LOCAL ECONOMIC DEVELOPMENT CONFERENCE: WORKSHOP 1D:

STRENGTHENING INTERGOVERNMENTAL RELATIONS AND PARTNERSHIPS FOR LED

09 November 2017
at St Georges Hotel

BACK TO BASICS: SERVING OUR COMMUNITIES BETTER
PANEL PRESENTATION 4:

Presenter: Senior Manager (B2B in WC and Partnerships), Dr Sandra Greijling

Title: Local Government Support Partnerships (previously referred to as Business Adopt a Municipality: BAaM): Experiences
Outline of the Presentation

1. Introductory remark
2. What can affect Municipal Performance?
3. Key elements of a functional, well performing municipality
4. What does getting the Basics right mean?
5. Back to Basics: Phase 2
6. B2B - Ideal level of Performance
7. Local Government Support Partnerships: Background and Progress
8. Local Government Support (LGS) Partnerships: Experiences
9. Examples of other LGS Partnerships: In progress / Just commenced / Under discussion
10. Conclusion
1. Introductory remark

The complexity of challenges such as the water and energy crisis, global warming and the economic slowdown as well as the consequences of these and other challenges, necessitate **seamless** cooperative actions from **government (at all three spheres),** **associated institutions** and **civil society** (including **business**)

Jointly identified challenges; that may differ from municipal space-to-space, could be defined, implemented and monitored through agreed to **Strategies** and innovative use of scarce resources
2. What can affect Municipal Performance?

- **Broader Economic & Social Context**
  - Spatial fragmentation, Urbanisation & urban/rural interface – huge service delivery backlogs

- **Macro Context**
  - Legislative & Policy Context
  - Local Government Fiscal Powers & Functions

- **Enabling Environment**
  - Demarcation
  - Short-term vs Long-term focus
  - Traditional leadership support

- **Institutional Capacity**
  - Organisational Culture
  - Systems & Procurement
  - Leadership and Management
  - Financial Resources
  - Bulk Infra-Structure capacity
  - Monitoring & Support

- **Individual Capacity**
  - Qualifications Experience Competences (Knowledge, Skills and Attitudes)
  - Political Climate
  - Corruption
  -稳定性

- **Macro Context**
  - Social System
  - Powers and Functions devolved
  - Planning Alignment
  - Inter-Governmental relations

- **Macro Context**
  - Climate Change, Environment & Resource Management
  - Education and Training System
### 3. Key elements of a functional, well-performing municipality

#### Constitutional objects of local government
- Democratic and accountable government
- Provision of sustainable services
- Social and economic development
- Safe and healthy environment
- Communities involvement in LG matters

#### Strong Organisational Capacity

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<th>Governance</th>
<th>Sound Political Leadership</th>
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<td>Good governance practices that facilitate transparent, accountable and participative decisionmaking and oversight</td>
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<td>Responsiveness to community participation and feedback</td>
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<th>Priorities, Policies and Plans</th>
<th>Good governance practices that facilitate transparent, accountable and participative decisionmaking and oversight</th>
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<td>Priorities and policies that address the community's social and economic development needs, with a sustainable emphasis on the interests of the poor</td>
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<td>A sound spatial development plan</td>
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<td>Integrated and sustainable IDPs and Budgets</td>
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<th>Staff</th>
<th>Key decision-making, management and reporting systems in place and functioning</th>
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<td>Competent and dedicated senior managers</td>
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<td>Key technical positions filled by competent staff</td>
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<td>Employees committed to serving the community</td>
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<th>Systems</th>
<th>Key decision-making, management and reporting systems in place and functioning</th>
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<td>Efficient and effective service delivery systems</td>
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<th>Budgets, SCM and Financial Management</th>
<th>Economies of Scale</th>
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<td>Sound revenue and expenditure management processes</td>
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<td>Procurement processes that are efficient and honest</td>
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<td>Effective contract monitoring and management</td>
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<td>Good project management processes and systems</td>
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#### Community Oversight and Accountability

#### Economies of Scale

#### Choice of Technology
4. What does “getting the Basics right” mean?

1. Putting people first: Let’s listen and communicate
2. Adequate and community-oriented service provision
3. Good governance administration
4. Sound financial management & accounting
5. Robust institutions & administration

Cooperative Governance
5. Back to Basics: Phase 2

Responsive, Accountable, Effective, Efficient Developmental Local Government System

- Spatial and integrated development planning (land and situational)
- Local economic development
- Resilience to climate change: Disaster risk, planning, and education

Putting People First: Positive Community Experience

Delivering Basic Services: Access and Maintenance

Good Governance: Council meetings; Governance Structures: Audit Committee, Internal Audit MPAC's, implementation of forensic reports

Sound Financial Management: Audit Outcomes – no Disclaimers; Revenue enhancement

Building Institutional Capabilities: IGR, Strengthen Provincial CoGTA’s and the role of Districts; Appointment of senior managers in municipalities.
6. B2B - Ideal level of Performance

- Performance driven by Integrated Development Plans, Budgets Compliance and Innovation;
- Strong political and administrative leadership;
- Municipalities characterised by political stability;
- Councils meeting regularly, as legislated;
- Functional council and oversight structures;
- Regular report back to communities;
- Collection rates above 80% on average;
- Spending on capital budgets above 80%;
- Consistent spending of capital budgets;
- Consistent unqualified audit outcomes;
- Responsive to service delivery needs;
- Evidence of good administrative and financial management;
- Continuity in the administration; and
- Low vacancy rates;
7. Local Government Support Partnerships: Background and Progress

The Branch: Local Government Support and Interventions Management took over the BAaM (which is voluntary in nature and guards against the emergence of a conflict of interest - SCM) in July 2016, the following actions have been taken since:

1. In September 2016, a workshop was held with provincial CoGTAs, municipalities, private sector and State Owned Companies to determine progress made with the Business Adopt a Municipality (BAaM) programme and a baseline from which to continue in 2017;

2. Separate engagements with provincial CoGTAs and partners, on 23 and 24 February 2017 resulted in:
   a. Private sector requesting that the word ‘adopt’ be revisited to enable shared value in the Partnerships (thus the informal reference to Local Government Support Partnerships [LGSP])
   b. Both agreeing to the establishment of a National LGSP Steercom;

3. A Provincial CoGTA / DLG workshop; facilitated by FNB, was held on 22 June 2017 to determine how to support Local Government in creating the individual and institutional capacity to manage partnerships;

4. The annual National LGSP Steercom took place on 23 June 2017. Some key actions arising are to:
7. Local Government Support Partnerships: Background and Progress (2)

a. Circulate the list of National Steercom stakeholder contact details to all for updating;
b. Circulate the presentation on progress with the finalisation of MoUs;
c. Circulate the data repository to all again with a due date for inputs by end of August 2017;
d. Note the changes and circulate an amended copy of the adopted Terms of Reference of the Steercom; and
e. Circulate the Draft Guidelines on LGSP to all with the same due date for inputs as c. above

It was proposed that Provincial CoGTA / DLGs comprehensively consult with municipalities;

5. A Workshop that Partners requested was facilitated by Aflead on 1 August 2017. Following recommendations made, Aflead further initiated and facilitated introductory discussions towards resourcing and the development of a **LGSP** Government and Business Governance and Implementation model
7. Local Government Support Partnerships: Background and Progress (3): Principles regarding the signing of MoU’s with Partners

a. National CoGTA will only enter into a MoU with one other party per MoU, to ensure improved accountability towards a partnership;

b. National CoGTA will facilitate the entry of partners through provincial CoGTAs. Provincial CoGTAs should do the same into municipalities. DCoG will not force a MoU onto a province or municipality but DCoG encourages provincial CoGTAs to get involved should a partner identify their provincial space as an area of interest;

c. Provincial CoGTAs will thus be key in preparing the ground for partnership development and should also take leadership in identifying apt partners;

d. Provincial CoGTAs should also inform national CoGTA on MoUs they are signing, to enable sharing of experiences across provinces and with other partners;

e. Provincial CoGTAs are encouraged to request municipalities to liaise with their offices, prior to a municipality signing a MoU so that provincial CoGTAs are involved from inception and are not expected to only mediate when challenges arise with a partnership; and

f. To implement a national LGSP MoU, a MoA is further signed at project (municipal) level which becomes an Annexure to the National MoU (Provincial CoGTA and other relevant stakeholders participate in the Project Structures).

a. LGS Partnerships form part of the implementation of the government-wide Back to Basics programme (using the B2B Support Plans). These should be solution-driven to alleviate the root causes of challenges identified from assessments done across the pillars. Progress made is monitored monthly - in municipalities not doing well and quarterly - in municipalities with the potential to do well. CoGTA facilitates these progress meetings between the municipal leadership, relevant sector departments and associated institutions, to ensure that:
   i. All support initiatives are better coordinated and the root causes become more evident which should lead to inclusion in IDPs & SDBIPs;
   ii. Closer stakeholder working relations are fostered which could lead to the improved use of limited resources and capacity; and
   iii. Elevation to relevant IGR structures can be facilitated, where necessary

b. All DCoG business units are involved in the Partnerships through the B2B Operations Committee that meet weekly and could address barriers; and

c. Local Economic Development, various planners and B2B practitioners, should work closely at provincial CoGTA level and within municipalities, to achieve the objectives of phase 2 of B2B with the inclusion of partnerships, where established
8. Local Government Support Partnerships: Experiences

For this presentation 4 LGS Partnerships that have been documented have been chosen: SANTAM (one of the good practices); Anglo American SA (entering into a direct partnership with DCoG); SBI (previously AHI) and FAME (FNB) Conferences (the latter both being revisited to link to B2B Phase 2). Other LGS partnerships will be listed in a later slide.

EXAMPLE 1:

SANTAM’s objective and involvement with Local Government is to assist in strengthening the institutional and participatory development capacity of local municipalities. It further aims to assist in combatting poverty on the ground by improving service delivery and providing support to local government. It will continue to influence and lobby relevant stakeholders to increase focus on disaster risk management practices and to drive partnerships with other organised business and the South African Insurance Institute (SAIA) to improve the risk on the ground.

SANTAM’s project focus is thus on:

a. Fire and flood risk reduction;

b. Facilitating training, mentoring, and coaching to the chosen municipalities, focusing on fire fighting and storm water drainage; and

c. Coordination and facilitation of improved and innovative ways of co-operation between municipalities and business in relation to disaster risk management
Choosing the support sites was a joint exercise between stakeholders. Phase 1 targeted:

a. Eden DM: Western Cape
b. Mahikeng Local Municipality: North West Province
c. Mbombela Local Municipality: Mpumalanga Province
d. Sarah Baartman: EC Province
e. Sedibeng: Gauteng
f. Thulamela Local Municipality: Limpopo Province
g. Ulundi Local Municipality: KwaZulu-Natal Province

The focus for the commencement of the next phase is Central Karoo DM and Thabo Mofutsanyane DMs and their LMs.

Ad hoc support specifically focusing on the Back to Basics programme is also underway in Oudtshoorn (with Old Mutual and Vodacom. The last-mentioned’s participation was facilitated by SANTAM to assist with Ward Committee members’ communication). Other municipalities being considered for ad hoc support are Hantam LM (NC), Maluti a Phofung LM (FS) and Enoch Mgijima LM (EC).
8. LGS Partnerships: Experiences (3)

SANTAM (3)

A Fire Resilience Partner Workshop in October 2017 focused on partners involved in Fire Resilience who shared lessons from the provision of support to Local Government (NDMC, Mercedes Benz, MONDI, PG BISON, SANTAM and SAPPI were invited)

Lessons since inception

a. Different role players are partnering and sharing responsibilities for Disaster Risk Management;
b. Current local government management are keen to think more systemically and to become more proactive;
c. Disaster Risk Management is starting to be prioritised at local government level;
d. A project management approach is key; and
e. Used municipalities meeting structures

Challenges since inception

a. Some guidance and support w.r.t. governance, planning, project management are needed in municipalities;
b. Getting progress reports from local municipalities is extremely difficult; and
c. Some municipalities are poorly resourced and do not have capacity to ensure that agreed projects are run effectively, resulting in BAaM committee members having to project manage
8. LGS Partnerships: Experiences (4)

EXAMPLE 2:

Anglo American South Africa (AASA):
The Municipal Capacity Development Programme (MCDP) in which AASA supported 11 municipalities in Eastern Cape: OR Tambo DM, Limpopo: Waterberg DM, Mpumalanga: Nkangala DM, Northern Cape: John Taolo Gaetsemane DM and North West: Bojanala DM was done with support from DBSA to enhance the prospects of these areas.

In this phase DCoG and other stakeholders are directly involved with AASA and discussions have commenced in NC: Tsantsabane and Gamagara; and will commence shortly in Limpopo: Mogalakwena (where Old Mutual is also involved), Musina and Blouberg and in Mpumalanga: Emalahleni with the focus on:

a. Land and spatial planning (and economic development);
b. Improvements in the process of drafting of IDP’s (and the quality of the IDP’s);
c. Support for programmatic implementation of the IDP, SDBIP, sector plans and B2B Action Plans;
d. Support for governance processes (IDP monitoring and reporting); and

e. Support for improving organisational effectiveness
8. LGS Partnerships: Experiences (5)

Anglo American South Africa (2)

Lessons learnt:

a. DBSA had **sufficient project management capability**;

b. In general, **the MCDP was grounded on a thorough situational analysis and aligned to municipal priorities**, even in cases where those had to be adjusted or changed. This contributed to more buy-in and smooth project implementation;

c. The **participation of different municipal functionaries in technical Project meetings** contributed to breaking down of silos between different units in municipalities, and contributed to better understanding of the inter-relatedness of municipal functions; and

d. The **inclusion of knowledge sharing sessions and visits to other municipalities** are potentially powerful enablers, which had only been utilised to a limited extent in the MCD programme

Challenges:

a. **Key staff at some municipalities** (such as municipal manager and chief financial officer) **are not sufficiently skilled, motivated and do not have the capacity to implement the projects** at least in the medium-term. Municipalities that are short of skilled staff or where turnover is high are less likely to be able to implement projects sustainably and effectively;
Anglo American South Africa (3)

Challenges:

b. **Not all 11 municipalities were “ready for change”;**

c. **The short period allocated for programme implementation and monitoring** meant that the programme struggled to prove the achievement of medium- and long-term goals in some municipalities beyond short-term gains (outputs);

d. **Insufficient involvement from relevant provincial and national bodies** (such as National Treasury and Department of Cooperative Governance (DCoG)) meant that duplication of functions and projects could not always be avoided and institutional learning could not be leveraged;

e. Research shows that capacity building initiatives, specifically those that focus on the transfer of skills, are less effective when training is not **accompanied by a period of mentoring.** It is recommended that any future programme implementation consider adding mentoring to training initiatives for a reasonable period; and

f. **Insufficient mechanisms** were in place to ensure project ownership and commitment by municipal management. While the MCDP made an attempt to promote maximum involvement and buy-in from municipal management, municipalities did not have to prove their commitment prior to benefitting from the programme by for example, making a monetary contribution to the implementation of the identified projects.
8. LGS Partnerships: Experiences (7)

**EXAMPLE 3:**

**SBI (previously AHI) in the Free State:**

A MoU is in place but was not acted on but has been re-negotiated towards a B2B focus with:

- **RAVCOM** (Rammulotsi / Viljoenskroon Community Forum and Business Chamber) being established to address service delivery challenges by facilitating closer relations within the community between business and civil society through a NPO with the involvement of the municipality and relevant sector departments. Also, a PPP model, to suit the NPO, is currently under discussion with NT

- **DCoG** is also receiving constant feedback on service delivery challenges experienced in towns, where SBI members are active. Challenges are relayed to a relevant national B2B team member(s) to facilitate resolve
8. LGS Partnerships: Experiences (8)

EXAMPLE 4:

FNB’s Academy for Municipal Excellence (FAME) Conferences

Four inaugural conferences were held with the overall theme “Helping to create excellence in Local Government”

The topics addressed were:

a. Supply chain management with a service delivery focus;
b. Integrated, effective asset management for service delivery;
c. A supportive municipal / business relationship;
d. Effective tariff structuring for affordability and sustainability;
e. Collective leadership with responsiveness, accountability and ethics;
f. Workplace learning to speed up the building of skills and knowledge; and
g. Contract management
EXAMPLE 4:

FNB’s Academy for Municipal Excellence (FAME) (2)

The 2016 Conference Theme was “Economic Development – a Key Pillar for Sustainable Local Government”

Preparations are underway for the partnership focus for 2018 to ensure closer alignment with B2B Phase 2 challenges and targeted municipalities

The approach remains that expert speakers are sourced from National and Provincial Treasuries, Private Sector and Local Government. The content of the program is designed after extensive consultation with both Government and Local Government Experts, and focused on some of the key challenges faced by municipalities across South Africa and aligned to the National Development Programme. The same programme is presented across all Provinces (clustered in groups)
9. Examples of other LGS Partnerships: In progress / Just commenced / Under discussion

a. AfLead (LED and mining towns through collAbronomics - facilitates a participatory approach from public governance and private sector structures through to grass-roots levels)

b. AfriForum (Community Affairs)

c. Construction Engineers SA (MISA)

d. CMRA

e. ESKOM

f. GIZ (Water Stewardship)

g. HSRC (Traditional Affairs, Disaster Risk Reduction and Local Government)

h. Mercedes Benz entered into a MoU with Buffalo City Metro

i. MONDI entered into a MoU with Makhado LM

j. National Black Business Caucus (to, amongst others, ensure 30 day payment is complied with for their constituents)

k. Old Mutual are supporting Buffalo City and Nelson Mandela Metros (EC), Mogalakwena (Limpopo), Sol Plaatjie (NC), and Oudtshoorn (WC)

l. Partners for Possibility (Leadership development)

m. Rand Water Foundation

n. Royal DASKoning DHV (MISA)

o. Standard Bank

p. TCBF(business forum) and TCLM (local municipality)
10. Conclusion

1. Attached is a comprehensive partnership example contained in the Media in October 2017: **SASOL-Secunda (Govan Mbeki) Operations – Partnering for community transformation**

2. **Seamless** cooperative actions from **government (at all three spheres)**, **associated institutions and civil society** (including **business**) towards functional, well performing and developmental municipalities by e.g.
   a. Minimising meetings (to improve the use of limited resources and capacity) by creating multi-disciplinary agendas that address the root causes of complex challenges and enable maximum stakeholder involvement and escalation to national IGR structures, where necessary
   b. Contextualising the solution to the municipal space and to address the root cause
   c. Most partners have indicated that municipalities should ensure that businesses and civil society participate in the processes by timely allowing them access to their draft IDPs
10. Conclusion (2)

3. In **summary** lessons learnt through LGSP (BAaM):

a. Sharing of responsibilities between government and the private sector is possible to improve the functionality within municipalities

b. Each stakeholder should have respect for the other’s role

c. Partnering requires resilience

d. Provincial CoGTAs and municipalities have to be ‘ready’ for a partnership to ensure buy-in and this should be included in the planning of the LGSP

e. A project management approach and capacity for a partnership is advisable

f. Government structures that are in place could be used to monitor project progress

g. The length of the project and the capacity within a municipality will determine the extent of project progress (achieving short, medium or long-term outcomes)

h. Knowledge sharing on the partnership experiences with other stakeholders is advisable

i. Mentorship following skills transfer may be necessary

j. Working together could promote and improve social cohesion
Thank You!

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