DRAFT ROLES AND RESPONSIBILITIES OF NATIONAL SECTOR DEPARTMENTS AND PROVINCIAL COUNTERPARTS

Intergovernmental partners in the implementation of MIG to ensure a better life for all

Department of Provincial and Local Government (dplg), National Treasury (NT), Department of Water Affairs and Forestry (DWAF), Public Works (PW), Sports and Recreation SA (SRSA), Department of Environmental Affairs and Tourism (DEAT), Department of Minerals and Energy (DME), Department of Transport (DoT)

PURPOSE OF THE BOOKLET

The roles and responsibilities of national sector departments, including their provincial counterparts in the planning, implementation and monitoring of the MIG Programme is critically important to ensure that the projects implemented with the MIG funds, are sustainable. This publication attempts to clarify the value and contributions that sector departments and their provincial counterparts can bring to the MIG Programme.

What is the Municipal Infrastructure Grant (MIG)

The MIG is the funding arrangement that combines all existing funding programmes for municipal infrastructure into a single consolidated grant.

The following funding programmes are being consolidated in a phased manner under MIG from 2004/05.

- Consolidated Municipal Infrastructure Programme, in support of internal bulk, connector infrastructure and community facilities to poor households;
- Water Service Capital Fund, in support of bulk, connector and internal infrastructure for water services at a basic level;
- Community Based Public Works Programme, in support of the creation of community assets in rural, historically disadvantaged communities;
- Local Economic Development Fund, in support of planning, and implementation of job creation and poverty alleviation;
- Building for Sport and Recreation Programme, in support of promoting sport and recreation facilities within disadvantaged communities; and
- Electrification funding in support of addressing the electrification backlog of permanently occupied residential dwellings that are situated in under-supplied areas.

Vision of MIG

To provide all South Africans with at least a basic level of service by the year 2013 through the provision of grant finance aimed at covering the capital cost of basic infrastructure for the poor.

Through the application of MIG funds, Free Basic Services would be realised for the poorest of the poor, aligning national government’s aim of poverty eradication with sector targets. The MIG has thus an overall target of removing the backlog with regard to access to basic municipal services over a 10-year period.

The principles of MIG

MIG funds being made available to municipalities for infrastructure, are based on the following principles:

- Providing services to the poor
- Providing infrastructure for basic levels of service
- Maximising economic benefits to communities
- Using funds efficiently, equitably and in a transparent manner
- Decentralising the spending authorities
- Empowering municipalities to identify, select and approve projects
1. INTRODUCTION

Funding for infrastructure that supports basic services (e.g., water, sanitation, housing, electricity) has traditionally been institutionalised and addressed through separate funding programmes managed by separate departments that each had its own conditions for providing funds. For the consolidated MIG Programme to be implemented successfully on municipal level, co-operative governance and the alignment of the approach to local government is essential.

The central feature for the successful implementation of the MIG Programme on municipal level is the alignment of roles, responsibilities and functions within and between the spheres of government.

“The only way to facilitate and expedite integration in service delivery is by engendering a sound co-operative ethic in the practice of government. Co-operative governance binds all spheres to put the collective national interest above parochial (narrow) geographic or spherical interest, and places an obligation for an efficient intergovernmental collaboration on all three spheres.” – Minister of Provincial and Local Government (dplg), Mr Sydney (FS) Mufamadi, Guideline Document on Provincial-Local Intergovernmental Relations.

1.2 Which are the sector departments involved in the MIG Programme?

The following national departments, including their provincial counterparts are directly contributing and adding value to the MIG policy framework and programme processes through participation in the planning, design, implementation, operation and maintenance, monitoring and evaluation phases of every MIG project implemented by municipalities countrywide:

- Department of Provincial and Local Government (dplg)
- National Treasury (NT)
- Department of Water Affairs and Forestry (DWAF)
- Department of Public Works (PW)
- Sports and Recreation South Africa (SRSA)
- Department of Environmental Affairs and Tourism (DEAT)
- Department of Minerals and Energy (DME)
- Department of Transport (DT)
- Department of Housing (DH)

The South African Local Government Authority (SALGA) is also regarded as a sector leader partner in MIG.

Municipalities, which are responsible for the implementation of MIG projects, are the most vital partner in the realisation of the MIG vision. The roles and responsibilities of municipalities are detailed in a brochure entitled.

1.2.1 How is “sector” defined in the MIG Programme?

In relation to the MIG Programme, sector departments are defined in terms of the following:

- Departments that were responsible for the management of the previous funding programmes listed on page 1;
- Departments that are represented in the Inter-Ministerial Committee (IMC) on Project consolidate and Comprehensive Human Settlements that reports to the Social, Economic and Governance and Administration Cluster;
- Departments that have, as its core function, the mandate to assist with the delivery of basic services.

Provincial departments as the counterparts of national governments are therefore implicitly involved as provincial sector departments.

2. FRAMEWORK OF THE ROLES AND RESPONSIBILITIES OF SECTOR DEPARTMENTS

The framework of the roles and responsibilities of each national sector department, including its provincial counterparts and municipalities involved in the successful implementation of the MIG Programme is set out in the MIG Policy Framework. The Policy took cognisance of Chapter 3 of the Constitution of South Africa (1996) on co-operative governance that provides that the three spheres of government are distinctive, interdependent and interrelated. The principles that underlie the relations between the spheres are that of co-operative government and intergovernmental relations. In terms of the Intergovernmental Relations Framework, each sphere must, amongst other things:

a) respect the constitutional status, institutions and powers and functions of government in the other spheres;
b) exercise their powers and perform their functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere;
c) co-operate with one another in mutual trust and good faith by:
   • assisting and supporting one another;
   • consulting one another on matters of common interest;
   • co-ordinating their actions and legislation with one another;
   • adhering to agreed procedures

2.1 MIG Policy Framework

The MIG Policy Framework states that all national departments and their provincial counterparts retain their policy making and regulatory functions which cover the full range of municipal activity: governance, administration, planning, projects and operations. Furthermore, the sector departments and provinces retain their constitutional rights to intervene directly in the affairs of municipalities. However, the importance of co-ordinating such activities, with the objective of creating a common approach to local government, is recognised. The Technical IMC has therefore been established and assigned these co-ordinating functions.

2.2 Coordination of the MIG between and within government

Cabinet adopted the policy in 2003 that all conditional grants for municipal infrastructure should be consolidated into a single grant, the Municipal Infrastructure Grant (MIG). Spending decisions on infrastructure are now fully decentralised to municipalities within national norms and conditions. The key outcome of this process is to be the speedy delivery of infrastructure for enhanced access to basic services by all South Africans. The MIG Programme has thus an overall target of removing the backlog with regard to access to basic municipal services by 2013.

2.3 Principles underpinning the coordination of MIG

• MIG is premised on a sector wide approach to delivery.
• The decentralisation of grants to municipal levels leaves sector departments with policy and regulatory function to guide implementation.
• National Departments responsible for a sector must establish a system for monitoring performance and outcomes for the sector.
• National Treasury and dplg must establish a system for monitoring the performance of the programme with regard to budget, spending trends and key delivery across sectors.
• A multi-sectoral forum is responsible for coordinating the implementation of MIG and making policy recommendations on the formula for the allocation of funds to Cabinet.
• The dplg is responsible for the administration of grant transfers.

3. INSTITUTIONAL ARRANGEMENTS FOR MIG

3.1 Inter-Ministerial Committee (IMC) on Project Consolidate and Comprehensive Human Settlements

With regard to the MIG the IMC makes recommendations to Cabinet on municipal infrastructure policy. Each minister is responsible for proposing policy and regulation within a sector to Cabinet and for implementing Cabinet policy relating to that specific sector. However, it is required that national departments responsible for a certain sector must coordinate relevant priorities, policy proposals for the sector with those of other sectors.

3.2 Technical IMC

The Technical IMC, as it relates to the MIG, is responsible for aligning the policies of national departments and may make recommendations in this regard in respect of:

(a) measurable objectives for MIG;  (g) adjustments to the equitable share;
(b) conditions for MIG; (h) implementing the division of allocations;
(c) monitoring compliance with conditions; (i) reporting by municipalities;
(d) the allocation formula or changes to the formula; (j) assessing audited financial statements; and
(e) access to the discretionary portion; (k) support and capacity building for municipalities.
(f) the budget for MIG;

Technical IMC may make recommendations to the IMC as well as Cabinet Committees in respect of any of the items listed above and is also responsible for monitoring progress and unblocking any challenges that may emerge in the delivery of municipal services.

3.3 Multi-sectoral Technical Task Team

The Task Team comprises representatives from the same departments as Technical MITT as well as representatives from SALGA and the national MIG Programme manager. MIT3 reports directly to the MITT and has the responsibility to:
• Facilitate and co-ordinate implementation of MIG policy and the overall programme,
• Promote financial, technical, social and environmental sustainability of municipal services through infrastructure programmes,
• Monitor MIG implementation and the progress of departments in implementing the MITT decisions,
• Facilitate the establishment of the MIG Management Unit,
• Recommend policy changes, draft policy amendments and provide expert advice to the MITT,
• Co-ordinate impact studies on the MIG and review and correct blockages in the process,
• Determine sector priorities and ensure proper co-ordination between sector departments,
• Review reports from municipalities and review sector reports.

3.4 Provincial Coordinating Structures

Provincial Coordinating Structures (PCSs) perform a coordinating function of MIG activities in the provinces. The provincial departments of local government in each province chair the PCS. The PCSs further consist of provincial representatives of regional or provincial sector departments.

PCSs specific responsibilities include:
• To recommend to Technical IMC the municipal infrastructure policy issues for review to ensure efficiency, effectiveness and consistency in the delivery of infrastructure by municipalities.
• To monitor progress and unblock any challenges that may emerge in the delivery of infrastructure services in municipalities.
• Perform MIG monitoring and capacity building activities on behalf of the national Municipal Infrastructure Unit.
• To report to Technical IMC and Premier-Mayoral Forums about progress on the implementation of infrastructure in municipalities.
• Ensure that IDPs give priority to the basic needs of communities and promote the social and economic development of communities.
• Ensure that projects selected through IDPs provide for sustainability in terms of operations and maintenance.
• Aligning of sector departments’ growth, development and planning strategies in municipal IDPs, resulting in alignment of these sector strategies in MIG projects.
• Support and develop the capacity of Municipalities to ensure that they are able to perform effectively in managing the infrastructure provided through MIG funds.
• Monitor the financial performance of municipalities.
• Provide the technical advice in relation to infrastructure delivery.

4. OVERVIEW OF RESPONSIBILITIES ON DIFFERENT SPHERES OF GOVERNMENT

National Sphere:
• Creating an overall enabling environment for MIG
• Policy development
• Macro planning
• Allocation, transfer and disbursement of funds
• Support (capacity building)
• Monitor and evaluate policy outcomes
• Regulate municipal infrastructure investments
• Communication and awareness

Provincial Sphere:

Provinces on the other hand have the following responsibility in terms of section 155 (6) of the Constitution to provide for monitoring and support of municipalities as well as promote the development of local government capacity to enable municipalities to perform their functions and manage their own affairs.

In addition the provinces should provide technical support on the MIG programme. In other words, the province should assist the municipality to establish and maintain programme management systems. Ensure proper co-ordination between all municipal infrastructure programmes and sector departments.

Municipalities:
In all circumstances, local municipalities retain their existing responsibilities with regard to the preparation of the IDPs and identification of projects that emanate from those IDPs, for the powers and functions that are assigned to them.

The other specific MIG related functions of municipalities will include the:
• Overall planning and implementation of infrastructure development within local government sphere,
• Infrastructure development planning,
• Project identification,
• Financial planning and management of MIG funds,
• Project feasibility studies,
• Project planning,
• Project implementation (community participation and awareness, construction, project level capacity building, mentoring support),
• Project management (including project monitoring, and MIG project reporting).

5. SPECIFIC ROLES AND RESPONSIBILITIES OF SECTOR DEPARTMENTS (NATIONAL AND PROVINCIAL)

The primary intention of the national structures established in support of the MIG Programme is to ensure that funds are used in the best possible way to improve access by the poor to municipal services. In order to do this the role of dplg and sector departments is largely supportive with the intention being to work together with municipalities in the process of implementing projects.

This support takes place during sector planning, project planning and implementation cycle and national departments may require certain checks to be undertaken at specific stages of the project cycle.

5.1 Department of Provincial and Local Government (dplg)

The dplg as the national custodian department of the MIG Programme has the following overarching responsibilities in the management and implementation of the MIG Programme:

• Exercises financial accountability for the MIG programme,
• Administers grant transfers,
• Sets up multi sectoral coordinating structures e.g IMC, Technical IMC etc.
• Sets up the MIG Management Unit,
• Compiles an annual report to parliament on the MIG programme,
• Monitors performance in respect of generic conditions,
• Responsible for monitoring cross-cutting conditions.

The dplg is responsible for:
• Co-ordinating MIG policy on behalf of all departments,
• Establishing MIG management and administrative structures,
• Administering the transfer of funds to municipalities according to the Division of Revenue Act (DORA) Schedule,
• Providing support to municipalities,
• Monitoring performance of the overall MIG programme,

National Municipal Infrastructure Unit

The primary function of this unit is administering the use of MIG funds (ensuring that the funds are properly allocated and spent on appropriate projects). This activity relates to the way projects are implemented and implies that national and provincial government departments retain their normal responsibilities for policy, regulation and capacity building relating to municipal governance, administration, planning and operations activities.

The unit plays a supportive role (or capacity building role), by assisting municipalities to establish effective project management capacity. It plays a monitoring role by measuring performance. This is done through:
• The flow of information from municipalities into the national database,
• Regular audits,
• Evaluation at certain intervals.

To optimally function in their role, the following management systems has been developed:
• Communication, documentation and information flow procedures generic to all sectors and departmental policies,
• Generic reporting mechanism, formats and procedures,
• MIG national fund administration system,
• MIG Management Information system (MIS).

The national Municipal Infrastructure Unit, which is located within the dplg, is responsible for:
• Implementing policy relating to infrastructure delivery,
• Setting up the MIG national fund administration system,
• Ensuring the establishment of project management and monitoring capacity within municipalities,
• Monitoring the use of MIG funds,
• Operating the national MIG information system,
• Auditing the local programmes to ensure compliance,
• Ensuring that evaluation of local programmes takes place,
• Preparing reports to MITT and to provincial and national government departments.

5.2 Other national departments

National departments (and their provincial counterparts) retain their policy-making and regulatory functions in terms of municipalities. Sector dept are responsible for respective sector policy oversight, assess and monitor the outcomes of the sector and monitor MIG specific conditions. National and Provincial departments will within their areas of competence continue to be held responsible for supporting and developing appropriate municipal planning capabilities. National and Provincial departments will also engage on specific MIG projects. They may require certain checks to be undertaken at specific stages of the project life cycle.

In addition, each department has specific responsibilities in terms of MIG.

5.2.1 National Treasury responsibilities
• Overall allocation of MIG funds through DORA,
• Determines specific MIG conditions,
• Monitors financial reporting on revenue-related criteria and spending trends,
• Ensures that municipalities operate within the macro-economic framework driven by national government,
• On the advice of MITT, can make adjustments to the funds received by municipalities,
• Administers legislation that has implications for the MIG Programme, notably DORA,
• Incorporation of MIG conditions and transfers into DORA,
• Ensure that municipalities observe and operate within the macro-economic framework driven by national government.

5.2.2 Department of Public Works responsibilities
• Sets criteria related to poverty alleviation and employment generation,
• Advises municipalities on labour based construction systems, procurement, techniques and approaches,
• Provide training to municipalities on the conditions of the ‘Expanded Public Works Programme (EPWP) and how to comply with these conditions,
• Monitor poverty alleviation and employment generation conditions,
• Monitor municipal performance in terms of labour based technology, SMME involvement and compliance with the EPWP conditions,
• Co-ordinates the Expanded Public Works Programme,
• Liaises with municipalities on procurement reforms.

5.2.3 Responsibilities of other sector departments
• Policy making, including the setting of norms and standards for the sector and infrastructure services,
• Support municipalities to prepare and implement a service development plans (e.g. Water Services Development Plan),
• Monitor the performance of municipalities in the provision of sector infrastructure and compliance with service related conditions (e.g. meeting targets for specific services),
• Provide support to municipalities in terms of feasibility studies, business plans and implementing services capital projects,
• Initiate intervention related to specific services activities,
• Sector planning oversight (regional service development plans),
• Ensure that funds allocated for sector infrastructure are properly spent.

MIG means more responsibility!

The introduction of MIG does not reduce the work of sector departments. Sector departments have an increasing responsibility to support municipalities in planning and implementing their infrastructure programmes. Sector departments must also oversee compliance with standards and norms in terms of their regulatory responsibilities.
### Specific roles and responsibilities of provincial departments of local government in the management and implementation of the MIG Programme

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<th>Outputs</th>
<th>Activities</th>
<th>Indicators</th>
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| Planning/developmental initiatives | Establishment of MIG structures:  
- Facilitate establishment of municipal project management units (PMUs)  
  
Infrastructure investment planning:  
- Ensure that municipal IDPs combine to form a viable developmental framework across the province, and are vertically integrated with the Provincial Growth and Development Strategy  
- Support determination of municipal backlogs  
- Provide GIS to support planning  
- Ensure that IDPs prioritise development needs of poor communities  
- Ensure through the IDP process that the prioritisation of infrastructure for water, sanitation, electricity, refuse removal and roads are established before the start of the municipal financial year  
- Support municipalities to develop Water Services Development Plans (WSDPs) in co-operation with DWAF  
- Ensure proper co-ordination between all municipal infrastructure programmes within the respective province  
- Build capacity of municipalities to ensure development of a three-year capital plan linked to its IDP and budget  

Asset management:  
- Build capacity of municipalities to ensure development of a sustainable operation and maintenance programme for three years and beyond – the cost of which is reflected within the approved 3-year capital plan budget  
- Build capacity of municipalities to ensure the development of a sustainable operational and maintenance programme of existing infrastructure  
- Give GIS support for the development of a sustainable asset management programme  

Local economic development/capacity building:  
- Support the establishment of municipal service partnerships through the MIG Programme  
- Facilitate implementation of labour-intensive methods in accordance with EPWP guidelines and the SETA learnership programme  
- Approval of municipal capacity-building plans which must include community-based partnerships  |
| | Minutes of meetings  
- Evaluation reports of IDPs  
- Three year capital plan (municipal)  
- Provincial growth and Development strategy  
- Partnership agreements |

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<th>Outputs</th>
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<tr>
<td>Establishment of Provincial Municipal Infrastructure Task Team (PMITT)</td>
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- All sector departments participate within the scope of the PMITT  
- Co-ordination between all sector departments  
- Scheduled meetings: regular progress meetings with PMUs chaired by the PMU manager and monthly report back meetings with the representative of the national Municipal Infrastructure Unit, Provincial Programme Manager (PPM) and PMU managers and sector departments  
- Quarterly workshops with the representative of the national Municipal Infrastructure Unit and other sector departments  
- Monthly reporting to national Municipal Infrastructure Unit  | Minutes of meetings |

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<th>Facilitation with other provincial sector departments</th>
<th>Liaison with national departments</th>
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<tr>
<td>Monitoring and evaluation</td>
<td>Central to the role of provinces, is building capacity of municipalities to ensure effective delivery of infrastructure.</td>
<td>• Project viability and audit reports</td>
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<td><strong>Financial management:</strong> Provincial treasury must monitor municipal capital budgets, and expenditure reporting, while each provincial sector department must fulfil its sectoral monitoring role</td>
<td>• Minutes of meetings, progress reports</td>
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<td>• Provincial Programme Management Units must monitor the Municipal Infrastructure Grant spending and reporting. This will give preference to other municipal infrastructure budgets.</td>
<td>• Performance monthly reports</td>
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<td><strong>Performance:</strong></td>
<td>• Site visit reports</td>
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<td>• Infrastructure projects to be registered</td>
<td>• EPWP report</td>
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<td>• Funding for projects to be categorised. MIG funded projects should be indicated</td>
<td>• O&amp;M reports</td>
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<td>• Progress meetings with PMUs in terms of cash flows, KPIs etc</td>
<td>• Occupational Health and Safety (OH&amp;S) plans/audits</td>
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<td>• Monitor performance reports (DORA reports, MIG monthly reports, MIG quarterly reports, labour reports, O&amp;M reports) which include some of the following indicators: monthly cashflow management, achievements of MIG KPIs, achievement of LIC KPIs, bi-annual reports and O&amp;M budgetary constraints</td>
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<td>• Monitor investments from other sources of funding</td>
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<td>• Monitor ‘M’ factor: performance of municipalities in terms of expenditure, DORA framework and compliance with grant condition</td>
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<td>• Progress of removal of backlogs</td>
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<td><strong>Administration/legal compliance:</strong></td>
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<td>• Implement control mechanisms and guidelines such as procurement procedures and MOA conditions</td>
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<td>• Update national data system (MIG Management Information System (MIS))</td>
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<td><strong>Extended functions:</strong></td>
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<td>• Ensure labour-intensive construction methods in terms of EPWP agreed between Public Works, National Treasury and SALGA for at least low-volume roads, sidewalks, storm water drainage, trenching etc. Ensure that labour intensive projects can be distinguished from non-labour-intensive projects</td>
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<td>• Monitor capacity constraints</td>
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<td>• Monitor municipal operation and maintenance programmes</td>
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<td>• Monitor adherence to Occupational Health and Safety plans</td>
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<td>• Monitor implementation through site meetings</td>
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<td>• Register of site visit reports</td>
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<td><strong>Communication</strong></td>
<td>Media material Website</td>
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<td>• MIG awareness campaigns at municipal level, orientation workshops, technical workshops etc</td>
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<td>• MIG brochures, handouts, newsletters etc</td>
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<td>• Media implementation awareness articles, press releases etc</td>
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<td>• Maintain a photographic database of projects and events</td>
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<td>• Input for MIG website</td>
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<td><strong>Capacity building/technical support</strong></td>
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<td></td>
<td>• Promoting municipal capacity building to perform their MIG function</td>
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<td>• Facilitate the development of institutional capacity in terms of: project management, infrastructure investment planning, financial management of capital budgets, procurement procedures (compliance with CIDB registration conditions), legal and contractual matters, O H &amp;S requirements, labour-intensive methodology, asset management, MIS databasing, MIG administration and reporting systems and impact assessments</td>
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| • Provide GIS support to planning and asset management,  
• Facilitate development of municipal occupational health and safety plans for project implementation, operation and maintenance. | | |

**Intervention**

All national departments and their provincial counterparts retain their policy making and regulatory functions which cover the full range of municipal activity: governance, administration, planning, projects and operations. Furthermore, the departments and provinces retain their constitutional rights to intervene directly in the affairs of municipalities.

The Municipal Systems Act also states the following: The MEC for local government in a province must establish mechanisms, processes and procedures in terms of s 155 (6) of the Constitution to:

• Monitor municipalities in the province in managing their own affairs, exercising their powers and performing their functions
• Monitor the development of local government capacity in the province
• Assess the support needed by municipalities to strengthen their capacity to manage their own affairs, exercise their powers and perform their functions.

With the above in mind intervention would be required in the provision of hands-on support to municipalities in order to build their capacity on:

• Planning asset management
• Programme, project and financial management