ June 2005: 1st Municipal PoA Launches
- ✓ September 2005: 1st Ministerial Municipal Imbizo

Progress

- ✓ Deployed 20 SDFs
- ✓ 15 Presidential and 53 Izimbizo – covering over 100 municipalities
- ✓ All provinces and the 136 PC municipalities have Action Plans
- ✓ Functional national Project Management Unit (PMU)
- ✓ Institutional arrangements in place across government

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ACHIEVEMENTS IN 2005/06

a. SDFs:

- ✓ Where SDFs have been deployed, have a clear work programme of support
- ✓ Associated CMTP initiative which is aligned to Project Consolidate
- ✓ DBSA has finalised a Task Force proposal to complement Project Consolidate

b. Izimbizo:

- ✓ All izimbizo resulted in a focused programme of action with clear roles for national, provincial and local government
- ✓ Key partners have committed support

c. Local Government Review and Strategic Priorities:

- ✓ Work undertaken and submitted to the January 2006 Cabinet Lekgotla
- ✓ 3 key priorities identified for the next term of local government (2006 – 2011)

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KEY OUTPUTS FOR 2006/7

Support the implementation of the 3 Strategic Priorities for Local Government by focusing on the following:

OUTPUT	TARGET
1. Coordinated and targeted local government capacity building programme established and functional	<ul style="list-style-type: none"> • Support the induction programme for new councillors • Revised National Capacity Building Framework (NCBF) and implementation of pilots • Revised Capacity Assessment Tool (CAT) and implementation of pilots • Incremental roll-out of SDFs • Ongoing mobilisation of stakeholders and partners
2. Effective Knowledge Management mechanism established and functional	<ul style="list-style-type: none"> • National Knowledge Manager fully functional together with 9 Provincial Knowledge Managers • Project Consolidate Knowledge Management Strategy and implementation plan developed • M&E and Reporting Framework for Project Consolidate finalised and functional

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KEY OUTPUTS FOR 2006/7

Support the implementation of the 3 Strategic Priorities for Local Government by focusing on the following:

OUTPUT	TARGET
3. PC Communication Strategy Implemented and levels of public confidence in local government improved	<ul style="list-style-type: none"> • Communication strategy finalised and implemented • Public Perception and Social Mobilisation study completed and recommendations implemented • Wide-spread and appropriate communication of Project Consolidate
4. Sustainability Criteria and Exit Management Strategy developed & implemented	<ul style="list-style-type: none"> • Local Government Sustainability Criteria finalised • Framework on Exit Management from PC developed and implemented • Increased mainstreamed support to municipalities that contributes to establishment of sustainable municipal institutional systems.

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RESOURCES AND BUDGET FOR 2006/7

- Work of the entire Department seeks to promote the objectives of Project Consolidate (PC)
- DDGs have been assigned responsibility for specific provinces
- Designated a full-time DDG to Project Consolidate
- PMU is operational: supports the Department and provinces
- Key national departments are giving dedicated attention to PC, e.g. DWAF
- Most provinces have established PMUs and assigned staff to focus on supporting PC
- Negotiations underway with many stakeholders. Some support agreements already reached, e.g. Donors, FNB, Business Trust

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RESOURCES AND BUDGET FOR 2006/7

Financial year R' thousand	2006/07 '000	2007/08 '000
Totals	34 249	39 409

- Project Management Unit
- Capacity Building Coordination
- Chief Directors: Municipal Billing (SDFs)
- Stakeholder Management
- Communication

Thank you!