



STRATEGIC PLAN 2020-2025



cooperative governance

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA



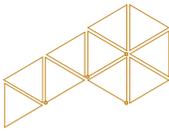
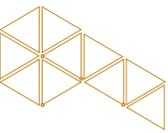


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Minister Foreword



The South African Constitution as the supreme law seeks to advance “*human dignity, the achievement of equality and the advancement of human rights and freedoms*” as well as the right to development. With this Constitution, we seek to advance a non-sexist and non-racial society, through “*a democratic and open society in which government is based on the will of the people*”. To advance these three distinct, interdependent and interrelated spheres, government need to cooperate, act in unison and be supportive to each other.

To realise this, government has laid a solid foundation over the past 25 years of democracy, through an Intergovernmental Framework as well as wall-to-wall municipalities. The Department of Cooperative Governance is at the epicentre of these initiatives. Through existing legal and policy instruments, the Department must provide “*a framework for coordinating and aligning development priorities and objectives between the three spheres of government*”. The sixth administration, under the leadership of President Ramaphosa, occupies a unique window of hope and the way government works. Despite the gains recorded by five successive African National Congress led administrations, the legacy of apartheid persist particularly as it relates to especially as it relates to the spatial dimensions, wherein the majority of our people continue to live in underserved places far away from opportunity remains.

This introduction of the District Development Model (DDM), seeks to reverse this legacy, by facilitating for integrated planning, implementation, as well as monitoring and evaluation. The district development model seeks to address a lack of coherent government services. Through the DDM, we will move away from working in silos where government initiatives are not planned together. It seeks to have one budget and one plan within one district space. It will ensure that all the spheres of government act in unison, improve transparency and partnerships with all sectors of society. The developing Model will also accelerate service delivery and development towards the objectives of Vision 2030, in all 44 Districts and 8 Metros, in the spirit of Khawuleza. Our government will be judged by how we have materially and substantively changed the conditions in which our people live in. In this regard, our people must be at the centre of the DDM through which we can reach all our aspirations as a nation.

Guided by the spirit of Batho Pele, Local Government, being the closest sphere to our people, it is therefore a central development vehicle towards building safe, cohesive and vibrant communities. This Strategic Plan is therefore our evolving proposition and an invitation to the broader society to actively participate in improving the state of cooperative governance.

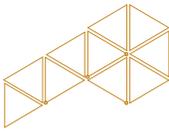
This plan is also a call to action for all public servants in all spheres, particularly those in the cooperative governance space, to do things faster, differently and in the interests of our employer the people. We must work with diligence and to the very best of our abilities so that we may deliver the South Africa We Want, where all our communities are safe, cohesive and vibrant. Such communities should have access to basic service, prosperous, thrive, and be connected to our continent and world.

Mayihlome!!!

NC Zuma

Dr NC Dlamini Zuma, MP

Minister for Cooperative Governance and Traditional Affairs



Remarks by Deputy Minister



The 1998 White Paper on Local Government remains our benchmark for building a capable and developmental local government. It creates a platform for us to compare what we envisaged in 1998, and the realities in 2019. These realities are reflected in the National Development Plan. It is the duty of this Strategic plan 2020-2025, to reflect, acknowledge progress made, and understand our challenges and to implement solutions that confront our challenges.

Our reality today is that we are confronted with the following challenges:

- Governance, financial management and administration challenges;
- Non-viable municipalities due to apartheid spatial planning; and
- Systemic issues around powers and functions.

Given the systematic, financial and governance challenges our municipalities experience – such as population growth, low infrastructure maintenance rates, low revenue base, shrinking budgets – there is a need to change course in how we generate revenue, and to ensure that there is equitable share in revenue that will result in long-term viability of local government.

With the guidance of the President and Minister Dr Nkosazana Dlamini-Zuma, we are pleased to commitment to society an integrated and coordinated approach towards service delivery and development. The symbiotic link with my colleague Deputy Minister Bapela ensures a close working relationship with the Department of Traditional Affairs.

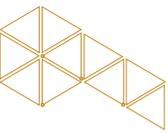
The adoption of the district development model presents us with an opportunity to partner with society and the communities we serve. This model enables us to:

- a) Continue implementing our existing constitutional framework whilst strengthening the regulatory framework for Cooperative Governance;
- b) Reinforce Local Government and its proximity to communities;
- c) Distinction between long-term and Medium-term Strategic Planning / Implementation Mechanisms; and
- d) Build on existing Good Practices

We must be bold in transforming persistent apartheid spatial patterns that continue to reproduce poverty and inequality. We must do this with a view to locating the working class and the poor closer to the work opportunities and amenities. Local government is at the coalface of, and for, basic service delivery, it is reassuring to hear the State President constantly refer to developmental local government (or DLG in short).

This Strategic Plan is 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” targeting, in particular women, the disabled, and the youth.

Realisation of the socio-economic rights is paramount not only in addressing the legacy of apartheid but in encouraging community participation by making sure Municipal Councillors empower communities through delegation of some of their authority and function to the Ward Committees.



In his State of the Nation Address, His Excellency President Cyril Ramaphosa challenged us to make our municipalities centres of economic growth. We shall work towards realizing this imperative; fully aware that making our municipalities centres of economic growth requires revival and activation of local economic development initiatives and putting them on the agenda of all municipalities.

Let me conclude with suggestions. Firstly, we must elevate the status of municipal rates and taxes to be on par with other taxes of the national government to improve collection in municipalities.

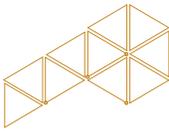
We need a social compact between the government, labour, business and civil society, as this will assist in protecting and helping our municipalities to provide basic services to every community.

Secondly, Cabinet, adoption of a DDM enables us to focus on the 44 districts and 8 metros to speed up service delivery and to ensure that municipalities are properly supported and adequately resourced. In this regard, we shall work towards strengthening cooperative governance, through this Model that addresses integrated planning, budgeting, and coherent implementation in the 52 impact zones.

Lastly, on the very concerning audit outcomes of municipalities, we shall strengthen Governance, Financial Management and Administration to achieve functional municipalities, characterized by strong leadership, management and oversight, accountability and consequence management.

Parks Tau

Deputy Minister for Cooperative Governance



Accounting Officer Statement



The priorities of the sixth Administration of government have been set out in the 2020-2025 Medium Term Strategic Framework (MTSF). The Department has developed this Strategic Plan to respond to some of the outcomes that have been set out in the MTSF. We have also identified a few priorities that are outlined in this strategy, which will link our contribution to those of the sixth Administration and specifically the MTSF.

The Department has a solid foundation of legislation and policies that pave the way for the mandate and priorities that need to be pursued to change the face of local government in South Africa.

These include the Constitution of the Republic of South Africa, COGTA specific legislation such as the Municipal System Acts and policy prescripts such as the Integrated Urban Development Framework. With the many efforts that have been made in turning around local government, we have implemented various policy initiatives such as the Local Government Turnaround Strategy and the Back to Basics Programmes. Progress has been made in realising some of the ambitions set out in our policy frameworks, but much still need to be done to ensure that policy priorities are implemented in such a manner that they make a difference in the lives of the people of South Africa. South Africa is still faced with high levels of inequality, poverty and unemployment which also contribute to other challenges such as high levels of crime, hunger within marginalised groups (women and children) to mention a few. This gives rise to the need to a differentiated approach in the implementation of policies and legislation.

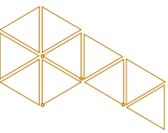
One of the areas we intend to strengthen is the Implementation of the Intergovernmental Relations Act, which seeks to ensure that government at all three spheres work in a coordinated and integrated manner for service delivery at a local government level. The newly adopted District Coordination Model, which was launched in the OR Tambo District in the Eastern Cape, is a joint effort by government to ensure that we plan in a synergised manner and utilise resources efficiently to better the lives of the people at community level. The Department is positioning itself to respond to challenges that are facing local government, particularly with delivering basic services at an acceptable level.

Our 2020-2025 Strategic Plan outlines impact and outcome statements that paints a picture of a transformed cooperative government that responds to the needs of the country. We are yet to achieve a community architecture where violent service delivery protests are minimised; citizens, the business community and all social formation structures are meaningful stakeholders in local government planning; local economic development is an enabler of meaningful economic activity within rural and township areas and there is cohesion in the manners in which government and citizens relate.

We will continue to internally improve the operations of the Department by repositioning the Department of Cooperative Governance to deliver on its mandate through the review of the current budget Programme structure to align to the new Departmental priorities and ensure that we are fit for purpose to Khawuleza for the sixth Administration. Addressing some of our governance related challenges such as improving the audit outcomes of the Department would take precedence during the next five years.

Mr T Fosi

Acting Director-General



Official sign-off

It is hereby certified that this Strategic Plan:

1. Was developed by the management of the Department of Cooperative Governance under the guidance of the Honourable Minister Dr Nkosazana Dlamini-Zuma (MP) and Deputy Minister Parks Tau;
2. Takes into account all the relevant policies, legislation and other mandates for which the Department of Cooperative Governance is responsible; and
3. Accurately reflects the strategic impacts and outcomes which Department of Cooperative Governance will endeavour to achieve over the period 2020-2025.

Ms. D Burger-Snyman

Chief Financial Officer

Mr. T Faba

Head Official: Planning

Mr T Fosi

Accounting Officer (Acting)

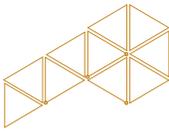
Mr. P Tau

Deputy Minister

Approved by:

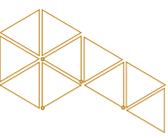
Dr. Nkosazana Dlamini Zuma, MP

Executive Authority



Acronyms

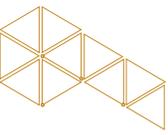
AG	Auditor General
APP	Annual Performance Plan
B2B	Back-to-Basics
CoGTA	Cooperative Governance and Traditional Affairs
CPI	Consumer Price Index
CSOs	Civil Society Organisation
CSP	City Support Programme
CWP	Community Work Programme
DCoG	Department of Cooperative Governance
DDM	District Development Model
DLG	Developmental Local Government
DMs	District Municipalities
DPME	Department of Planning Monitoring and Evaluation
EEDSMG	Energy Efficiency and Demand Side Management Grant
EPWPG	Expanded Public Works Programme Grant
FBS	Free Basic Services
ICDG	Integrated City Development Grant
ICM	Intermediate Cities Municipality Programme
ICT	Information Communication Technology
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IGRF	Intergovernmental Relations Framework Act
IMC	Inter-Ministerial Committee
INEPG	Integrated National Electrification Programme Grant
IT	Information Technology
IUDF	Integrated Urban Development Framework
IUDG	Integrated Urban Development Grant
KZN	Kwa-Zulu Natal Province
LED	Local Economic Development
LGES	Local Government Equitable Shares
LGFMG	Local Government Financial Management Grant
LGSETA	Local Government Sector Education and Training Authority
MDB	Municipal Demarcation Board
MEHG	Municipal Emergency Housing Grant
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant



MILE	Municipal Institute of Learning
MPAC	Municipal Public Accounts Committee
MSIG	Municipal System Improvement Grant
MTBPS	Medium Term Budget Policy Statement
MTEF	Medium-Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDMC	National Disaster Management Centre
NDP	National Development Plan
NDPG	Neighbourhood Development Partnership Grant
NSDF	National Spatial Development Framework
NT	National Treasury
OECD	Organisation for Economic Co-operation and Development
PFMA	Public Financial Management Act
PTNG	Public Transport Network Grant
RBIG	Regional Bulk Infrastructure Grant
RFI	Request for Information
RISDP	Regional Indicative Strategic Development Plan
RRAMSG	Rural Roads Asset Management System Grant
SACN	South African Cities Network
SALGA	South African Local Government Association
SDGs	Sustainable Development Goals
SPLUMA	Spatial Planning and Land Use Management Act
TID	Technical Indicator Description
USDG	Urban Settlements Development Grant
VAT	Value Added Tax



Part A: Our Mandate



Part A: Our Mandate

Developmental local government is a centrepiece in the promotion of cooperative governance so as to improve the quality of life of all who live in South African. Since local government is the closest sphere of governance, which interacts with our people on a daily basis, it remains on the strategic agenda of the sixth Administration of the South African Government.

Constitutional Mandate

DCoG's mandate is primarily derived from Chapters 3, 5, 6, 7, and 9 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996).

Chapter 3 - Deals with cooperative government and intergovernmental relations. The Department observes and adheres to the principles and conduct set out in this chapter, mainly **section 41 subsection (1)** of the constitution provides for the principles of co-operative government and intergovernmental relations where all spheres of government and all organs of state within each sphere must:

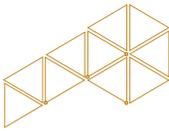
- a. Provide effective, transparent, accountable and coherent government for the Republic as a whole;
- b. Not assume any power or function except those conferred on them in terms of the Constitution, and
- c. Exercise their powers and perform their functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere.

This **section 41 subsection (2) (d) and (e)** gives National Government responsible for the affairs of Local Government the mandate to develop legislation that must:

- a. Establish or provide for structures and institutions to promote and facilitate intergovernmental relations; and
- b. Provide for appropriate mechanisms and procedures to facilitate settlement of intergovernmental disputes.

Chapter 5 - Deals with national intervention in provincial administration when a province cannot or does not fulfil an executive obligation in terms of the Constitution or legislation. Focus is mainly through **Chapter 5 section 100 subsection (1) and (2)** which mandates national government to intervene in provincial administration of any province:

- a. When a province cannot or does not fulfil an executive obligation in terms of the Constitution or legislation, national government may intervene by taking any appropriate steps to ensure fulfilment of that obligation, including –
- b. Issuing a directive to the provincial executive, describing the extent of the failure to fulfil its obligations and stating any steps required to meet its obligations; and
- c. Assuming responsibility for the relevant obligation in that province to the extent necessary to:
 - I. Maintain essential national standards or meet established minimum standards for the rendering of a service;
 - II. Maintain economic unity;
 - III. Maintain national security; or



- d. Prevent that province from taking unreasonable action that is prejudicial to the interests of another province or to the country as a whole.

Chapter 6 - Deals with provincial intervention in local government, specifically when municipalities are unable to fulfil their executive obligations or when a municipality, due to a financial crisis, breaches the imperative to provide basic services to meet its financial obligations. In **Section 125 subsection (3)** national government, by legislative and other measures, must assist provinces to develop the administrative capacity required for the effective exercise of their powers and performance of their functions as it relates to policy development and implementation the administration of the province and any other function assigned to the provincial executive in terms of the Constitution or an Act of Parliament.

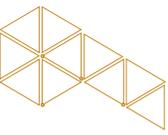
Section 139 subsection (2) & (3) provides for national government to approve or disapprove interventions by Provincial executive when a municipality cannot or does not fulfil Executive Council obligation in terms of the Constitution or legislation.

Chapter 7- Deals with; inter alia, municipalities in cooperative governance. The Department is legislated to support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions.

Chapter 7, section 151 subsection (4) on the status of municipalities stipulates that National legislation can provide for municipalities to exercise their right to govern, on its own initiative, the local government affairs of its community, subject to national and, as provided for in the Constitution.

Chapter 7, section 154 subsections (1) and (2) on Municipalities in cooperative government requires that, the national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions. Through **section 155 subsection (3)**, national government is responsible for the establishment of municipalities by developing appropriate legislation that:

1. Defines the different types of municipality that may be established within each category; 2. Outlines criteria for determining these categories (Category A, B, and C municipalities);
2. Establishes criteria and procedures for the determination of municipal boundaries by an independent authority; and
3. **Subject to section 229**, make provision for an appropriate division of powers and functions between municipalities when an area has municipalities of both category B and category C. take into account the need to provide municipal services in an equitable and sustainable manner;
4. The national government, subject to section 44, and the provincial governments have the legislative and executive authority to see to the effective performance by municipalities of their functions in respect of matters listed in Schedule 4 (functional areas of concurrent national and Provincial legislation competence) and Schedule 5 (functional areas of exclusive provincial competencies, by regulating the exercise by municipalities of their executive authority.



Chapter 7, section 163 on organised local government mandates National Government to enact an act of parliament which:

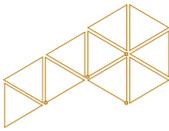
- a. Provide for the recognition of national and provincial organisations representing municipalities; and
- b. Determine procedures by which local government may -
 - i. Consult with the national or a provincial government;
 - ii. Designate representatives to participate in the National Council of Provinces; and

Chapter 9 - Deals with institutions whose role involves strengthening the constitutional democracy of the country. The DCoG has to conform to the rules set down by institutions such as the Auditor- General South Africa.

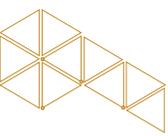
Legislative and Policy Mandate

As a national department, our function is to develop national policies and legislation with regard to local government and to monitor, inter alia, the implementation of the following:

Name of Legislation	Mandate
Municipal Property Rates Act, 2004 (Act No. 6 of 2004)	<ul style="list-style-type: none"> • Municipal Property Rates Act, 2004 (Act No. 6 of 2004) To regulate the power of a municipality to impose rates on property (in accordance with section 229(2) of the Constitution); • To provide a uniform framework for regulating the rating of property throughout the country; • To exclude certain properties from rating in the national interest; • To make provision for municipalities to implement a transparent and fair system of exemptions, reductions and rebates through rating policies that are a product of collective participation of communities; • To make provision for fair and equitable valuation methods of properties; • To make provision for a fair objections and appeal process regarding valuation of property; and • To assist in building economically and financially viable municipalities that are enabled to meet the service delivery priorities of their communities
Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)	<ul style="list-style-type: none"> • Secure sound and sustainable management of the financial affairs of municipalities and other institutions in local government
Disaster Management Act, 2002 (Act No. 57 of 2002)	<ul style="list-style-type: none"> • Develop an integrated and coordinated disaster management policy with a focus on disaster prevention/risk reduction, severity mitigation, emergency preparedness, rapid and effective response and post-disaster recovery • Establish national, provincial and municipal disaster management centres



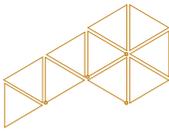
Name of Legislation	Mandate
<p>Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)</p>	<ul style="list-style-type: none"> • Provide municipalities with the core principles, mechanisms and processes necessary to move progressively towards the social and economic upliftment of local communities. • Ensure universal access to essential affordable services. • Define the legal nature of a municipality as that of including the local community within the municipal area to work in partnership with the municipality's political and administrative structures • Define the manner in which municipal powers and functions are exercised and performed • Enable community participation • Establish a simple and enabling framework for the core planning, performance management, resource mobilisation and organisational change processes that underpin the notion of developmental local government • Provide a framework for local public administration and human resource development • Empower the poor and ensure that municipalities establish service tariffs and credit control policies that take their needs into account in a framework that provides services, service delivery agreements and municipal service districts • Enable credit control and debt collection • Establish a framework that supports monitors and sets standards for other spheres of government to progressively build local government into an efficient frontline development agency that integrates all governmental activities involved in socially and economically uplifting communities in harmony with their local environment.
<p>Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)</p>	<ul style="list-style-type: none"> • Establish municipalities according to the requirements of municipal types and categories • Establish criteria to determine area-specific municipal categories • Define types of municipality relevant within each category • Appropriately divide functions and powers between municipal categories • Regulate the internal systems, structures and office-bearers of municipalities • Provide appropriate electoral systems • Provide for matters in connection thereto
<p>The Intergovernmental Relations Framework Act, 2005 (Act No. 13, of 2005)</p>	<p>The objective of this Act is to facilitate coordination between the three spheres of government to implement policy and legislation. As a Framework Act, it allows flexibility between governmental spheres to:</p> <ul style="list-style-type: none"> • Meet the challenges within the conduct and practice of cooperative government • Provide the basic architecture of intergovernmental structures and processes to guide the settlement of intergovernmental disputes
<p>Fire Brigade Services Act, 1987 (Act No. 99 of 1987)</p>	<ul style="list-style-type: none"> • Enable the establishment, maintenance, employment, coordination and standardisation of Fire Brigade Services • Provide for matters connected therewith
<p>Remuneration of Public Bearer's Act, 1998 (Act No. 20 of 1998)</p>	<ul style="list-style-type: none"> • Provide a framework that determines the upper limit of salaries and allowances of Premiers, Executive Council members and members of provincial legislatures and municipal councils



Institutional Policies and Strategies over the five-year planning period

The Department plays a critical role to support the implementation of the following legislation and government wide plans long term plans.

Name of Legislation	Mandate
Spatial Planning and Land Use Management Act 16 [SPLUMA], 2013	<ul style="list-style-type: none"> • Provide for cooperative government and intergovernmental relations amongst the national, provincial and local spheres of government • S 9(2) the national government must, in accordance with this Act and the Intergovernmental Relations Framework Act, develop mechanisms to support and strengthen the capacity of provinces and municipalities to adopt and implement an effective spatial planning and land use management system. • S 14 (d) enhance spatial coordination of land development and land use management activities at national level
National Development Plan 'Vision 2030'	<ul style="list-style-type: none"> • The National Development Plan aims to eliminate poverty and reduce inequality by 2030 • Three priorities stand out: <ul style="list-style-type: none"> • Raising employment through faster economic growth • Improving the quality of education, • Skills development and innovation • Building the capability of the state to play a developmental and transformative role. • The NDP pays considerable attention to intergovernmental relations, particularly as it affects municipalities. • "The NDP makes it clear that meeting our transformation agenda requires a much higher and more focused intergovernmental commitment towards functional municipalities and a capable machinery at a local level that can create safe and healthy and economically sustainable areas where citizens and people can work, live and socialize". • Only by engaging intensively with local government can national and provincial departments develop an in depth understanding of the challenges at local level. • Coordination, collaboration and integration can only be realised and measured against one common intergovernmental plan in a municipal space;
Integrated Urban Development Framework (IUDF) 2016	<ul style="list-style-type: none"> • It sets a policy framework to guide the development of inclusive, resilient and liveable urban settlements, while addressing the unique conditions and challenges facing South Africa's cities and towns. • Facilitate spatial transformation and to create a growth model of compact, connected and coordinated cities and towns.
National Spatial Development Framework (NSDF)	<ul style="list-style-type: none"> • The National Spatial Development Framework is a Strategic Long Term Spatial Plan towards 2050. • It is legally mandated in terms of SPLUMA and has been aligned with the 2030 National Development Plan. • The NSDF is a visual representation of the desired national spatial development pattern for the country. • A set of national spatial directives for all forms of infrastructure investment and development spending in the country and • A series of national strategic spatial areas for the targeted investment by government and the private sector.



Situational Analysis

This situation analysis focuses on understanding the existing internal and external forces that influence DCoG in the local government sector and choice of strategies for implementation.

The District Development Model

In strengthening Cooperative Governance, the Constitution places an obligation on National and Provincial Government to work with Local Government: Section 154 of the Constitution:

“The national government and provincial government, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.”

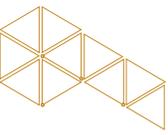
The adoption of the district development model presents us with an opportunity to partner with all three spheres of government; society and the communities we serve.

This model enables us to:

- e) Continue implementing our existing constitutional framework whilst strengthening the regulatory framework for Cooperative Governance
- f) Reinforce Local Government and its proximity to communities
- g) Distinction between long-term and Medium-term Strategic Planning / Implementation Mechanisms
- h) Build on Existing Good Practices

The district development model tries to solve:

1. Solve the Silos at a horizontal and vertical level.
2. Narrow the distance between the people and government by strengthening the coordination role and capacities at the District and City levels as it is the penultimate sphere closer to the people after ward and local.
3. Deliver Integrated Services whilst strengthening Monitoring and Evaluation and impact at district and local levels.
4. Ensuring inclusive and gender mainstreamed budgets based on the needs and aspirations of our people and communities at a local level.
5. Maximising impact and aligning resources at our disposal.
6. Changing the face of our rural and urban landscapes by ensuring complementarity between urban and rural development, with a deliberate emphasis on Local Economic Development.
7. Ensure sustainable development whilst accelerating initiatives to promote poverty eradication, employment and equality.



The model is not new. It is not presenting anything new, but simply taking us to our Constitutional basics mandate, where we were tasked to:

- a. *provide democratic and accountable government for local communities;*
- b. *ensure the provision of services to communities in a sustainable manner;*
- c. *promote social and economic development;*
- d. *promote a safe and healthy environment; and*
- e. *encourage the involvement of communities and community organisations in the matters of local government.*

Mutual Beneficial Partnerships with Institutions of Traditional Leadership

Crucial to the implementation of the DDM, will be the building of systemic and mutual beneficial partnerships with institutions of Traditional Leadership. This include the active involvement of Traditional Leaders in developing One Plans. Furthermore, through programmes such as the Agrarian Revolution, the Community Work Programme and other development initiatives, traditional leaders will be integral partners in process of implementation

By crowding in public, private and not for profit investments to a district locality, in an all-inclusive manner as directed by one plans, the model aims at maximizing impact whilst capitalizing on a window of opportunity (over the next twelve to eighteen months) whilst addressing the 'burning' and 'stabilization' challenges faced by local municipalities who are seen as critical building blocks towards the realization of the objectives of the model and the development aspirations of our people. By laying a solid foundation in the short term a long term, spatially relevant plan for South Africa will be secured through the sum total of the District Implementation Plans into the One Plan, which aligns and mutually reinforces the District Plans. In so doing the One Plan, will:

Focus on the District/Metropolitan spaces as the appropriate scale and arena for intergovernmental planning and coordination.

Focus on the 44 Districts + 8 Metros as developmental spaces (IGR Impact Zones) that will be strategic aligned platforms for all three spheres of government.

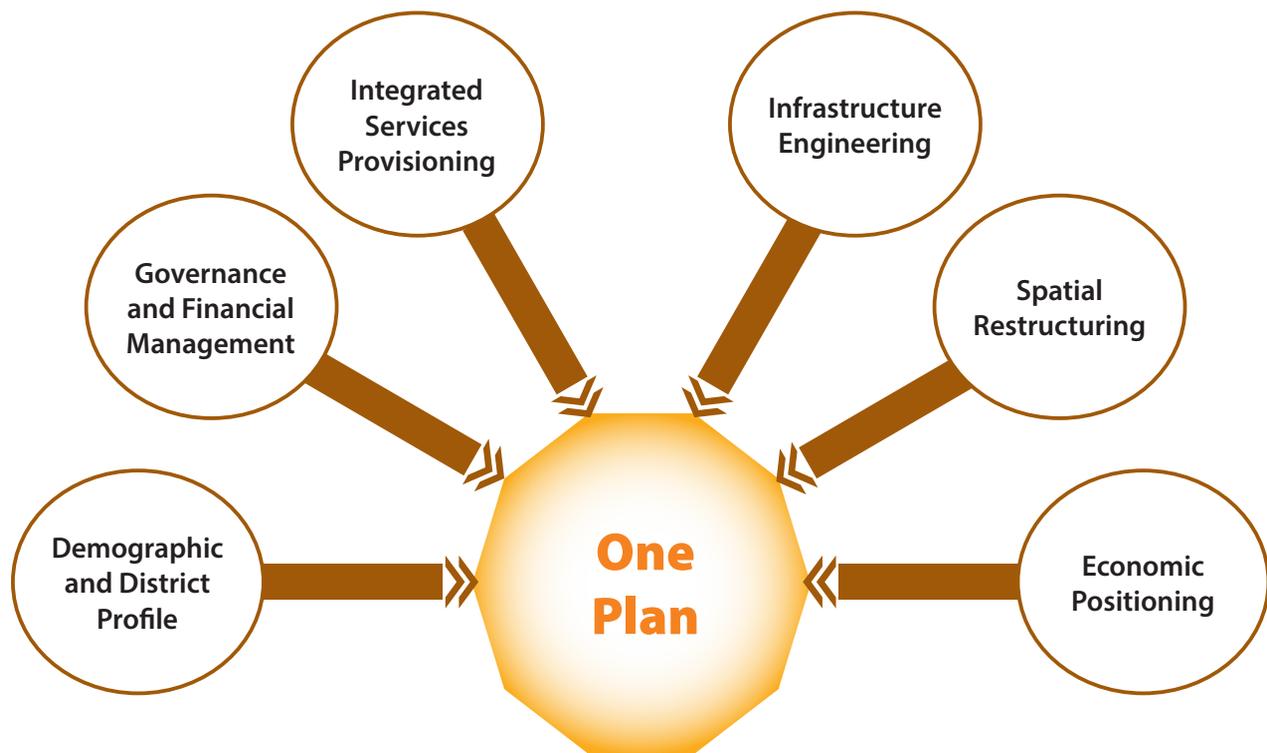
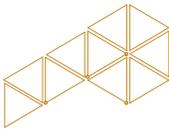
Produce a Spatially Integrated Single Government Plan (as Intergovernmental Compact) for each of the spaces that guides and directs all strategic investment spending and project delivery across government and forms the basis for accountability.

Reinforce an outcomes-based IGR system where there is a systematic IGR programme and process associated with the formulation and implementation of a single government plan.

Take development to our communities as key beneficiaries and actors of what government does.

Single Joined-Up plans will take the form of prioritized spatial expressions over the long term and will be divided into 5 and 10-year implementation plans supported by annual operation plans, which will be based on commonly agreed diagnostics, strategies and actions. Each sphere and sector department will have to elaborate in more detail their own plans and actions.

The content of the Plans will elaborate the key transformation processes required to achieve long-term strategic goals and a desired future in each of the 44 district and 8 metro spaces.

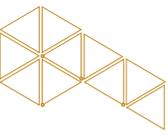


The resultant One Plan for each space will be approved and adopted by all three spheres based on consultative processes within government and with communities and stakeholders. The One Plan will consist of the objectives, outputs, roles and responsibilities, and commitments in terms of which all spheres will have to act and against which they will be held accountable for prioritizing resources and delivering results. In implementing the model:

- The vertical and horizontal silos in planning and implementing government programmes and national priorities will be addressed;
- The social distance between the people and government will be narrowed;
- Integrated Services will be delivered whilst strengthening Monitoring and Evaluation and impact at district and local levels;
- Youth-inclusive and gender mainstreamed budgets based on the needs and aspirations of our people and communities at a local level will be prioritized;
- Impact will be maximized and resources will be aligned; and
- The face of the rural and urban landscapes will be changed whilst Local Economic Development will be promoted.

Agenda 2063

In line with Agenda 2063, each African country is expected to show improved standards of living; transformed, inclusive and sustained economies; increased levels of regional and continental integration; a population of empowered women and youth and a society in which children are cared for and protected; societies that are peaceful, demonstrate good democratic values and practice good governance principles and which preserve and enhance Africa's cultural identity. These key initiatives are expressed in the Medium Term Strategic Framework 2019-2024. By aligning this strategic plan to the MTSF, we ensure that the Agenda 2063 is realised.



Localising the Sustainable Development Goals

The Constitution of the Republic of South Africa (1996) mandates local government to: provide democratic and accountable government for local communities, ensure the provision of services to communities in a sustainable manner, promote social and economic development, promote a safe and healthy environment and encourage the involvement of communities and community organisations in the matters of local government. This Constitutional mandate puts local government as the **“Spinal Cord of Service delivery”** for the citizens of our country. This means that local government is responsible for making the aspirations of the SDGs become real to communities, households and individuals, particularly to those who are at risk of falling behind. Therefore, scaling and accelerating local implementation of the sustainable development goals in municipalities across the country can no longer be over-emphasised.

The establishment of a country wide system of deracialised, democratic and developmental local government was indeed a monumental achievement for the citizens of South Africa. To date local government has been able to deliver on its developmental mandate as envisaged by the 1998 Local Government White Paper and described in the objects of local government in the country’s Constitution. It is therefore against this backdrop that South Africa agrees with the sentiments raised by the United Cities and Local Governments (UCLG) in the 2018 report entitled **“Towards the localisation of the SDGs”** that the Sustainable Development Goals (SDGs) are truly effective and context-sensitive at the local level. Moving from central to local development implies a process of decentralization which suggests moving closer to the people.

The report further highlights an urgent need for improved territorial coordination of the means of implementation and, most importantly, capacity building for public servants and financial engineering in order to provide adequate funds and resources. Furthermore, the report indicates that these actions offer a gateway to effective localization through increased policy coherence and coordination, more efficient decision-making and budget allocation, and synergic implementation processes across global and regional agendas.

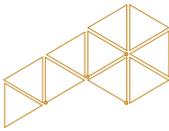
Sustainable development through localization takes the advantages of both centralized and decentralized modes of governance in that it allows both national and local priorities to be integrated into one plan. Therefore, localisation of global goals and sustainability efforts play an important role in the advancement of sustainable development around the world. This is because it aims to engage local stakeholders in the processes that affect local, national and global development. South Africa is one such country that has taken this advantage of localising the SDGs and progress has been made in this regards, though more still needs to be done.

The New Urban Agenda

The New Urban Agenda, adopted in 2016, enjoins UN Member countries to develop integrated urban frameworks that anchor the effective implementation of the New Urban Agenda. This ensures that countries become inclusive in developing and implementing participatory urban policies. Furthermore all country frameworks must mainstream sustainable urban and territorial development as part of integrated development strategies and plans.

In line with this injunction our Integrated Urban Development Framework states that interventions are designed to unlock the development synergy that comes from coordinated investments in people, the economy and places. This will result in inclusive, resilient and liveable cities and towns. In other words, urban spaces that:

- Encourage inclusive growth, social cohesion and good governance, where civic rights and vulnerable populations are protected, and local participation and ownership are at the centre of city development;



- Have growing, innovative economies that create jobs, support diverse livelihoods and activities, respond to social development and can anticipate and adapt successfully to challenging conditions;
- Are safe, caring and creative urban spaces, shaped by citizens and government that celebrate diversity, provide universal access to social and other services and contain accessible public green spaces and affordable housing.

Progress on localization of the SDGs in South Africa

South Africa has implemented a number of policy imperatives for planning, implementation, monitoring and reporting over the years to ensure that local government implements not its own community identified needs but provincial, national, continental and international priorities.

Development planning in the past 25 years has focused various planning tools and mechanisms for integrated planning aimed at ensuring that intergovernmental priority setting, resource allocation and implementation take place in an integrated, effective, efficient and sustainable way. Integrated Development Plans (IDPs) are the legislated primary instruments for local development planning and plays a critical role in ensuring that local government achieves the developmental agenda and fulfil their constitutional mandate.

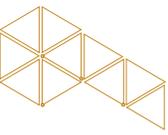
IDPs are required to have various Sector Plans that guide municipalities on different programmes that they implement e.g. Human Settlements Chapter (Plan), Disaster Management Plan, Transport Plan, and Water Services Plan; however, the convergence of spatially informed and intergovernmental development plans of multiple entities, for a given space, remains a challenge. The alignment of the municipal plans with those at national and provincial level is also a challenge.

In this regard, consistency across economic, social and environmental policies is critical for inclusive and sustainable growth. Ensuring that development planning is consistent with the Sustainable Development Goals is critical in focusing attention on achieving coherence across development policies. It is therefore important that municipalities are encouraged to develop development plans that give expression to the SDGs in their localities and that there is commitment to stick to these plans over the medium to long term.

As part of the localisation of the SDGs, COGTA working with other key stakeholders, has embarked on a planning and reporting reform process which include the review for the Municipal Planning and Performance Regulation as well as the review of the current IDP guidelines. These processes seek to ensure that IDPs and other plans of municipalities respond adequately and reflect Sustainable Development Goals indicators and targets. The review of the Regulations includes the regulation of the Key Performance Indicators for local government.

The Municipal Planning and Reform Task Teams was established, whose responsibility is to align and streamline the key performance indicators that are aimed at integrating the National Development Plan, Southern African Development Community's Regional Indicative Strategic Development Plan (RISDP), the Agenda 2063, the Paris Agreement as well as the Sendai Framework for Disaster Risk Reduction led by the Department of Cooperative Governance and Traditional Affairs. The teams are constituted by National Treasury, Organised Local Government, The Auditor General, Statistics South Africa and Cities Network as well as teams from the provincial government.

In order to strengthen, mainstream and align national and local priorities, South Africa has adopted a differentiated approach in terms of the powers and functions to ensure accurate comparison between the categories of municipalities. To this end the Key Performance Indicators for the Metropolitan municipalities have been concluded and are being piloted. A number of councillors in some cities are now capacitated to ensure that citizens are empowered about the benefits of an integrated approach to development planning. Amongst others are the eThekweni and City of Cape Town metropolitan municipalities on localisation and monitoring and reporting of the SDGs and the Sendai Framework for Disaster Risk Reduction respectively. This is also to ensure that Cities do not only implement the Integrated Urban Development Framework but also mainstream the targets set in the Urban Agenda.



The draft Indicators for the Districts municipalities and Secondary Cities have been developed in collaboration with the relevant municipalities. The last phase is the development of the key performance indicators for the rest of local municipalities which will take into consideration both urban and rural towns. This process is meant to streamline and standardise integrated planning, monitoring and reporting per category of municipality but also to reduce the burden of reporting by municipalities.

A momentum has been built through stronger partnerships with civil society, academia, the private sector, local communities and their grassroots organizations and representatives is now bearing fruits. In this regard COGTA has entered into partnership with ICLEI - Local Governments for Sustainability which is the world's leading association of cities and local governments dedicated to sustainable development. A Memorandum of Understanding has been signed to establish partnership between the Parties on local government support and spatial urban transformation, urban development, institutional development and localising the Sustainable Development Goals;

Some of the objectives include the following:

- a) Support implementation of the IUDF;
- b) Localising the Sustainable Development Goals(SDGs), aligning SDGs to national policy frameworks such as the National Development Plan (NDP), National Spatial Development Framework (NSDP), IUDF provincial and municipal integrated and spatial plans and reporting to international platforms;
- c) Piloting and testing IUDF implementation and the localisation and alignment of SDGs; and
- d) Establishing learning networks.

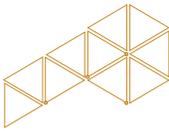
In the context of rapid urbanisation and expansion of the informal sector, localizing sustainable development will enable local communities to protect sustainability by supporting sustainable development initiatives at the community level. The importance of localizing the development process to encourage ownership of the development agenda. In other words, localization supports more inclusive and complementary approaching to engaging local and national stakeholders to plan, finance, deliver and sustain development which highlights the principles of partnership and ownership of the development agenda. This partnership will ensure that civil society, private sector academia, faith-based organisation and not forgetting the Traditional authorities which many of our communities live in actively participates in the localisation of the SDGs.

Improving Monitoring from the Bottom Up

The international community agrees that planning, monitoring and evaluation has a strategic role to play in formatting planning, decision-making, conducting credible evaluation and policymaking processes. It is therefore important that our policies as government are informed by quality and **credible evidence** rather than **"opinion-based information"**.

The development of a fully functional, effective and efficient planning, monitoring, reporting and evaluation system is crucial for the achievement of a developmental local government. In this regard, the monitoring and reporting processes and procedures must enable the government to produce evidenced-based quality data that can be used to measure performance of each municipality but should also go beyond to provide government with progress on the continental and international commitments. Quality data will also inform planning, policy changes or even development of new policies that are aimed at improving the quality of the lives of the citizens.

The coordination of information across the three spheres of government, both horizontally and vertically is crucial to ensure credibility, correctness, relevance and accuracy of data. The implementation of an integrated and streamlined monitoring and evaluation system will ensure that we reduce the burden of reporting required from local government.



Next Steps – localization towards achievement of 2030 Agenda

One of the most important characteristics of the 2030 Agenda is its universality. The global goals aim to be of relevance to all community levels, from global to local. Localization of global goals and sustainability efforts have played an important role in the advancement of sustainable development around the world. This is because it aims to engage local stakeholders in the processes that affect local, national and global development.

The service delivery imperative suggests that local institutions are better qualified to understand the needs and requirements of the people, hence allowing better public service delivery by prioritising expenditures (World Bank, 2001). Thus, decentralization implies improved accountability at all level of government.

The new District Based Service Delivery Model, is an important innovation adopted by the South African government. The model, which currently focuses on forty-four (44) districts and eight metros, will ensure coherence and integration in planning, budgeting and implementation of service delivery projects in all districts by all three spheres of government – national, provincial and local;

The model is anchored on the Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005), which provides for a framework for a coordinated and integrated alignment of developmental priorities, and objectives between the three spheres of government. It is also meant to enhance other alignment initiatives like integrated development plans with a clear focus of implementing one plan in each district across all spheres of government;

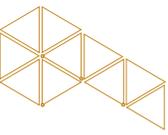
Localisation of the SDG through the District Coordination Model assures the development-driven decentralization but also considers local development as an endogenous open process, for which the local government takes primary responsibility and mobilises local resources. This is seen as both complementary and supplementary to national development and further promotes local development as additional benefit in a positive sum game.

The localization approach is taken, assuming that achieving the SDGs at the local level requires the integration of decentralization and centralization **“bottom up” and “top down”**. Localizing the SDGs to promote a bottom-up approach to the development agenda can develop robust institutions while simultaneously having profound impacts on local communities.

It is an opportune time to moving from central to local development, a process of decentralization which suggests **moving closer to the people**. This is done in the context of moving government decision-making closer to people (decentralization) on the grounds of efficiency, accountability, and responsiveness.

South Africa through its democratic processes of public participation is committed to work with local government and communities to renew and plan our cities and human settlements as well as building community cohesion and personal security and to stimulate innovation and employment

The District Coordination model is further aimed at combining the benefits of both centralization and decentralization. Similarly, localisation includes advantages of a decentralised mode of governance such as tailoring priorities to the needs of local communities and promoting accountability and transparency at the local level thus, **building cohesive, vibrant and resilient communities and making sure that no one is left behind**.



Relevant Court Rulings

1. Independent Schools Association of South Africa / Minister of COGTA and Others.

The Independent Schools Association of Southern Africa (“ISASA”) launched a judicial review in the North Gauteng High Court seeking, an order that the rates regulations as published by the Minister be reviewed and set aside, and that the notice issued by the Minister on 27 March 2009 be reviewed and set aside as constitutionally invalid.

The Minister of CoGTA and Minister of Finance opposed the application. The application between ISASA and the two Ministers in the North Gauteng High Court was settled.

Due to EThekwi’s refusal to implement the amended regulations and to levy ISASA’s members on the prescribed rate, ISASA launched an application in the Kwa-Zulu Natal High Court in November 2010.

Judgement was handed down and Leave to appeal to the SCA was granted to the applicant. On 28 August 2019, the 1st appellant (eThekwi) filed a notice of appeal. On 5 September 2019, 1st and 2nd appellants filed their notice to appeal against Justice Lopes whole judgment delivered on 3 July 2019. The appeal is opposed by the Minister.

2. Merafong City Local Municipality/ Valuation Appeal Board For Merafong City Local Municipality and 7 Others.

This dispute is between the Municipality, the VAB and the mining houses. The applicant avers that, allowing the provincially appointed Appeal Boards to dispute the findings of the municipally appointed Municipal Valuer’s property evaluations, constitutes an encroachment of the separation of powers principle.

The applicant filed the supplementary affidavit challenging the validity of Section 17(f) of the MPRA. The Applicants new substantive supplementary affidavit which introduces further constitutional challenge directed at section 17(1) (f) were filed. A hearing date is awaited.

3. Seriti NPC / Minister Of COGTA and Others

The application by the Applicants is in two parts. PART A is an interim relief which intends to interdict the DCoG from proceeding further with the hand-over of sites and conclude service level agreements currently managed by the Applicants as an implementing agent for Community Work Programme (CWP) to the newly appointed agents.

In PART B the Applicants intend to review and set aside the decision of the DCoG not to appoint the Applicant as an implementing agent.

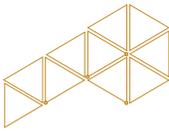
On Part A the application was dismissed with costs (in favour of DCoG) including costs of two Counsel. Part B was heard on 2-4 September 2019. Judgment was reserved.

On 4 December 2019, the Applicant’s attorney wrote to Honourable Judge Mokose requesting the judge to expedite the handing down of the judgment.

4. Resilient Properties (Pty) Ltd & 3 Others / Eskom Holdings Soc Limited & 9 Others – Mp (Govan Mbeki)

Applicants applied in court in two parts. Part A pertained to an application wherein an order was sought against Eskom to prevent it from terminating or interrupting the electricity supply to Govan Mbeki Local Municipality.

In Part B, the applicants seek, amongst other reliefs, an order that the failure of the National and Provincial Executive to intervene, be declared inconsistent with the Constitution and for the Minister of Finance to intervene in terms of Section 150 of the MFMA.



Part A was heard on 24 May 2018 and an interim order was granted in favour of the Applicants.

Part B is opposed. Minister directed that this matter should also be resolved amicably without the involvement of court.

Out-of-court settlement negotiations are currently underway between the parties.

5. Astral Operations Limited & Another/ Government Of Rsa & 4 Others- Mp (Lekwa Municipality)

The Application pertains to defaulting on electricity debt payments to Eskom as well as the Water Trading Entity for water.

Further to the aforementioned, the Applicants also allege that the service infrastructure of Lekwa municipality has fallen into disrepair.

The Applicants seek, amongst other reliefs, an order that the Court directs the Government of RSA to intervene in the affairs of Lekwa Municipality in terms of Section 139 of the MFMA as well as section 139(7) of the Constitution.

Minister directed that this matter should also be resolved amicably without the involvement of court.

On 14 August 2018 parties agreed that all proceedings in this matter will be held in abeyance.

However, the out-of-court settlement negotiations failed, and parties had to proceed with the court process.

6. Xcalibre (Pty) Ltd / Dr Zwelini Lawrence Mkhize

The Plaintiff (XCalibre) issued combine summons wherein it prayed for an order against the Defendant (Dr ZL Mkhize) for payment of R766, 080.00 together with interest at the rate of 10.50% calculated from 10 July 2015 to date of final payment.

The Defendant filed a notice to oppose the application for Summary Judgment. On the same date, another Rule 30A notice was filed by Defendant and on 28 August 2018, the application for Summary Judgement was heard and dismissed with costs.

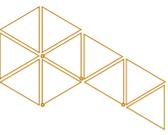
On 21 September 2018, Plaintiff filed a Notice of Intention to Amend (Rule 28(1) and on 17 October 2018, plaintiff filed notice to amend its Rule 28(7) and on 14 November 2018, the Defendant's plea was filed. Non-compliance with rules and misjoinder are claimed.

On 3 December 2018, the Plaintiff's Attorneys wrote a letter to Defendant's attorney proposing that the matter be resolved by way of negotiations and that the current proceedings be stayed pending the resolution of the dispute by means of arbitration. Defendant did not agree to arbitration. Plaintiff amended their particulars of claim. On 21 May 2019, the Defendant filed a Special Plea and a Plea Over.

7. The Minister Of COGTA / Greater Sekhukhune Secondary Regional Cooperative Limited and 7 Others

Recovery of monies erroneously paid to the First Respondent by the Applicant.

On 18 December 2018, the Minister of CoGTA ("applicant") filed an urgent application to interdict and restrain the respondents from disposing, dissipating or transferring or using the monies received by each one of the respondents during various periods; and



To hold the monies in trust for / on behalf of the applicant.

Matter was heard on 20 December 2018.

An interim order was granted in favour of the applicant.

On 3 January 2019, the court order was served on all eight respondents.

On 27 March 2019, the State Attorney was instructed to brief Counsel to proceed with action (by way of Summons) against all respondents for recovery of monies owed to DCoG.

Summons were issued. At this stage (Summons stage) there are 19 separate parties who are being sued.

In respect of 1st, 12th, 14th, 17th, 18th and 19th Defendants, summons were served but no Notice to Defend filed by the respective Defendant

(Capital plus costs plus interest to be recovered).

In respect of 3rd to 11th Defendants, Notice to defend were filed by the Defendants but no Plea has been filed yet.

(Capital plus costs plus interest to be recovered).

In respect of:

Mercantile Bank Limited – 16th Defendant; Boshoff Incorporated – 2nd Defendant; and Firststrand Bank Limited – 15th Defendant, arrangements have been made where DCoG may proceed to obtain Judgment on an unopposed basis but no cost order to be sought against each such Defendant.

8. Unemployment Peoples Movement / The Premier, Province Of The Eastern Cape (Makana Municipality)

The applicants seek a mandatory intervention in Makana municipality. They rely on section 139 (1) (c) of the Constitution and 139 and 140 of the MFMA.

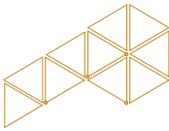
The application was opposed.

The Minister filed her answering affidavit on 10 May 2019.

The matter was heard on the 12 September 2019.

Judgment was handed down on 14 January 2020. The following order was made:

- a. That the conduct of Makana municipality in failing to ensure the provision of basic services to its community in a sustainable manner, in failing to promote a safe and healthy environment for its community, in failing to structure and manage its administration, budgeting and planning processes, in failing to give priority to the basic needs of its community, and in failing to promote the social and economic development of its community, is inconsistent with the 1996 Constitution of the Republic of South Africa, is in breach of sections 152(2) and 153(a) of the Constitution and is declared invalid to the extent of these inconsistencies.
- b. That it is declared that the jurisdictional facts for mandatory intervention in the affairs of Makana Municipality in terms of section 139(5) of the Constitution read with sections 139 and 140 of the Local Government Municipal Finance Management Act 56 of 2003, are present and have consistently been present in the past.



- c. That in terms of the provisions of section 139(5)(a), read with the provisions of section 139(6), of the Constitution, and read further with the aforementioned provisions of Act 56 of 2003, the Provincial Executive for the Province of the Eastern Cape (the second respondent) is directed to forthwith implement a recovery plan aimed at securing Makana Municipality's ability to meet its obligations to provide basic services and to meet its financial commitments, having due regard to the existence and the terms of the Financial Recovery Plan developed for Makana Municipality (dated February 2015), the purpose of which was to achieve the objective of the municipality's financial and service delivery sustainability.
- d. That in terms of the provisions of section 139(5)(b) read with the aforementioned provisions of the Constitution, and read further with the aforementioned provisions of Act 56 of 2003, the second respondent is directed to forthwith dissolve the Municipal Council of Makana Municipality (the 14th respondent), to appoint an administrator until a newly elected Municipal Council has been declared elected, and to approve a temporary budget or revenue-raising measures or any other measures intended to give effect to the aforesaid recovery plan to provide for the continued functionality of Makana Municipality.
- e. That the first, second, third, fourth, sixth, eighth, ninth, tenth and 14th respondents are directed to jointly and severally pay the costs of this application, the one/more than one, paying the other/others to be absolved.

The 1st to the 4th Respondents filed an application for leave to appeal the judgment. The application has been set down for hearing on 3 March 2020.

9. MMM Advisory Services & Matutu Consulting / The Minister of COGTA

An application involves an appeal by MMM Advisory Services and Matutu Consulting Joint Venture against the Minister of CoGTA in terms of the provisions of the Promotion of Access to Information Act, Act 2 of 2000 (PAIA).

The application relates to documentation evidencing the process by which a tender for the provision of internal audit services was awarded to Sekela Xabiso Chartered Accountants Inc on 25 May 2018.

On 5 March 2019, the State Attorney was instructed to file a notice to oppose on behalf of the Minister.

On 9 May 2019, the Minister's answering affidavit was filed and served.

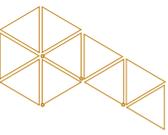
Applicants removed the matter from an unopposed roll of 17th July 2019, with respondent to pay costs occasioned by the setting down and removal of the matter from the roll. Hearing date is awaited.

10. Mohamed Jafer Rassool/ The Minister: COGTA And 2 Others

The applicant seeks to make the following order:

- a. The decision by the Minister: Cooperative Governance and Traditional Affairs, dated 15 August 2018, refusing 3rd Respondent application (in terms of section 56(6) of the Local Government: Municipal Systems Act 32 of 2000) be reviewed and set aside and;
- b. The Minister of Cooperative Governance and Traditional Affairs is directed to afford the Applicant a reasonable opportunity to make representations in support and /or relation to the application in terms of the preceding paragraph.

On 06 May 2019, the State Attorney was instructed to file a notice to oppose the matter and brief Counsel to represent the Minister of CoGTA. An answering affidavit has been filed on behalf of the Minister of CoGTA.



11. Frans Johannes Meintjies & 8 Others Vs Ba- Phalaborwa Local Municipality & 1 Others (Minister Of COGTA)

The applicants seeks to make the following order (amongst others):

- a. A declaration of invalidity be made in respect of the exclusion contained in the definition of “agricultural property”, as set out in section 1 of the MPRA, in as far as it relates to the use of property “... for the trading in or hunting of game...”, as being inconsistent with the provisions of section 9(1) of the Constitution; and
- b. An order be made severing the invalid part of the definition by deleting the words “... Or for the trading and hunting of game” from the wording of the definition of “agricultural property” in section 9 (1) of the Constitution.

On 25 July 2019 the Department filed its notice to oppose and instructed the State Attorney to brief Senior Counsel.

A consultation was held with Senior Counsel.

An instruction was sent to the State Attorney to brief Junior Counsel.

13. Sekoai and Others Vs MEC for Human Settlements and Others: Case No: 9201/2014

The Applicants seek to make an order directing that the Minister of CoGTA (national) be joined to the main application as the tenth respondent.

The relief is sought in that the First to Seventh Respondent in this application have a substantial legal interest in the main application as well as in particular the counter application, and the relief sought by the above captioned applicants in the counter-application.

The department instructed the State Attorney to oppose the application for joinder and Brief Adv Bishop to represent the Minister.

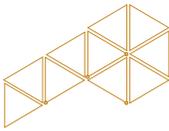
On 18 October 2019 the parties agreed as follows:

- a. The application for joinder was postponed to 9 March 2020.
- b. The 12th Respondent will file an affidavit by no later than 31 October 2019.
- c. The applicants will file a replying affidavit by no later than 30 November 2019.
- d. The applicants will file their heads of argument by no later than 29 January 2020.
- e. The respondents will file their heads of argument by no later than 18 February 2020.

13. Astral Operations Ltd// Eskom Holdings Soc Ltd & 9 Others

The Applicants seek to make the following order (amongst others) in three parts:

- a. That the Applicant’s non-compliance with the rules of Court relating to service and time periods be condoned and that the relief sought under Part A be heard as a matter of urgency in accordance with Rule 6(12) of the Uniform Rules of Court;
- b. The dispute between the First and Second Respondents concerning non-payment by the Second to the First Respondent for bulk electricity supply and the manner and timing of its resolution is, in terms of Section 41(4) of the Constitution, referred back to the Respondents for resolution in terms of section 41(3) of the Constitution; and



- c. In the event that the dispute is not resolved within 9 months of the date of the order, any party may set down this application for determination of the balance of the relief claimed in Part C.

The Department instructed the State Attorney to abide Part A and oppose Part B & C of this application and to also brief Adv Kameshni SC and any preferred JC of her choice.

15. Kokstad Ratepayers Association And Another Vs Greater Kokstad Local Municipality And 6 Others

The Applicants seek to make the following order (amongst others):

- a. That the Applicant's non-compliance with the rules of Court relating to service and time periods be condoned and that the matter proceed as one of urgency in terms of Rule 6(12).
- b. That it be declared that the First Respondent failed to comply with its constitutional and statutory obligations in relation to its consideration and adoption of the Greater Kokstad Local Municipality Budget 2019/2020.
- c. that it be declared that the adoption of the Greater Kokstad Local Municipality Budget 2019/2020 was unlawful.
- d. that the declaration of unlawfulness in terms of paragraph 3 of this order is suspended for a period of three months to allow the First Respondent to comply with its constitutional and statutory obligations in relation to an amendment to the budget.

The Department instructed the State Attorney to file a notice to oppose the matter.

On the 24th day of January 2020 the State Attorney served and filed notice to oppose the matter.

16. Let's Talk Komani / the Premier of Eastern Cape and Others Case No: 3687/19

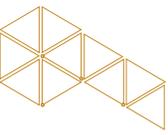
The Applicants seek to make the following order (amongst others):

- a. declaring that Enoch Mgijima Local Municipalities is in breach of section 152(1) of the Constitution of the Republic of South Africa, 1996 as it failed to ensure provision of services to its community in a sustainable manner and failed to promote a safe and healthy environment;
- b. that Enoch Mgijima Local Municipalities is in breach of section 153(a) of the Constitution of the Republic of South Africa, 1996 by failing to structure and manage its administration and budgeting and planning processes;
- c. declaring that the jurisdictional facts in terms of section 139(1)(c) of the Constitution are present at Enoch Mgijima Local Municipality; and
- d. Directing the 2nd respondent to intervene in terms of section 139(1) (c) of the Constitution by dissolving the municipal council and appointing a competent and experienced administrator for Enoch Mgijima Local Municipality forthwith.

The Department instructed the State Attorney to file a notice to oppose the matter and to brief Counsel. The parties are currently negotiating out of Court settlement.

National Development Plan (NDP) Vision 2030

In 1998 we began our local government agenda by adopting the White Paper on Local Government. Which is our benchmark to compare what we envisaged in 1998, and the realities in 2019.



In articulating our common aspiration encapsulated in the NDP, we talk to the injunction that, South Africa belongs to all its people. It is a country where we have confronted effectively the impediments and untangled the bottlenecks that inhibit our abilities.

The NDP projects a future where:

“Our homes, neighbourhoods, villages, towns, and cities are safe and filled with laughter. Through our institutions, we order our lives. The faces of our children tell of the future we have crafted.”

As a country, we collectively agreed to achieve what we have set for ourselves in the NDP for the current and future generations.

Over the past 20 years significant stride have been made, in driving local government into a space of development where all can **live, work and play in a common shared space**. For all the progress made thus far, we should not stop.

Impressive progress since 1994, we collectively increased access to services such as water, sanitation, electricity, refuse removal and roads.

In order to be on track towards realizing these national priorities and global goals, there is an urgent need to facilitate policy coherence and coordination, more efficient decision-making and budget allocation, collaboratively and synergic implementation processes across the three spheres of Government. This is more explicit in the MTSF 2019-2024 interventions that advocate for prioritization and sequencing of efforts so that all the necessary public resources are harnessed and available for driving service delivery at the national, provincial and local government levels.

Seven Government Priorities

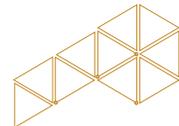
The 6th Administration under the leadership of President Cyril Ramaphosa has started its term in June 2019. The following seven priorities for the new administration were announced in the President’s State of the Nation Address:

1. Economic transformation and job creation;
2. Spatial integration, human settlements and local government;
3. A capable, ethical and developmental state;
4. Education, skills and health;
5. Consolidating the social wage;
6. Social cohesion and safe communities; and
7. A better Africa and World.

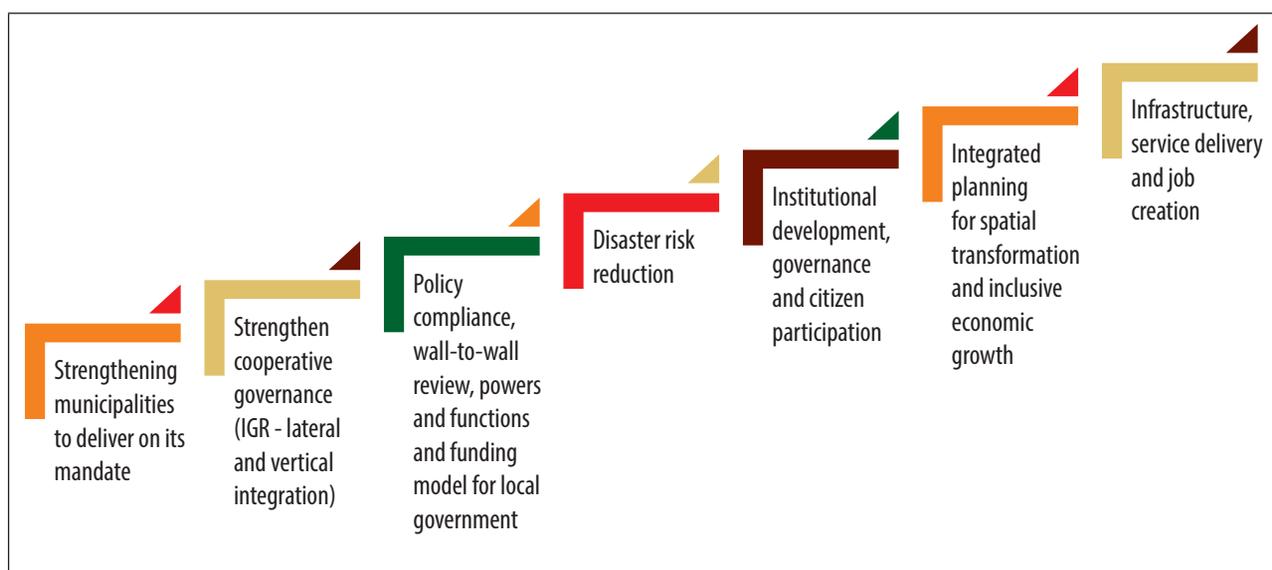
Seven DCoG Priorities

DCoG has identified seven departmental priorities, which will be focused on ensuring stability and reinforcement of the strategic agenda for local government. These priorities are as follows:

1. Strengthening the institution (DGOG) to deliver on its mandate;
2. Strengthen cooperative governance (IGR– horizontal and vertical integration);



3. Policy compliance, wall-to-wall review, powers and functions and funding model for local government;
4. Disaster risk reduction;
5. Institutional development, governance and citizen participation;
6. Integrated planning for spatial transformation and inclusive economic growth; and
7. Infrastructure, service delivery and job creation.



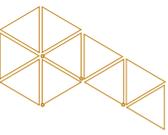
Core success of building a capable and developmental local government is about entering into social compacts that will foster partnerships at all levels through engagement with civil society private sector and citizens.

Political environment

Since 1994, municipalities have been structured to be people-centred, accountable and democratic, with the goal of providing services to communities in a sustainable manner. Through evolution, the transformative agenda that is advocated in the Constitution of the Republic of South Africa (1996) mandates local government to: provide democratic and accountable government for local communities, ensure the provision of services to communities in a sustainable manner, promote social and economic development, promote a safe and healthy environment and encourage the involvement of communities and community organisations in the matters of local government.

This Constitutional mandate puts local government at the centre of service delivery for the citizens of our country. This means that local government is responsible for making the aspirations of the SDGs become real to communities, households and individuals, particularly to those who are at risk of falling behind. Therefore, scaling and accelerating local implementation of the sustainable development goals in municipalities across the country cannot be over-emphasized.

The South African Constitution established a system of cooperative government for the country consisting of three spheres of government: national, provincial and local. Each sphere has distinctive powers and functions but forms part of a single coherent system of government for the country. Major Service delivery related functions and nationally raised revenues are shared between the spheres. It is thus depicted as a unitary state, with some federal features.



The White Paper for Local Government, 1998 had a vision for Local Government in mind. An ideal municipality in our system will strive to contribute to building the Developmental State in South Africa and draw from the constitutional and legal framework established. An ideal municipality will:

- i. Provide democratic and accountable government for local communities;
- ii. Be responsive to the needs of the local community;
- iii. Ensure the provision of services to communities in a sustainable manner;
- iv. Promote social and economic development;
- v. Promote a safe and healthy environment;
- vi. Encourage the involvement of communities and community organisations in the matters of local government;
- vii. Facilitate a culture of public service and accountability amongst its staff; and
- viii. Assign clear responsibilities for the management and co-ordination of these administrative units and mechanisms.

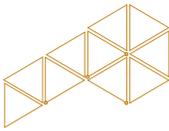
The birth of democratic local government in 1997 provides an opportunity for South Africa to structure a clear and systematic review and forward planning cycle that focuses cooperative governance to:

1. Transform local government by ensuring effective delivery of service and development;
2. Create a collective vision between local government institutions, other parts of government and key partner organisations;
3. Reconnect local government to communities, and to empower communities to have a real voice in the future efforts of their municipalities;
4. Define big projects that will transform local spaces;
5. Integrate across departments, and to centre organisation around clear corporate goals; and
6. Ensure that municipal budgets are strategic and that resources are committed behind credible IDP.

The design of the new local government system implemented in 2000 aimed to address the issue of delivering services to the majority and therefore introduced the concept of “developmental local government”. The institutional transformation of local government entailed a rationalization process through which municipalities were reduced from over 1200 to 843, then to 283 and finally in 2016 to 257.

The President of the Republic of South Africa in the Presidency Budget Speech (2019) directed that:

“For the effective implementation of our seven priorities, the structures of government will need to function with maximum coordination and cooperation as it is envisaged in our Constitution. The truth is that lack of coordination between national and provincial governments, between departments and particularly at local government level, has not served us. We have slid into a pattern of operating in silos. This has led to lack of coherence in planning and implementation and has made monitoring and oversight of government’s programme difficult. It has become a significant deterrent to investment as businesspeople have had to move from pillar to post in search of support and services in what are essentially the same



sectors. At the heart of most service delivery protests is fragmented planning on our part as well as poor communication. As the 6th Administration we are going to do away with this fragmented approach to development."

It is for this reason that political environment in which we operate in must have an overarching vision and an all-encompassing plan such as the National Development Plan: 2030. For the state to be effective at the lowest common societal denominator (the household), the state must also have an effective local governance system. Such a system is central in accelerating social and economic transformation, which requires capacitated delivery mechanisms and institutions, including local government. To this end, the NDP makes it clear that "meeting our transformation agenda requires a much higher and more focused intergovernmental commitment towards functional municipalities and a capable machinery at a local level that can create safe and healthy and economically sustainable areas where citizens and people can work, live and socialize.

Economic Environment

The economic outlook has weakened since the 2018 Medium Term Budget Policy Statement (MTBPS), with growth now projected to increase from 1.5 per cent in 2019 to 2.1 percent in 2021. South Africa's GDP growth slowed from 1.3 per cent in 2017 to an estimated 0.7 per cent in 2018. The revisions take into account weaker investment outcomes in 2018, a more fragile recovery in household income and slower export demand than expected due to moderating global growth. Consumer price index inflation is expected to average 5.2 per cent in 2019, up from 4.7 per cent in 2018, in response to rising food prices.

South Africa's unemployment rate increased slightly between 2017 and 2018, going from 27.5% to 27.9%. The country's unemployment rate remains high, especially when the non-working population who is no longer seeking work is taken into account.

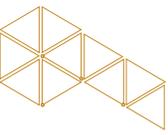
Household consumption is forecast to grow by 1.5 per cent in 2019. Weak employment growth and further declines in real wages are expected to constrain household income this year. Household wealth is also expected to remain under pressure in 2019, following a sharp decline in prices at the end of 2018, and limited growth in house prices.

Consumer price index (CPI) inflation is expected to reach 5.2 per cent in 2019 in response to rising food inflation associated with higher fuel and agricultural input prices. Electricity inflation is also expected to increase. The National Treasury assumes an annual adjustment of 10 per cent in electricity prices in each of the next three years, effective from July 2019.

Government's immediate focus is to address the substantial risks that Eskom poses to the economy and the public finances. In its current form, South Africa's state-owned power utility is not financially sustainable, nor can it meet the country's electricity needs.

Local government receives the smallest share of the division of nationally raised revenue because it has significant own revenue-raising powers. This sphere of government raises about 70 per cent of its own revenue but would be able to raise more if municipalities improved revenue collection. In 2017/18, almost half of all municipalities collected less than 80 per cent of their billed revenue.

Recent research suggests that South Africa may soon reach a tipping point, at which, due to the combination of rising electricity tariffs and falling costs of other generation technologies, many industrial, commercial, and household customers could leave the national electricity grid. This would threaten the financial sustainability of many municipalities, which rely on electricity sales as a major source of revenue. For Eskom, it would accelerate a vicious cycle, where it would have to share costs among a steadily declining pool of customers.



According to the latest financial census of municipalities report, debt owed to South Africa's 257 municipalities (referred to as net current debtors) totaled R72, 4 billion in the 2018 financial year. Total debt owed climbed by 14,7% (R9,3 billion) between the 2017 and 2018 financial years, mostly driven by rising consumer debt (up R6,9 billion) and VAT receivable (up R1,3 billion). Possible reasons for the escalating current net debtors are the following: the economic downturn, un-affordability due to low or loss of income, dissatisfaction with service delivery and ineffective municipal billing and credit control systems.

Spending outcomes for 2017/18 varied across the 257 municipalities. Many local governments adopted unrealistic spending plans. As a result, 217 municipalities overspent their operating budgets and 220 municipalities underspent their capital budgets. Of the R30 billion in conditional grants transferred to municipalities in 2017/18, R28 billion (93 per cent) was spent – an improvement from 86.8 per cent in 2016/17.

More determined implementation of integrated development plans to promote densification, greater investment in public transport and housing programmes, and more mixed-income developments can reshape cities as engines of economic growth.

Social Environment

Legislation governing local planning and budgeting emphasizes community participation in decision-making. The partnership between municipalities and communities relies on the public recognizing the value of, and paying for, municipal services.

Although not all protests in municipalities can be directly linked to municipal functions, the reasons for community protests given by the protesters overlay with the functions and the composition of municipalities' management.

South Africa's public infrastructure investments over the past two decades amounted to about R3 trillion. The speed, quality and efficiency of many of these projects, however, has not matched the level of investment. Project planning at all levels, including for long-term maintenance, has proven inadequate.

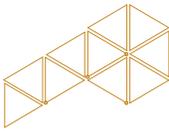
Local government infrastructure grants are being changed to increase flexibility and incentivize private financing. Municipal borrowing policy is being reviewed, and well-governed cities are encouraged to expand borrowing for infrastructure projects. Regulation of development charges is being reformed, with the potential to increase local government capital spending by as much as R20 billion per year.

Over the next three years, general government infrastructure investment is projected at R526 billion. Interventions are already under way to improve the efficiency of this pipeline. Government is stepping up its infrastructure build programme by collaborating with the private sector, development finance institutions and multilateral development banks to create an Infrastructure Fund. The fund will increase the number of blended-finance projects to enhance oversight, improve the speed and quality of spending, and reduce costs in public infrastructure.

Technological Environment

During his State of the Nation Address, 20th of June 2019, President Cyril Ramaphosa introduced government's commitment to developing a digital strategy for South Africa that will propel the economy to new heights. The outcome of this strategy will be a 'smart city'. His statement indicates clearly that technology will be the foundation upon which the future South Africa will be built.

A city can be defined as 'smart' when investments in human and social capital and traditional (transport) and modern (ICT) communication infrastructure fuel sustainable economic development and a high quality of life, with a wise management of natural resources. Data (information) is the key component of a smart city, the ability to collect it via sensors is what enables a city to be smart. In other words, the ultimate goal of a Smart City is transformational: to



achieve enhanced quality of life for citizens and deliver tangible benefits at national, provincial and municipal levels while leveraging our natural resources judiciously. In essence, smart cities harness a wide, sophisticated network of connected devices (the Internet of Things) to better coordinate and manage a city or community's assets.

High-speed internet connectivity is becoming an essential feature of any smart urban development. Over the past decade, large multinational Information Technology (IT) companies have begun predicting Africa to be “the next big market” due to the emergence of many rapidly growing economies. In South Africa, many urban developers and planners are embracing the concept of smart cities.

The President's vision of having a smart city must therefore be balanced with the practicalities of marrying sophisticated digital solutions with expectations around the services that meet basic human rights. A number of challenges still stand in the way of smart cities becoming a reality in South Africa. The most important being the cost of data underdeveloped infrastructure, an even more troubling obstacle is the skills deficit. This is a particularly vexing hindrance to the advancement of smart cities nationally, requiring well-trained, tech-savvy individuals who understand and can use IT systems when under pressure. Unfortunately, this development of human capital does not happen overnight.

Environmental Factors

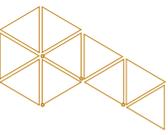
The possibility of increased disaster risk is considered to be one of the most concerning and potentially costly impacts of future climate change in South Africa and globally. Understanding these risks and identifying key areas of concern is critical for developing suitable and sustainable adaptation policies.

An analysis of drought-related risks over the medium and long term indicate increased water supply limitations in the Western Cape, and the potential for increased insufficiency of water resources for Gauteng and the Vaal system. In general, the results of the analysis of the Department of Environmental Affairs suggest that the current well-developed and integrated water supply system in South Africa provides resilience to a wide range of climate variability and climate change uncertainty.

An analysis of future flood risk shows consistent increases across most parts of the country, but particularly in KwaZulu-Natal, the Eastern Cape, Limpopo, and the southern Cape. Linking the potential increased flooding risk with the location of current key infrastructure shows the potential for “high” or “very high” impacts on the current flood design standards for more than 30% of bridges (road and rail), 19% of dams and 29% of river crossings of ESKOM transmission lines across the country by the middle of this century.

South Africa has developed an adaptation strategy that will allow our nation to plan and respond better to the intensified impacts of climate change. The draft National Climate Change Adaptation Strategy introduces measures to adapt to the effects of climate change. It builds on the progressive, innovative and proactive policies that are already in place to deal with an ever-changing climate. One of the key action towards the implementation of this strategy requires the resourcing and operationalization of the Disaster Management Framework. It is recommended that:

- The consolidation of Disaster Relief funds such as agriculture, health, across government sector is explored, and
- The early-warning network, including agricultural disasters, health disasters etc. is expanded.



Challenges facing Local Government

Despite the highlights and gains of the democratic state, the challenges still facing South Africa are immense, with poverty, inequality and unemployment still affecting vast sections of the people. According to IHS Global Insight statistics, 148 municipalities (69.5%) of municipalities currently have to deal with more than 50% of their populations living below the upper poverty line. Three (3) of these 148 municipalities are metros, namely Buffalo City, Nelson Mandela Bay and Mangaung. In four (4) municipalities (Ntabankulu, Port St Johns, Big Five False Bay/Hlabisa and Mbizana) 80% or more of the population are living below the upper poverty line¹.

Given the argument that spatial legacies affect municipal capabilities, over the past few years, it has become clear that there could be amongst other, three root causes for distress in local government:

- I. A municipality that finds itself in distress due to **failures in governance, financial management and administration** (all of which allows, even facilitates, corruption) (i.e. the institutional performance context);
- II. A municipality that finds itself in distress because of its spatial and socio-economic disparities may always be a financially non-viable entity unless a coherent governance approach is introduced to reverse this reality (i.e. the socio-economic context);
- III. A municipality that finds itself in distress because of **systemic issues** around powers and functions, rapid growth in urbanization with expansion of capital infrastructure to fulfil increasing demand, and an inability to grow operational revenue to ensure sufficient maintenance and operation of the infrastructure to match demand, calls for yet a differentiated support.

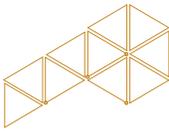
Municipalities generally struggle with skills to position and package projects for infrastructure investments. The District approach aims to empower district municipalities to have the requisite skills to undertake feasibility studies and package bankable projects for the local municipalities within their jurisdictions bridges the skills gap of project preparation in rural and low economy areas. These skills and functions also closely align with the integrated development planning mandate of districts as per S84 (1) (a) of the South African Municipal Structures Act.

The neglect in maintaining infrastructure poses a threat of reversing the gains made from investment in infrastructure over the past 20 years of local government (improved access to services in previously neglected areas). There is an urgent need to test the feasibility of facility management functions in district municipalities located in areas that struggle to attract critical engineering and artisan skills. It is not the facility in place but the facility's ability to provide with certainty a service that it has been designed to provide that adds value (the infrastructure asset being effective over its useful life). This value is what will attract industries and private direct investment that will generate an economy that creates sustainable jobs and development.

Poor communication between citizens and the state has been found as a major catalyst of service delivery protests. While in the past government has solely focused on "fixing" Ward Committees, there is a growing realisation that the solution is two-fold, namely the strengthening current mechanisms, but also considering some alternatives, especially in dysfunctional instances that give rise to protests.

A second indicator of governance is the audit outcomes of municipalities. Using the findings of the AG's 2017/18 MFMA report, it can be seen that 44% of municipalities received qualified, adverse or disclaimer opinions whilst 9% of municipalities' audits were not finalised by the legislated date (combined 53%). 47% of municipalities received unqualified audit opinions (with findings) and clean audits.

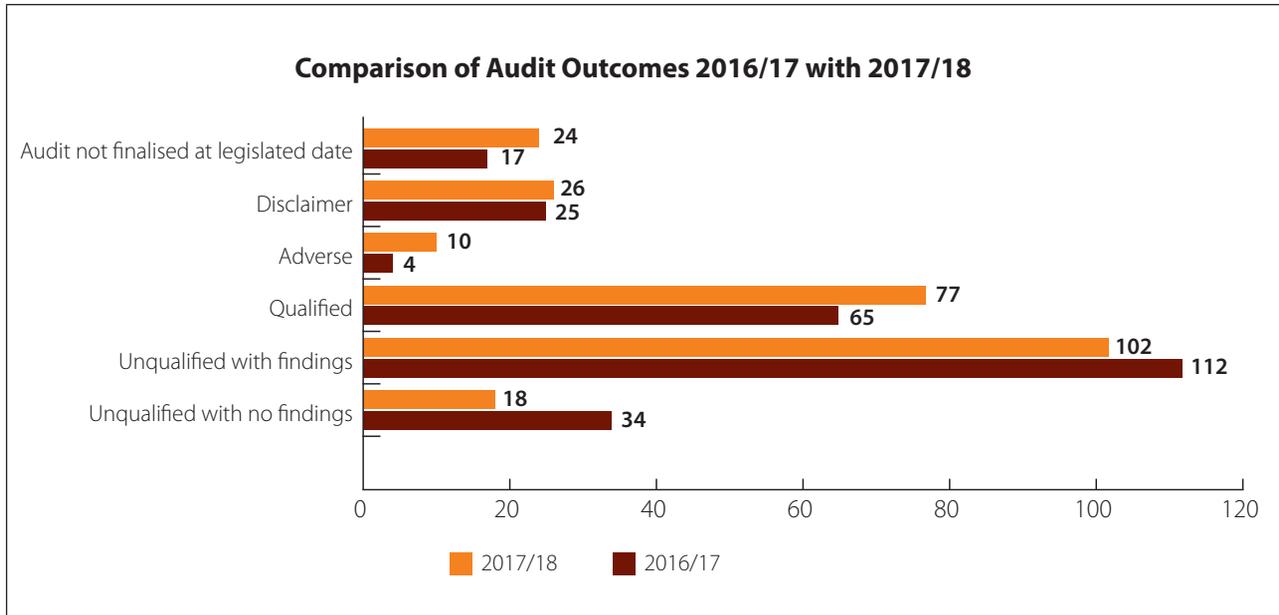
¹ The Draft Business Case for the Review of Local Government, DCOG, 2018



When the outcomes of 2017/18 were compared to 2016/17 the following was found:

- Audits not finalised by the legislated date have increased;
- Adverse opinions have more than doubled;
- Qualified opinions have increased;
- Both unqualified (with findings) and clean audits have regressed, clean audits, dramatically (almost by half).

The following graph illustrates the audit outcomes of 2016/17 compared to those of 2017/18:



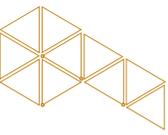
Despite strides being made in the establishment of a democratic developmental local government system, the developmental duty of a municipality as stated in section 153 of the Constitution to structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community has not been fully effected after 20 years.

Major Categories of the causes of the problem

The major categories of causes of the challenges (step 2) were identified to be the following:

- i. Municipal Establishment/Structures/Legal nature, e.g. plenary, coalitions, etc.
- ii. Planning
- iii. Municipal functions and powers
- iv. Public administration/Management
- v. Performance Management
- vi. Human Resources

The small group identified some causes but this exercise was not exhaustive and should merely be used as the departure example for a discussion where the various specialists of the line functions provide further input:



Financial Sustainability

According to the Municipal Systems Act, act 32 of 2000, “**financially sustainable**”, in relation to the provision of a municipal service, means the provision of a municipal service in a manner aimed at ensuring that the financing of that service from internal and external sources, including budgeted income, grants and subsidies for the service, is sufficient to cover the costs of:

- a) The initial capital expenditure required for the service;
- b) Operating the service; and
- c) Maintaining, repairing and replacing the physical assets used in the provision of the service.

If the above are the core prerequisites for financial viability, then it can be inferred that *financial unsustainability* can be defined as:

*The provision of a municipal service in a manner where the financing of that service from internal and external sources, including budgeted income, grants and subsidies for the service, is **insufficient/inadequate to cover the costs** of:*

- a) *The initial capital expenditure required for the service;*
- b) *Operating the service; and*
- c) *Maintaining, repairing and replacing the physical assets used in the provision of the service.*

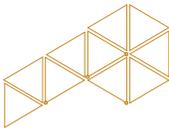
The threat on the financial and economic sustainability of local government institutions is a growing problem that has already reached critical proportions in many municipalities in South Africa. Escalating municipal debt is a major contributor and threat to the financial sustainability of municipalities as it affects the ability of municipalities to pay their obligations.

According to the latest *Financial Census of Municipalities* report,² debt owed to South Africa’s 257 municipalities (referred to as net current debtors³) totalled R72, 4 billion in the 2018 financial year. Total debt owed climbed by 14,7% (R9,3 billion) between the 2017 and 2018 financial years, mostly driven by rising consumer debt (up R6,9 billion) and VAT receivable (up R1,3 billion). Possible reasons for the escalating current net debtors are the following: the economic downturn, un-affordability due to low or loss of income, dissatisfaction with service delivery and ineffective municipal billing and credit control systems.

The Local Government Equitable Share is the share of nationally raised revenue, which is payable to the local government sphere in terms of section 214 of the Constitution. This transfer supplements municipal revenue for the provision of free basic services (FBS) to poor households, and for the funding of institutional capacity and support to weaker municipalities. It is however worth noting, that from the 2018/19 LGES allocated budget, an amount of R2,018,052,000 was offset against the previous year’s unspent conditional grants emanating from the decision taken by the National Treasury to **offset unspent** conditional grants for the previous financial year.

2 Statistics South Africa. 2019. Financial Census of municipalities for the financial year ended 30 June 2018.

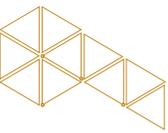
3 Municipal net current debtors constitute all debt owed to municipalities from both exchange and non-exchange transactions that is due in the next twelve months. This is after deducting all the debt impairment allowances (provision for bad debts – the monies owed that are unlikely to be received) as well as the actual bad debts written off by municipalities.



The State of Local Government and Financial Management Report reviews the financial position of all 257 of the country's municipalities. The National Treasury issues this report annually in accordance with Section 5 of the Municipal Finance Management Act, as part of its supervisory duties for municipal financial management. 125 municipalities were identified as being in varying degrees of financial distress⁴. This report concludes that a significant number of municipalities continue to perform poorly and remain a cause for concern. This contributes to a negative impression of the performance of the municipal system as a whole. At an aggregate level:

- **Municipalities continue to have insufficient cash coverage to fund their operations:** A total of 121 non-metropolitan municipalities and 3 metropolitan municipalities reported cash coverage data, which failed to meet prudent standards in 2017/18. Only 55 local municipalities and 15 district municipalities had cash coverage of more than three months of operational expenditure. This indicates that municipalities continue to struggle to understand and action the critical concept that budgeting for surpluses is necessary to avoid cash and liquidity problems. Moreover, it is important to note that there was a decrease in the number of municipalities that could not provide cash coverage information from 14 in 2016/17 to 2 in 2017/18.
- **Overspending of operating budgets has decreased:** The total number of municipalities that overspent their adjusted operational budgets decreased from 155 in 2016/17 to 131 in 2017/18. In total 25 municipalities overspent their operational budgets by more than 25 per cent. These municipalities include 2 secondary cities, 21 local municipalities and 2 district municipalities.
- **Underspending of capital budgets continues to be a challenge:** Municipalities underspent their capital budgets by R16.3 billion (or 22.9 per cent of R71.1 billion adjustment budget). Metropolitan municipalities accounted for 13.2 per cent of all capital budget underspending followed by local municipalities at 8.1 per cent, and on average metros failed to spend 20.6 per cent of their capital budgets. The total number of municipalities that have underspent on their capital budget by more than 30 per cent have increased from 67 in 2016/17 to 92 in 2017/18.
- **Total outstanding consumer debtors has expanded significantly:** Municipalities reported total consumer debtors of R152.7 billion, a R44.5 billion increase from the 2016/17 financial year. A total of 142 municipalities had debtor levels higher than 30 per cent of own revenue, an increase from 129 as at June 2016/17. In metros, total debtors rose from 35 per cent to 37 per cent of total revenue, while secondary cities and other local municipalities rose from 29 per cent and 44 per cent to 62 per cent and 54 per cent of total revenue respectively. In district municipalities, total debtors rose from 26 per cent to 44 per cent of total revenue. This decline in performance is attributable both to a significant nominal decline in reported own revenues by non-metropolitan municipalities as well as a rise in consumer debtors.
- **Total creditors outstanding remains very high:** Six metros and 13 secondary cities reported that total creditors exceeded 75 per cent of the value of their available cash and investments, and accounted for 171 per cent and 236 per cent of available cash flow in metros and secondary cities respectively.
- **Asset management spending remains inadequate:** National aggregate spending on repairs and maintenance as a percentage of property, plant and equipment averages 3.5 per cent in the period 2014/15 to 2020/21. A rising trend in investment is evident, with full year forecasts for 2017/18 rising to 3.7 per cent, and up to 4.1 per cent by 2020/21. The aggregate proportion of capital expenditure on asset renewal rose from a low of 34.7 per cent in 2015/16 to 56 per cent in 2017/18. Notwithstanding this trend, significant under investment in asset management continues to be evident. The pace of asset depreciation continues to outstrip investment in asset renewal by a significant margin, with renewal investments accounting for only 83 per cent of depreciation values in 2017/18.

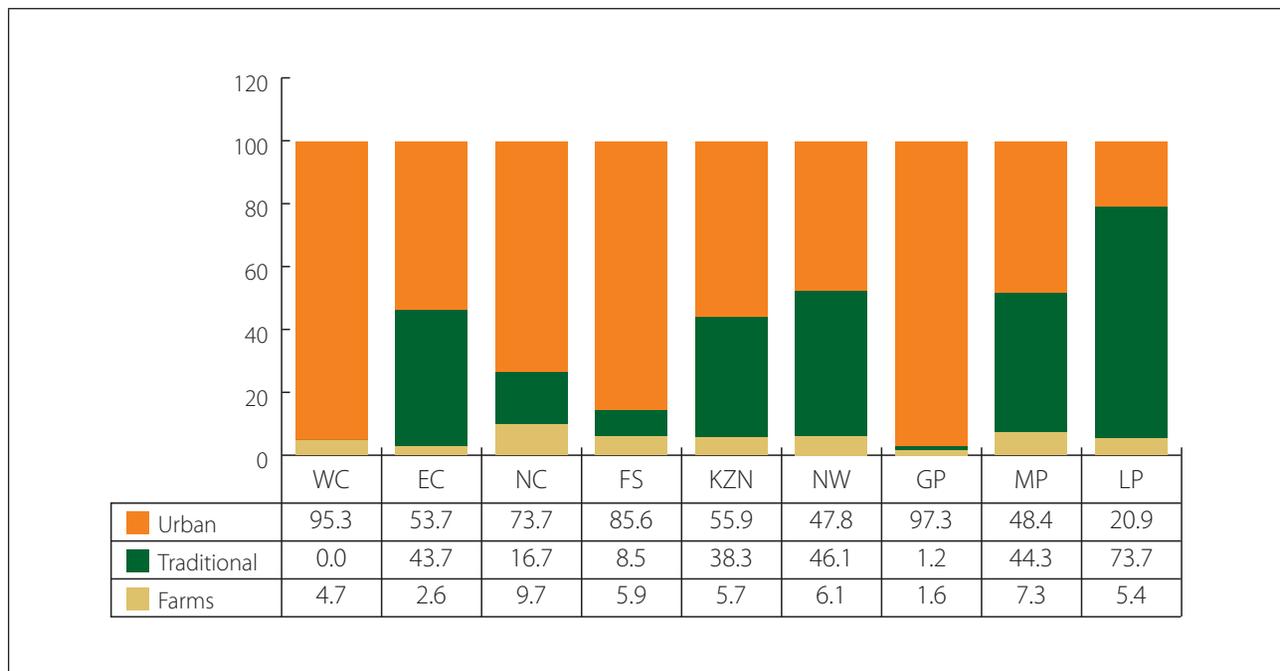
⁴ There are 8 indicators (cash coverage, cash balances, reliance on capital grants to fund capital budget, overspending operational budget, underspending capital budget, debtors' growth, debtors as percentage of own revenue and creditors as a percentage of cash and investments) that are used to classify a municipality as financially distressed. A score of 1-3 is used to classify a municipality as financially distressed, where 1 refers to good, 2 refers to fair and 3 refers to poor. If a municipality receives 3 (poor) in 4 of any of the 8 indicators, the municipality will then be classified as financially distressed.



Protecting and growing the municipal revenue base is fundamental to achieving financial sustainability of the municipalities. Cities are facing weak economic growth. Whilst the underlying structural constraints are well understood, tangible progress are required to support cities’ revenue bases.

Another factor that impacts on the capability to collect revenue is the value of the properties people live on) i.e. the amount of improvements that were made to the land. In this regard the more urbanised the area, the better the probability for higher property values.

Figure: Distribution of households across geotypes by Province, 2016



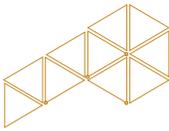
Source: StatsSA. 2017. *The state of basic service delivery in South Africa: In-depth analysis of the Community Survey 2016 data*

The figure above shows that the vast majority of households in Gauteng and Western Cape live in urban areas. By contrast, only 20, 9% of households in Limpopo, and 47, 8% of households in North West resided in urban areas. Almost three-quarters (73, 7%) of households lived in traditional areas in Limpopo. While virtually all households in the City of Cape Town (99, 6%), Ekurhuleni (99, 7%) and the City of Johannesburg (99, 8%) resided in urban areas, less than 2% of households in Msinga (1, 1%), Port St Johns (1, 6%) and Greater Taung (1, 8%) did so. The vast majority all households in Aganang (99, 7%), Umzumbe (99, 7%), UMhlabuyalingana (99, 8%), Fetakgomo (99, 9%), Maphumulo and Makhuduthamaga (both 100%) lived in traditional areas. The highest concentration of households living on farms was observed in Emadlangeni (61, 5%), UMzimkhulu (45, 6%) and Ventersdorp (45, 3%).

Recent research suggests that South Africa may soon reach a tipping point, at which, due to the combination of rising electricity tariffs and falling costs of other generation technologies, many industrial, commercial, and household customers could leave the national electricity grid⁵. This would threaten the financial sustainability of many municipalities, which rely on electricity sales as a major source of revenue. For Eskom, it would accelerate a vicious cycle, where it would have to share costs among a steadily declining pool of customers.

Almost half (48.6%) of municipalities are categorised as experiencing financial distress.

5 Goliger & McMillan, 2018, and Goliger & Cassim, 2018, both available at sa-tied.wider.unu.edu



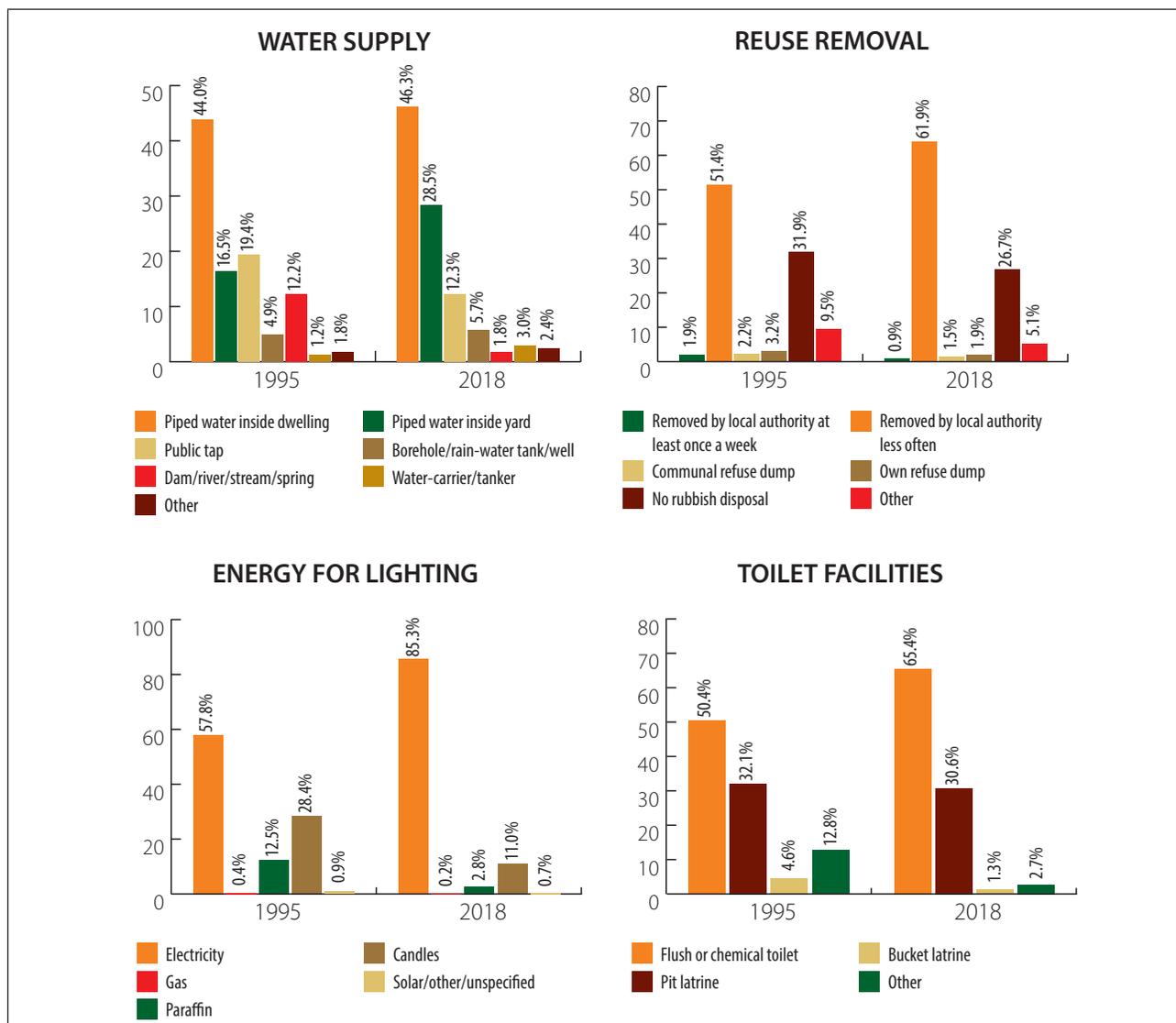
The major categories of causes of the challenges (step 2) were identified to be the following:

- i. Structures
- ii. Structural design
- iii. Inadequate revenue
- iv. Policies
- v. Systems
- vi. People

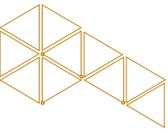
Delivery of Basic Services

The steady increase in service delivery by municipalities has been evidenced in the comparative growth in percentages of households accessing basic services (water supply, refuse removal, energy, and sanitation), as shown in Diagram 1 below.

Diagram 1. Household access to services (1996 and 2018)



Source: Stats SA: Census 1996, General Household Survey 2018



As part of its commitment towards creating a better life for the people of South Africa, Government has been dedicated towards ensuring that the provision of household infrastructure. Tremendous progress has been made over the past few decades in the delivery of basic services. The Community Survey 2016 found that 89, 8% of households used piped water, that 63, 4% used flush toilets connected to either the public sewerage or to a local septic system, that 63, 9% of households receive refuse removal services, and finally, that 87, 6% of households had access to electricity. These headline figures, however, hide a lot of variation across provinces, district councils and between local municipalities.

There is varied service delivery across municipalities, resulting in many communities not experiencing the developmental impact envisaged in the Local Government White paper of 1998.

If cities are to achieve spatial transformation that will result in inclusive, sustainable and productive cities, they will have to make hard choices. Instead of spreading the budget evenly across the city, which leads to money being spent in a way that just replicates the existing inequitable spatial structure, cities need to make bold investments aimed at densifying along activity corridors to produce the urban agglomeration effect. To achieve this will require strong political will, to ensure that land is made available and that long-term plans are insulated from the short-term fixes that fit in with the electoral cycle. The focus should be on maintaining and refurbishing existing infrastructure, not building new infrastructure because of political expediency.

The major categories of causes of the challenges (step 2) were identified to be the following:

- i. Spatial realities
- ii. Economic Environment
- iii. Social Environment
- iv. Legislation and Policy
- v. Natural environment
- vi. Structural Issues
- vii. System Issues
- viii. Human resource Challenges

Key Infrastructure Challenges:

- Lack of appropriate technical & managerial skills, which in turn is related to weak human resources management, unfilled/vacant posts and inappropriate organograms.
- Weak work processes and governance processes for planning, delivering (including procurement and contract management), operating and maintaining municipal infrastructure.
- Inappropriate billing systems and weak revenue collection processes.
- Weak infrastructure planning, including a lack of integration of plans of the various stakeholders and weak links to spatial development plans as well as weak maintenance planning.
- Absence of well-established operational systems.
- Municipality not ring-fencing its infrastructure funding, this ends up being misused.



- Inadequate funding for grant reliant WSAs, a review of funding model is required to ensure that cost of production is aligned to funding provided
- Deteriorating services quality (poor reliability of service) due to poor operations and maintenance
- Misalignment of resources (grants) aimed at municipal e.g. RBIG, MIG and WSIG.

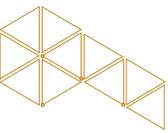
The Local Government Fiscal Framework, established in 1998, is broadly anchored in Sections 227-230 of the Constitution. Sections 229 and 230 grant municipalities powers to raise own revenues through taxes or borrowing, albeit subject to the provisions of other legislation. To supplement own revenue, Section 227 entitles municipalities to an “equitable share” grant from nationally raised revenue. This transfer window enables some municipalities with low own revenue sources to provide basic services and perform other constitutionally assigned mandates. It also enables all municipalities to give effect to the national policy of free basic services. Municipalities are also entitled to additional conditional or unconditional grants from national or provincial governments (Finance and Fiscal Commission, Submission for the Division of Revenue 2020/21, 2019). Conditional grants are designated for a specific purpose and may not be used for another project, while unconditional grants may be used for any purpose the recipient local government sees fit.

Conditional grants that municipalities have access to include the following:

Energy Efficiency and Demand Side Management Grant (EEDSMG)	Expanded Public Works Programme Grant (EPWPG)
Infrastructure Skills Development Grant (ISDG)	Integrated National Electrification Programme Grant (INEPG)
Integrated City Development Grant (ICDG)	Municipal Disaster Recovery Grant
Municipal Disaster Relief Grant	Municipal Emergency Housing Grant (MEHG)
Municipal Infrastructure Grant (MIG)	Municipal Systems Improvement Grant (MSIG)
Neighborhood Development Partnership Grant (NDPG)	Public Transport Network Grant (PTNG)
Regional Bulk Infrastructure Grant (RBIG)	Rural Roads Asset Management System Grant (RRAMSG)
Urban Settlements Development Grant (USDG)	Water Services Infrastructure Grant (WSIG)
Local Government Financial Management Grant (LGFMG)	

The importance of the South African context in terms of capital grants is that they provide significant leverage for municipal borrowing and are intended for developmental purposes. This in essence, means that the national fiscal system is geared towards supporting the implementation of the SDGs.

- In April 2016, cabinet adopted the Integrated Urban Development Framework (IUDF) as the official national urban policy of government under the custodianship of the Departments of Cooperative Governance and Traditional Affairs (COGTA).
- It sets a policy framework to guide the development of inclusive, resilient and liveable urban settlements, while addressing the unique conditions and challenges facing South Africa’s cities and towns.
- Facilitate spatial transformation and to create a growth model of compact, connected and coordinated cities and towns.
- The IUDF is been implemented in under the following areas:
 - » In metros through the City Support Programme (CSP) administered by National Treasury
 - » In Small Towns through the Small Town Regeneration programme administered by South African Local Government Association (SALGA).
 - » In the Intermediate Cities through the Intermediate Cities Municipality Programme (ICM) administered by National Department of Cooperative Government (DCOG)



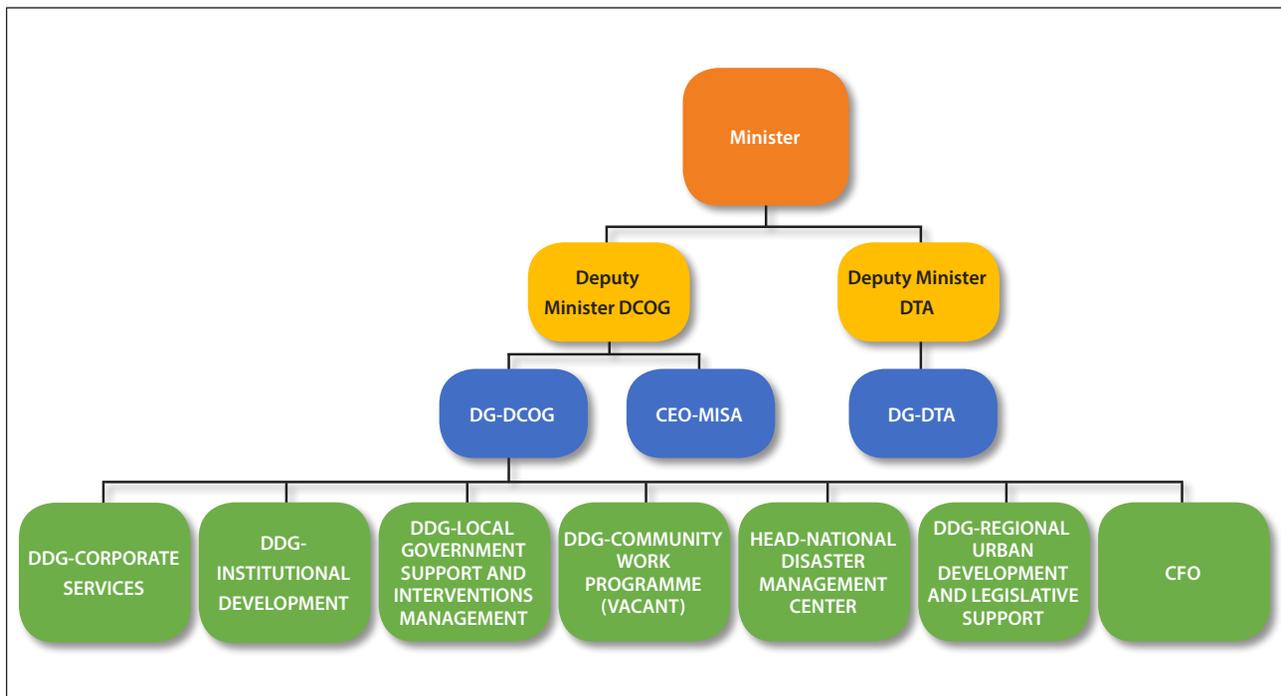
Internal Environment

The Department will reposition its operations in such a manner that it responds to the new priorities of government and driving the DDM. This will be achieved through focusing efforts on the following operational priorities:

- Improving internal audit outcomes through the implementation of a meaningful and responsive audit action plan, and governance structures;
- Redirect and reorientate personnel to concentrate on the DDM;
- Aligning organisational and individual performance and thereby improving productivity;

Proposed Organisational structure in response to the 5 Year Strategic Plan

Currently the department is structures as follows:

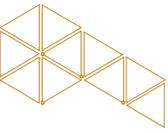


The above structure will be revised to align with the strategic direction of the 6th administration. The Department will embark on a process of reviewing and revise its budget programme structure. Furthermore this alignment will ensure that the organizational structure through the Medium Term Expenditure Framework and the Department of Public Service and Administration Organizational Development is processed.

These changes will be proposed to align the strategy of the Department with the priorities of the 6th Administration, the MTSF priorities and also a delivery vehicle of the District Development Model.



Part B: Our Strategic Focus



PART B: Our Strategic Focus

The strategic focus of the department is as follows:

Impact Statement

A functional & Capable Cooperative Governance System

Vision

Service excellence for improving lives through cooperative governance

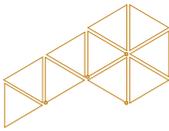
Mission Statement

To lead the Cooperative Governance system in support of integrated service delivery for a better life for all in South Africa

DCoG Values:

1. Commitment to public service;
2. Integrity and dedication to fighting corruption;
3. A hands-on approach to dealing with local challenges;
4. Public participation and people centred approach;
5. Professionalism and goal orientation;
6. Passion to serve; and
7. Excellence and accountability.

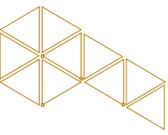
The Department has developed the one impact statement and 5 outcomes that hat align to the DDM outcomes and respond to the mandate of the DCoG within a system of cooperative governance. DCOG will work with organs of state with an Intergovernmental Framework to manage the interdependencies of the achievement of the outcomes which require integration of efforts to achieve the ambitions of the 2020-2025 Strategic Plan. Key to this process will also be the MTSF Institutional model for intergovernmental and interdepartmental coordination which will be developed and championed by the Presidency to ensure that government outcomes are achieved. The District Development Model is also envisaged to enhance coordination of efforts across government for integrated service delivery.



DCOG led MTSF targets

As national government, we adhere to the Medium-Term Strategic Framework (MTSF) 2019-2024, which is a five-year plan of government that intends to implement the electoral mandate and NDP Vision 2030. This alignment enables DCOG to strategically align to the MTSF. Through, amongst others, finding expression in its strategic plan, annual performance plans, operational plans, individual performance agreements and partnership with sister departments and related stakeholders. The table below reflects DCOG related interventions and targets in the MTSF.

Interventions	Targets
Identification of existing towns and cities for refurbishment and transformation into smart cities	1. Three existing cities identified and plans for redesign and refurbishment as smart cities developed by March 2025
Institutionalize functional city region government to foster improved collaboration between provincial government and relevant metropolitan and district municipalities in line with the NDP	2. Three functional city region government (one in each of the 3 functional city regions)
Support intergovernmental action in support of national development objectives and local needs through piloting, refinement and implementation of the District Development Coordination Model	3. One Plan plans for 44 districts and 8 metros by 2021
Implementation agreement and joined-up government plans in all districts and metros in the country and develop the spatial planning coordination and implementation capability and capacity in all the district in the country	4. Capital investment frameworks/BEPPS in 12 municipalities
Build capacity and allocate adequate resources for implementing climate change programmes in municipalities	5. 100% reduction of losses (human life, livestock/crop yield, houses/shelter, infrastructure, species due to climate changes disasters)
Capacitation of municipalities to implement climate change programmes (e.g. smart agriculture)	6. 80% of municipalities with capacity to fund and implement climate change programmes and adaptation measures
Audit on maintenance of municipal infrastructure resilience and readiness for climate change disasters	7. 44 district and eight metropolitan municipalities
Promoting participation in community-based governance processes (active citizenship bodies)	8. Nine provinces implementing the GovChat programme for community engagement and service delivery improvement by 2025
Enable leadership in National and Provincial departments to build capacity and also intervene to resolve blockages in government bodies and administration	9. Section 100 & 139 monitoring and intervention Act in place by 2020
Improve coordination between national, provincial and local government for an integrated approach to service delivery	10. 100% of One plans developed for all the 44 district and 8 metros by June 2020 and implementation mechanism strengthened
	11. Institutional arrangements for the District Development Model clarified by March 2020
	12. Report developed through an integrated monitoring system and submitted to Cabinet on a regular basis
Participatory local governance mechanism and citizen engagement	13. Programme to facilitate participatory governance mechanism and citizen engagement (including review of structure on ward committees) implemented by 2025



Departmental Outcomes

Underpinning DCOG's work will be coordination of government priorities to promote integration and responsive programmes to deliver sustainable, vibrant, cohesive and safe communities by collaborating with national Departments, provinces and municipalities whilst also meeting distinct needs of communities.

Effective integrated municipal support must be premised on the outcomes based principles and include deliberate actions to improve integrated planning, municipal governance and financial management, economic development, accelerated service delivery and cohesive communities.

We have adopted a phased approach towards delivery on the above priorities which are the Stabilization, the reinforcement and sustainability phases.

The game changer is for the Department to go back to basics and practice the principles of cooperative governance as expressed in the section 154 of the Constitution and are the essence of the District Development Model. All of government must work towards inclusive and integrated municipal action that engage key stakeholders and communities in municipal decision-making thereby resulting in a more effective delivery of services.

DCOG will focus on Five Strategic Outcomes Statement that are aligned to the Back to Basics Pillars and to its mandate and core function of fostering cooperation amongst all stakeholders. Under each outcome, DCOG will focus on facilitating the achievement of set government priority results. The outcomes are:

Outcome 1: Effective and Efficient Internal Corporate Governance Systems

Outcome 2: Effective Intergovernmental Relations through District Development Model

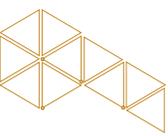
Outcome 3: Integrated Planning and Service Delivery

Outcome 4: Improved Municipal Financial Viability

Outcome 5: Sustained Good Municipal Governance



Part C: Measuring Our Performance



Part C: Measuring Our Performance

Strategic Performance Information

The District Development Model will drive programme performance implementation over the next 5 years. Each programme contributes towards achievement of government priorities through this model. This approach is detailed in each of the programmes below.

Programme 1: Administration

Role of the Administration Programme in the District Development Model

The Administration programme, contributes towards priority 3 of the DDM, **A capable, ethical and developmental state, by** driving institutional systems for the effective functioning of the DDM. The Programme will collaborate with the Department of Planning Monitoring and Evaluation to establish and institutionalise the information management system (Dashboard), and provide support in the establishment of district hubs.

Outcome 1: Effective and Efficient Internal Corporate Governance Systems to Drive the Implementation of the DDM

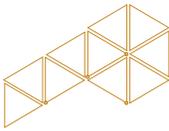
MTSF Priority 6	A capable, ethical and developmental state
CoGTA Specific Priority	Build internal resources and capabilities to enable the execution of the Departmental Mandate and programme implementation
Impact Statement	A functional & capable cooperative governance system
Departmental Outcome 1	Effective and efficient internal corporate governance systems to drive the implementation of the DDM

Outcome	Outcome Indicator	Baseline	Five Year Target
Effective and efficient internal corporate governance systems to drive the implementation of the DDM	1.1 Unqualified audit opinion with no material findings	Disclaimer audit opinion by 2018/19	Unqualified audit with no material findings by 2025
		R 1,271,795.00 irregular R 1,261,000.00 fruitless and wasteful	100 % reduction of irregular, fruitless and wasteful expenditure by 2025
	1.2 Percentage improvement of organizational performance against 5 year targets	83% organizational performance for 2018/19 FY	85% organizational performance against 5 year targets by 2025
	1.3 Percentage alignment of Structure to strategy	No alignment of organisational structure to the Strategic Plan	100 % alignment of Structure to strategy by 2025

Explanation of Planned Performance over the Five Year Planning Period

Improving Audit Outcomes

The audit outcomes for the past financial years have not been favourable to the Department and has portrayed a negative image to stakeholders. In the sixth administration, the Department will achieve an unqualified audit opinion wherein financial statements are free from material misstatements, there are no material findings on the annual performance report and there are no material findings on non-compliance with key legislation. This commitment include the reduction of wasteful, fruitless and irregular expenditure by 2025 as set out in the Medium Term Strategic Framework (MTSF) 2025.



Payment of Suppliers

The commitment of the Department over the next five years is to ensure that all payments due to creditors are settled within in 30 days from receipt of an invoices as set out in Section(38)(1)(f) of the Public Finance Management Act, (1 of 1999) in conjunction with NT Regulations 8.2.3.

Outcomes Based Performance Management System

The Department has over the past MTSF period (2014/15 to 2018/19) achieved an average of 78% of the overall organisational performance, to ensure improvement in this area, an analysis of blockages in the performance value chain has been done and joint initiatives will be introduced to unblock all these areas. This joint initiative involve the tightening of supply chain management process and engagement with project managers to ensure the development of quality terms of references which often cause delays in appointment of service provides and ultimately result in non-achievement of targets set.

Information Communication Technology

The ICT Chief Directorate to address ICT audit findings effectively and efficiently in the shortest time possible by putting these interventions, respond to the requests for information (RFI) within the stipulated time frames, implement the system/tool that will assist with tracking the progress on the responses of the audit findings, Initiate the process of requesting that the department allocates budget for ICT to automate all business processes in order to improve the efficiency and effectiveness of corporate governance systems that will assist with the implementation of the DDM and ensure improved contract/SLA management to avoid irregular expenditure.

The Information Communication Technology (ICT) will collaborate with the Department of Planning Monitoring and Evaluation to develop a performance dashboard system with key performance indicators for purposes of monitor progress against the One Plan and Back to Basics indicators across the 52 spaces. Information-Central repository that utilizing cloud technology will be developed for creating an effective collaboration environment to enable easy access to data and information that informs decision-making.

Communication of Departmental Programmes

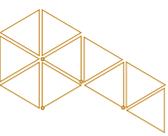
DCoG will communicate the District Development Model as a government wide delivery vehicle by all strategic partners through a revised communication strategy focused on popularizing the model and other key departmental programmes. Regular opinion pieces will be published through various communication platforms like social media and media in general. The DCoG strategy will also be popularized to all stakeholders.

Review of Legislation

The Legal unit will work with all departmental programmes and support them in the review of legislation that impact negatively on the work of the Department.

Change Management Strategy

Human Capital Management is a key driver of the change management programmes. The Department will drive change management interventions that supports a broader departmental agenda. A change management strategy and a rollout plan for the implementation of the DDM will include a training component, alignment of plans, and deployment of some officials to drive the DDM. DCoG is also in the process of reviewing its functional organisational structure and post establishment in view of the broader change management agenda.



Programme 2: Regional and Urban Development and Legislative Support

The Regional and Urban Development and Legislative Support Programme will strengthen integrated planning across government and lead a process of unblocking all the impediments towards the implementation of the model by facilitating the implementation of Section 47 Regulations. The programme will also ensure that the DDM is implemented across all Districts and metros.

MTSF Priority 5	Spatial integration, human settlements and local government
CoGTA Specific Priority	Build internal resources and capabilities to enable the execution of the Departmental Mandate and programme implementation
Impact Statement	A functional & capable cooperative governance system
Departmental Outcome 1	Effective and efficient internal corporate governance systems to drive the implementation of the DDM

Measuring Our Outcomes

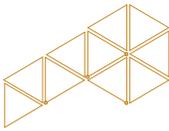
Outcome	Outcome indicator	Baseline	Five-year target
District Development Model implemented	2.1 Number of District and metro hubs established	New Indicator	44 Districts and 8 metro hubs established and functional by 2025
	2.2 Number of one plans implemented	New Indicator	44 Districts and 8 Metros implementing one plans by 2025
	2.3 Section 47 (1) (b) Regulation of the Intergovernmental Relations Framework Act, 2005 implemented	Intergovernmental Relations Framework Act 2005	Section 47 (1) (b) Regulation of the Intergovernmental Relations Framework Act, 2005 implemented by 2025
Outcome 3: Integrated planning and service delivery	2.4 Alignment between the IDPs and One Plans	Profiles of 44 districts and metros	257 Municipal IDPs are aligned to the 52 one plans by 31 March 2025
	2.5 Revised IUDF implementation plan 2020-2025	IUDF implementation plan 2016-2019	One revised IUDF implementation plan 2020/21-2025

Intergovernmental Relations

DCoG will revise the Intergovernmental Relations Framework Act 13 of 2005 to enhance interdepartmental and intergovernmental coordination by 2025. We will then work with all strategic partners over the consolidation and sustainability phase to ensure improvements in integrated planning and coordination. The DCoG will go back to basics to facilitate full implementation of Section 154 of the Constitution. This entails relooking at LG Two-Tier System reviews for a seamless management of concurrent functions, policy compliance, wall-to-wall review, powers and functions, determining regulatory frameworks and setting norms and standards.

Development of Section 47 (1) (b) Regulation (Intergovernmental Relations Framework Act, 2005)

The Department will develop Section 47(1) (b) Regulation by March 2021. The Regulation will frame the coordination and alignment of development priorities and objectives across the three spheres of government. The Regulation will further serve as a framework for intergovernmental and inter-departmental coordination for effective alignment of planning between the different spheres of government, thus facilitating the implementation of a District wide approach (District Development Model) for effective coordination of 'all-of-government' programmes and projects within the 44 Districts and 8 Metropolitan Municipalities.



IUDF implementation plan

During the stabilisation phase, the Department will consult with key stakeholder to review the IUDF implementation plan 2016-2019, develop a new 5-year plan 2020-2025 focusing on lessons learned, and align to the sixth Administration MTSF priorities. The revised plan will be shared with stakeholders for implementation over the MTEF period.

The Integrated Urban Development Grant (IUDG) was introduced to provide funding for public investment in infrastructure for the poor and to promote increased access to municipal own sources of capital finance in order to steer urban growth towards a sustainable model of compact, connected and coordinated towns and cities through increased funding for investment in economic infrastructure. Over the next five years, we will continuously monitor the value of the money invested against the IUDF flagship programmes in the intermediary cities.

Revised Municipal Integrated Development Plans

In order to ensure that municipalities are doing their basics with regard to planning objectives outlined in section 26 of the Municipal Systems Act, we will embark on a vigorous process jointly with provinces and municipalities to analyse and review the alignment of the Municipal Integrated Development Plans (IDP) to these objectives and also ensure that the IDPs address the priorities and objectives set-out in the One Plans as required by the District Development Model. The District Development Model and the One Plan processes will strengthen the municipal planning processes by ensuring that national and provincial sector department engage with municipal planning in a meaningful manner. In this regard, over the next five year period, DCOG will continuously ensure that IDPs are developed and implemented in a manner that advances the objectives of the one Plans.

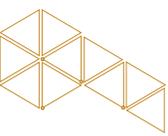
Implementation of the Revised Local Government Funding Model

There is a need to foster alignment of long term, medium term and short-term development planning in line with reviewed budget allocations. To achieve this, we will review the funding model for local government to align integrated planning, budgeting, coherent implementation, reporting and monitoring and accountability.

Implementation of government programmes through DDM

The President launched the DDM in September 2019. In the spirit of Khawuleza, while the Department is still perfecting the model, the DDM pilots have launched in the OR Tambo District Municipality, eThekweni Metro and Waterberg District Municipality. The development of One Plan per district over the MTSF period is to ensure that all strategy stakeholders are implementing their programmes using DDM one plans in 52 local spaces.

This plan includes the development of strategy towards smart cities within local government. This will be done through the 5-year period of the MTSF through the development of a concept note, support municipalities with the rollout of the smart city strategy. As per the MTSF, a city can be defined as 'smart' when investments in human and social capital and traditional (transport) and modern (ICT) communication infrastructure fuel sustainable economic development and a high quality of life, with a wise management of natural resources. We will facilitate a process of regulating the District coordination model in terms of section 47 of the IGRF Act.



Programme 3: Institutional Development

Purpose: To build institutional resilience in the local government system through system development, capacity building and revenue management

Programme Performance Information

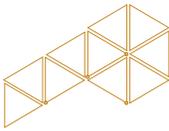
Role of the Programme 3 in the DDM:

This programme drives the implementation of governance and financial management for the successful implementation of the one plan.

MTSF Priority 2 & 3	Spatial integration, human settlements and local government A capable, ethical and developmental state
CoGTA Specific Priority	Build internal resources and capabilities to enable the execution of the Departmental Mandate and programme implementation
Impact Statement	A functional & capable cooperative governance system
Departmental Outcome 1	Effective and efficient internal corporate governance systems to drive the implementation of the DDM

Measuring our outcomes

Outcomes	Outcome Indicator	Baseline	Five Year Target
Improved Municipal Financial Viability	3.1 Number of Municipalities implementing financial viability toolkit	New Indicator	257 municipalities implementing Financial Viability Toolkit to improve municipal financial viability by 2025
	3.2 % reduction of municipalities with unfunded budgets	123 municipalities with unfunded budgets (as at 07 October 2019)	50% reduction of municipalities with unfunded budgets by 2025
	3.3 Reduction in the number of municipalities with qualified audit opinion	114 municipalities have negative audit opinion	Municipal negative audit opinions reduced from 114 to 29 by 2025
	3.4 % reduction in debtors book of municipalities	Debtors book of municipalities beyond 30 days was R 147.8 billion at 30 June 2019	Reduction in the debtors book by 50 % by 2025
	3.5 Roll-out revenue management systems to increase revenue collection rate	Ineffective systems of internal controls on credit control and debt management.	Roll-out revenue management systems to increase revenue collection rate to at least 95% norm by 2025
Sustained Good Municipal Governance	3.6 Municipal Structures Amendment Act implemented by provinces and municipalities	Municipal Structures Act	Municipal Structures Amendment Act implemented by provinces and municipalities



Sound Financial Management

Financial sustainability and viability are central to functionality and effectiveness of the local government system. The responsibility to ensure that municipalities are financially viable is a joint responsibility of the National Treasury, DCoG and provincial Treasuries. Working together with National Treasury, provinces and municipalities, DCoG will facilitate initiatives to improve financial viability, revenue management and audit outcomes for local government in line with the District Development Model through the utilisation of the MSIG programme. The Memorandum of Understanding (MoU) signed between the DCoG and National Treasury will serve to strengthen the joint actions, collaboration and coordinated approach in assisting municipalities. In terms of the MoU the Department of Cooperative Governance takes a lead on governance and service delivery, and the National Treasury takes a lead of financial management and audit outcomes.

Revenue Management

Municipal revenue is a corner stone to financial sustainability and viability. As part of Government's campaign to increase municipal revenue and reduce municipal debt, the Department will work jointly with provinces, municipalities, civil society, private sector and communities to implement programmes that advocate for payment of services based on the 'user pay principle'.

The poor response from consumers (residents, national and provincial government departments), with regard to the payment for services provided by municipalities can be attributed to poor billing practices, customer relations management, indigent management systems, data management and insufficient budget allocations by organs of state to service current and historic. These factors make it difficult for municipalities to honour their payment obligations towards creditors, primarily Eskom and water boards. The revenue enhancement support will address these deficiencies and strengthen the municipalities' capacity to generate, sustain and increase current levels of revenue.

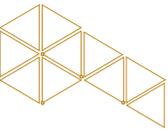
The implementation of the Municipal Property Rates Act will therefore play a key role in achievement of key government priorities. Property rates contribute immensely to the funding of services that benefit the community as a whole, such as the installation and maintenance of streets and road infrastructure, sidewalks, lighting, and storm drainage facilities; and building and operating clinics, parks, recreational facilities and cemeteries. Revenue from property rates is also used to fund municipal administration, such as costs of governance, such as council and community meetings, which facilitate community participation on issues of Integrated Development Plans (IDPs) and municipal budgets.

The achievement of the DCoG outcome related to increase revenue from property and other sources will support the fundamental objective of the back to basics programme relating to the creation of conditions for decent living. The DCoG will support municipalities to continue building of in-house capacity to perform legislative functions and stabilise institutional and governance systems through the MSIG.

Implementation of the Anti-corruption strategy

The National Local Government Anti-Corruption Strategy is an important instrument through which the occurrence of corrupt activities and unethical conduct in local government is monitored. The Strategy spells out the values and principles set out in section 195 of the Constitution, which promotes good governance and combatting corruption. This Strategy provides guidance on the prevention, detection, investigation and prudent resolution of corruption cases across all municipalities.

For the next five years DCoG will continue to monitor the application of Regulation 32 of the Municipal Finance Management Act (MFMA) by municipalities, which covers regulations on supply chain management processes, fruitless, wasteful and irregular expenditure and code of conduct of councillors within local government. An assessment of the compliance of municipalities with anti-corruption activities reveals that recommendations of forensic reports and investigations conducted are randomly implemented or not implemented at all by municipalities. The department



will now monitor the extent to which the recommendations of forensic reports and investigations are implemented by municipalities and ensure that there is compliance in this respect. In addition the implementation of awareness and prevention campaigns by municipalities will be monitored.

Through collaborative efforts with national sector departments, Provincial Anti-Corruption Working Groups, Law Enforcement Agencies, Special Investigating Unit, National and Provincial Treasuries, district, metro and local municipalities DCoG will continue to strive for the reduction of corrupt practices and unethical practices within local government.

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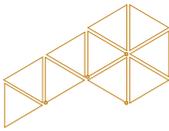
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Integrated Capacity Building Strategy

The National Development Plan emphasis on making the public service and local government a career of choice by focusing on building a skilled and professional service and develop specialist technical skills. The framework provides an approach that will enable sustainable municipal capacity to improve the coordination and monitoring of the provision and resourcing of support, capacity building and training to municipalities. More emphasis has been put on individual capacity, which resulted in less impact on institutional and environmental capacity.

The lack of capacity in local government is a recurring theme as is the lack of impact on the current initiatives. The Department plans to put in place priority interventions jointly with SALGA and LGSETA for coordinating support, capacity building and training initiatives to ensure that the necessary impact is realised. During the stabilisation phase, the Department will engage with National Treasury to facilitate the reprioritisation of the capacity building grants within the DCoG which is R2.5 billion per annum, to implement immediate priorities. The Department will also deploy financial technical capacity in targeted Districts to improve financial management.

The Integrated Local Government Capacity-Building Strategy will be developed and implemented in 44 Districts and 8 metros to boost municipal governance over the next 5 years.



Municipal Staff Regulations

The Constitution confers the authority to municipalities to employ personnel with the relevant skills and expertise necessary for the effective performance of their functions. The Municipal Systems Act obliges municipalities to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration but does not prescribe the relevant skills and expertise required of these personnel to perform the duties associated with the relevant posts resulting in disparate human resource practices. In order to fulfil government's commitment to build a capable local government and improve sound governance in municipalities, the Department has finalised the development of uniform standards for municipal staff systems and procedures during the Fifth Administration to ensure that municipalities appoint the calibre of staff that are capable of performing their duties. During the 2020/21 financial year, the Department will –

- Intensify mechanisms to enforce compliance with the Municipal Systems Act and the Appointment Regulations for senior managers with a focus on building a skilled and professional local public administration with recruitment at senior management level based on experience and expertise; and
- Gazette and roll-out training for the implementation of the Municipal Staff Regulations applicable to all municipal employees below management echelon. These regulations will ensure that persons of high calibre are recruited and have a career path within local government. Adequate experience, skills and professional ethic will be recognised and valued at all levels within local public administration. The implementation of these regulations, especially the competency framework for various occupational skills in local government, will reinvigorate government's role in producing the specialist technical skills that are essential to fulfil its core functions and provide appropriate career paths for technical specialists while strengthening national and provincial government's oversight.

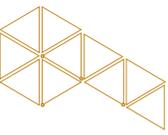
Municipal Governance

With the goal of ensuring that municipalities improve their governance responsibilities, the Department will continue to support municipalities in implementing provisions relating to oversight. In collaboration with National Treasury and SALGA, targeted capacity building interventions will be provided to targeted municipalities. This will include the roll-out of a MPAC Guideline and Toolkit – this toolkit was collaboratively developed with stakeholders and finalised during 2018.

Specific amendments have been proposed to the Municipal Structures Act of 1998, where it will, once enacted, become mandatory for all municipalities to establish MPACs. Specific responsibilities are being prescribed in the amendments; these amendments are also aligned with specific provisions in the MFMA. The Bill also addresses various electoral-related challenges that were experienced during the management and administration of LGEs. The Municipal Structures Bill is presently being subjected to a public participation process by the National Council of Provinces, and once that is finalised, the Bill will be submitted to the President for further consideration.

A Bill amending the Municipal Demarcation Bill of 1998 is also being finalised. This Bill is viewed as an important intervention to ensure that the future demarcation and delimitation of municipal boundaries will be informed and undertaken by lessons learnt from past processes relating to these matters.

In preparation for the 2021 municipal elections, the Department will also ensure that all relevant stakeholders are convened from time-to-time to assess preparations for the LGE. This will be done through the Inter-Ministerial Committee (IMC) that was established during June 2019; the IMC will be supported by a technical committee that will be chaired by the Director-General. The IMC will be chaired by the Minister of Cooperative Governance and Traditional Affairs, and will be comprised of the following Ministries and Entities: Home Affairs; Justice and Correctional Services; Finance; Defence and Military Veterans; Police; State Security; Communications and Telecommunications; South African Local Government Association; Municipal Demarcation Board; and Independent Electoral Commission.



Performance Regulations

The White Paper on Local Government sought to establish a culture of public service, commitment to results and value for money that is service oriented. It envisioned that performance contracting would result in improved accountability and create a focus on outputs where appointments would be professional but concluded and renewed on the basis of the outcome of performance assessment. The Performance Regulations for senior managers, 2006, have not been fully implemented across all municipalities. This state of affairs has made it difficult for government to institutionalise performance management in all municipalities. During 2020/21 financial year, the Department will support municipalities to institutionalise the Performance Regulations for senior managers. The implementation of these regulations will help improve performance and accountability while maximising the ability of municipalities to achieve their objectives and improve the quality of life of their residents.

Disciplinary Regulations

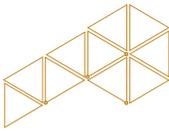
Government has made a commitment to combat unethical conduct through advocacy and strengthening of the legal and policy prescripts. In 2011 government promulgated the Disciplinary Regulations for senior managers. During 2020/21 financial year, the Department will intensify measures to monitor, support and foster a shared ethos of local public administration aimed at expeditiously addressing incidents of unethical conduct and strengthen enforcement measures. Plans are afoot to develop a web based-tool that will serve as a central repository of all information pertaining to dismissed municipal staff members including staff that resigned prior to finalisation of disciplinary proceedings. This on-line system will be made accessible to all municipalities to enable them to upload cases, and to conduct reference checks during recruitment, selection and appointment processes.

Remuneration

The implementation of Notices determining uniform remuneration for senior managers since 2014 is fraught with challenges, especially for district and smaller rural-based municipalities with no revenue base. Remuneration constitutes an integral part of the transformation of local public administration and human resources capable of ensuring that municipalities attract and retain persons with the necessary professional and technical skills. As part of initiatives to strengthen the capacity of municipalities to perform their functions, the Department will finalise the review of the remuneration framework that is internally equitable and externally competitive during the 2020/21 financial year.

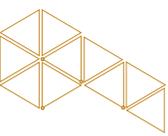
Citizen Engagement

The social distance between communities and municipalities, the diminishing public trust in local government account for a number of challenges experienced municipalities. These include lack of social cohesion in communities, low revenue arising from non-payment of services and the increasing protests in municipalities. The Framework for Mainstreaming Citizen Engagement developed by DCoG seeks to improve public participation in public governance.



To improve public trust and confidence in local government, DCoG focus will be on the following programmatic areas:

- Establish a policy environment for participatory governance, through legislative review and the issuing of regulations, including providing guidelines for partnership with civil society organisations. (Legislative Review and CSOs)
- Create an enabling environment for ward committees to function by supporting the introduction of an effective ward committee competency/qualification, regulating the provision of out-of-pocket expenses and providing hands-on support to public participation officials in provinces and districts. (Hands-on Support)
- Develop and implement a civic education tool to educate citizens and empower them to hold government accountable. (Public Education)
- Roll-out alternative, cost-effective and real-time complaints management platform across the country. (GovChat).
- Introduce alternative approaches to community engagement to move away from the needs-based model towards a more asset-based model, thus building community partnership with government and ensuring that communities become owners of development.

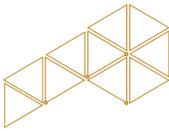


Programme 4: National Disaster Management Centre

The programme promotes an integrated and co-ordinated system of disaster management, with special emphasis on prevention and mitigation, by national, provincial and municipal organs of state, statutory functionaries, other role-players involved in disaster management and communities.

It also provides guidance and support across spheres of government to establish suitable institutional capacity for disaster management. Furthermore, the programme contributes to the implementation of the National Climate Change Adaptation Strategy that introduces measures to reduce disaster risks and adapt to the effects of climate change and variability. South Africa is a signatory to the United Nations Sendai Framework for Disaster Risk Reduction 2015-2030 (Sendai Framework). This Framework aims to achieve substantial reduction of disaster risk and losses in lives, livelihoods and health and in the economic, physical, social, cultural and environmental assets of persons, businesses, communities and countries over the period 2015 to 2030. In order to achieve this outcome, the Sendai Framework outlines four (4) Priorities for Action and seven (7) targets as outlined in the table below:

Sendai targets	Priorities for action
1. Substantially reduce global disaster mortality by 2030, aiming to lower average per 100,000 global mortality between 2020-2030 compared to 2005-2015	Priority 1: Understanding disaster risk;
2. Substantially reduce the number of affected people globally by 2030, aiming to lower the average global figure per 100,000 between 2020-2030 compared to 2005-2015	Priority 2: Strengthening disaster risk governance to manage disaster risk;
3. Reduce direct disaster economic loss in relation to global gross domestic product (GDP) by 2030	Priority 3: Investing in disaster risk reduction for resilience;
4. Substantially reduce disaster damage to critical infrastructure and disruption of basic services, among them health and educational facilities, including through developing their resilience by 2030	Priority 4: Enhancing disaster preparedness for effective response and to Build Back Better in recovery, rehabilitation and reconstruction.
5. Substantially increase the number of countries with national and local disaster risk reduction strategies by 2020	
6. Substantially enhance international cooperation to developing countries through adequate and sustainable support to complement their national actions for implementation of this framework by 2030	
7. Substantially increase the availability of and access to multi-hazard early warning systems and disaster risk information and assessments to people by 2030	



The Disaster Management Act, 2002 (Act No. 57 of 2002) and in sections 25, 38, 39, 52 and 53 places an explicit responsibility on organs of state in the national provincial and local sphere to develop and implement a disaster management plan and submit such to the National Disaster Management Centre (amongst others). These plans and their implementation should encompass strategies to prevent and reduce the risk of disasters; mitigate the severity or consequences of disasters; facilitate emergency preparedness; ensure rapid and effective response to disasters and post disaster recovery and rehabilitation. Apart from putting measures in place to deal with the above, a disaster management plan provides important considerations for development planning in a municipality. These include conducting a disaster risk assessment, identifying and mapping risks, areas, ecosystems, communities and households that are exposed or vulnerable to physical and human induced threats and providing measures and indicate how organs of state will invest in disaster risk reduction and climate change adaptation, including ecosystem and community based adaptation approaches.

It is also acknowledged that disaster risk and its relation to sustainable development is often not identified, assessed and communicated adequately to all stakeholders. In the context of the “One Plan,” it is therefore of utmost importance to coordinate and align the implementation of the disaster management plan of the district/ metro with those of other organs of state and institutional role-players. In our quest to protect communities at risk and build resilient communities, the NDMC (supported by DCoG DDM Provincial Teams) should focus its intervention and support to ensure that municipalities have integrated disaster management plans and that there is adequate considerations of disaster risks in sector plans.

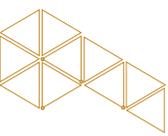
Against this background, the role of the NDMC in the DDM is to work with stakeholders across the spheres of government and other role players to promote the implementation of disaster management programmes in each of the 44 DMs and 8 Metro’s, that seek to:

- Reduce disaster risks including those associated with climate change;
- Prevent the development of new disaster risk;
- Enhance preparedness and mitigation;
- Build resilience of communities, and
- Ensure quick response and recovery; and implement reconstruction aimed at ‘building-back-better’.

In light of the above the NDMC strives to ensure implementation of the four priorities and strategic targets within the Sendai Framework for Disaster Risk Reduction (2015-2030).

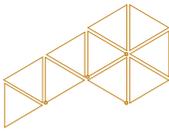
High-level problem statements and interventions

Problem Statements	Interventions
Lack of disaster management plans to implement climate change adaptation and disaster risk reduction	Municipalities (44 District municipalities and 8 metros) in priority disaster areas supported and reviewed to prevent, prepare and mitigate disaster risks through applicable disaster management plans
Delays in the release of disaster funding	Disaster grant funding reviewed to facilitate effective response to the affected municipalities
Lack of access and availability to early warnings to enable disaster management contingency planning.	The implementation of Impact Based Early Warnings systems in 44 districts and 8 metros to enable disaster management contingency planning
Sector departments not implementing disaster management function	Priority national sector departments assessed and supported to implement disaster management function.
Ineffective implementation of fire services	Introduction of a new and harmonised Fire Services Act to align with the current legislative framework



MTSF Priority 5	Spatial Integration, Human Settlements and Local Government
MTSF Outcome	Reduced vulnerability of key sectors to climate change
DCoG Specific Priority 4	Disaster risk reduction
Impact Statement	A functional & capable cooperative governance system
Outcome	An improved disaster management system for reduced disaster risks, effective prevention of new risks, enhanced preparedness for response and recovery

Outcome	Outcome Indicator	Baseline	Five Year Target
An improved disaster management system for reduced disaster risks, effective prevention of new risks, enhanced preparedness for response and recovery	4.1 Reduction of turnaround time to manager disasters through prevention, preparedness, mitigation, response, recovery and rehabilitation	New Indicator	Reduction of turnaround time to manager disasters through prevention, preparedness, mitigation, response, recovery and rehabilitation by 2025
	4.2 Number of Districts and metros implementing impact-based early warnings system with contingency arrangements	Impact-based Early Warning System	44 Districts and 8 Metros implementing impact-based early warnings with contingency arrangements
	4.3 Number of municipalities in priority disaster areas supported to prevent, prepare for and mitigate disaster risks through effective implementation of applicable disaster management plans	111 disaster management plans across the country: <ul style="list-style-type: none"> • 8 Metros • 37 District Municipalities 65 Local Municipalities	257 municipalities implementing disaster management plans by 2025 supported to prevent, prepare for and mitigate disaster risks through the effective implementation of applicable disaster management plans
An improved disaster management system for reduced disaster risks, effective prevention of new risks, enhanced preparedness for response and recovery	4.4 Number of priority national sector departments assessed and supported to implement disaster risk reduction management	8 initial institutional assessments of national sector departments.	Ten (10) priority national sector departments assessed and supported to implement the disaster risk reduction management
	4.5 Firefighting capacity in Districts improved	Draft White Paper on Fire Services	Fire Services Act assented to by 2025



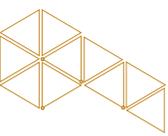
Programme 5: Local Government Support and Interventions Management

The Department will facilitate efforts to improve reporting on and accountability for performance in local government by overseeing, coordinating and leading municipalities' implementation of local government policies and programmes on an ongoing basis. We will do this focusing on the following:

- Municipal Monitoring, Reporting and Evaluation system development and support;
- Support to Provinces and municipalities through M&E learning networks and fora;
- Municipal performance reporting on progress on the Pillars of B2B;
- Evaluation of Departmental programmes for informed programme design, policy shifts, strategic direction, and strategic direction;
- Review or Revise enabling legislation of SALGA, MDB and cities Network to enhance good governance and monitor performance against transfers; and
- Enable leadership at National and Provincial departments to support municipalities to discharge their Constitutional mandate (through section 154 of the Constitution) and intervene (section 139) to resolve service delivery challenges.

MTSF Priority 2	Spatial integration, human settlements and local government
Impact Statement	A functional & capable cooperative governance system

Outcome	Outcome indicator	Baseline	Five year target
Accelerated service delivery through integrated planning	5.1 Number of municipalities spending MIG as per the norm	66% of MIG receiving municipalities spending at least 90%	90% of MIG receiving municipalities spent at least 90% annually by 2025
	5.2 Intergovernmental, Monitoring, Support and Interventions (IMSI) Bill and Regulations reviewed and approved by Cabinet.	Section 100 & 139 Intervention	Implementation of the Intergovernmental, Monitoring, Support and Interventions Act by 2025



Programme 6: Community Work Programme

Purpose: Create income security and work experience for participants, and promote social and economic inclusion by targeting areas of high unemployment.

MTSF Priority 2	Spatial integration, human settlements and local government
CoGTA Specific Priority	Build internal resources and capabilities to enable the execution of the Departmental Mandate and programme implementation
Impact Statement	A functional & capable cooperative governance system

Outcome	Outcome Indicator	Baseline	Five Year Target
Integrated Planning and Service delivery	1.1 Number of people participating in the programme	247 466 Participants maintained and provided with work opportunities by 31 March 2021	250 000 people participating in the programme by 31 March 2025
	1.2 CWP model redesigned and implemented	CWP Non-Profit Organisation Transfer Model FY 2018/19 to 2020/21	CWP model redesigned and implemented by March 2025
	1.3 Number of CWP participants trained	24 746 CWP participants trained by 31 March 2021	25 000 CWP participants trained annually by 31 March 2025
	1.4 Number of CWP partnerships established and functional	6 partnerships established by 31 March 2021	30 functional partnerships established by 2025
	1.5 Number of agrarian projects established per district through CWP	14 agrarian projects	Ten agrarian projects per district established through CWP

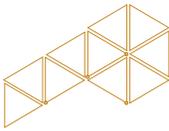
Explanation of Planned Performance over the Five Year Planning Period

Redesigned CWP Model

In the past MTSF period, the Department did not achieve the target of proving 1 million work opportunities due to a number of reasons, budgetary constraints being one of them. The redesigned Community Work Programme will better contribute to the implementation of the programme through partnerships and strategic partners across government, civil society, private sector and communities. The linking of the programme to sustainable exit opportunities is a prospective move towards paving the way for the unemployed to get into the mainstream economy. The redesigned model will also strengthen the current implementation of the programme to ensure that more resources are geared towards increasing numbers of participants recruited into the programme.

The management capability within the programme, will be increased to effectively improve controls, operational efficiencies and performance accountability through stringent contract management. This will ensure achievement of higher levels of programme outcomes and impacts.

We intent to provide the marginalised communities with employment opportunities that will promote and enhance income security, contribute to infrastructure maintenance, economic access and participation through useful work.



Training of Participants

Participants trained on service provision maintenance and infrastructure, economic, social, environmental and agricultural sector to enhance the quality of useful work.

Impact on service delivery

The programme will be shaped in line with government priorities set out in the MTSF by contributing towards achievement of impact. In this regard, work opportunities will be provided towards supporting municipal service delivery particularly supporting the closing of potholes and cleaning of culverts, in addition to useful work activities done by participants on waste management and greening, for example, 88 CWP sites where greening shall be done through implementation and maintenance of vegetable gardens and parks annually.

Partnerships to stimulate Economic development initiatives

Partnerships will be established to contribute towards food security and socio-economic development of marginalised communities' partnerships to facilitate establishment of cooperative to promote social cohesion and local enterprises.

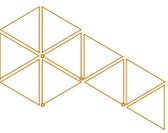
Partnerships will be entered into to implement inter-sectoral action towards improvement of food security and socio-economic development in marginalised communities.

Agrarian Revolution projects through CWP

The CWP will contribute to food security through agrarian projects in rural areas collaborating with both Traditional Leaders and Community Property Associations. The vehicle to be used is through cooperatives in both instances. To sustain the cooperatives, partnerships will play a crucial role. Participants and beneficiaries will be at the centre of this.

Departmental outcome related Strategic Risks

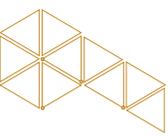
Outcome	Related risk	Mitigating Measures
Outcome 1: Effective and efficient Internal corporate governance systems to drive the implementation of the DDM	<ul style="list-style-type: none"> The organisational structure may not support the strategy Ineffective governance structures and processes 	<ul style="list-style-type: none"> Re-align the organisational structure to support the implementation of the strategy Implementation of the change management strategy Foster accountability and enforce consequence management for key responsibilities across the department
Outcome 2: Effective Intergovernmental Relations through District Development Model	<ul style="list-style-type: none"> Lack of cooperation from stakeholders on the roll-out of the DDM Inadequate funding for DDM 	<ul style="list-style-type: none"> Establishment of interdepartmental task-teams Re-align and re-prioritise the budget
	Location of section 100 aspects in the IMSI Bill not resolved between relevant Executive Authorities concerned	<ul style="list-style-type: none"> Engagements with key stakeholders Facilitate Political buy-in



Outcome	Related risk	Mitigating Measures
Outcome 3: Integrated Planning and Service Delivery	Lack of capacity to implement climate change adaption and disaster risk reduction programs in the municipalities	Build capacity to implement disaster risk reduction and climate change adaptation measures within municipalities.
	Absence of the smart cities framework	Develop a framework for Smart Cities
	Weak Infrastructure planning	Coordination of technical capacity support for infrastructure planning
	Inadequate Community Work Programme design	Remodelling of the CWP Strengthen monitoring and contract management
Outcome 4: Improved Municipal Financial Viability	Institutional interdependencies	Establish collaborative arrangements with relevant organs of state to jointly manage Municipal Financial Viability Support
Outcome 5: Sustained Good Municipal Governance	Inadequate, inefficient and ineffective HR systems within municipalities	Promulgation of the Municipal Staff Regulations
		Provide training on the implementation of the regulations



Part D: Technical Indicator Discriptions



Part D: Technical Indicator Descriptions (TID) for outcomes indicators

Programme 1: Administration

Indicator	1.1 Unqualified audit opinion with no material findings
Definition	<ul style="list-style-type: none"> Moving from a disclaimer opinion to an qualified Reduction in Material audit findings
Source of data	<ul style="list-style-type: none"> Annual Audit Report
Method of Calculation/ Assessment	<ul style="list-style-type: none"> Based on the assessment of the audit outcomes (qualitative) Number of material findings (quantitative)
Means of Verification	Audit Report IMT reports
Assumptions	<ul style="list-style-type: none"> Recognising and disclosing figures in the Financial Statements that are valid, accurate and complete.
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> N/A
Spatial Transformation	<ul style="list-style-type: none"> N/A
Reporting cycle	<ul style="list-style-type: none"> Each financial year against the five year target
Desired performance	<ul style="list-style-type: none"> Higher performance then a qualified audit opinion will be desirable but lower performance will not be desirable.
Indicator Responsibility	<ul style="list-style-type: none"> Chief Financial Officer

Indicator	1.2 Percentage improvement of organization performance
Definition	The indicator seeks to measure the improvement of organisational performance against its Annual Performance Plan and subsequently Strategic Plan
Source of data	Strategic Plan Annual Performance Plan Quarterly performance Reports
Method of Calculation/ Assessment	The performance on this indicator is calculated as a percentage of the number of targets that have been achieved against the number of set targets for the quarter (in case of quarterly reporting) and annual targets (in case of annual reporting)
Means of Verification	Annual Report
Assumptions	There are quarterly and annual targets in the approved Annual Performance Plan that performance is measured against
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting cycle	Annually
Desired performance	Improved organizational performance against Strategic Plan and APP
Indicator Responsibility	DDG: Corporate Services

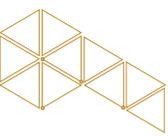


Indicator	1.3 Alignment organisational structure to strategic plan
Definition	The indicator seeks to improve the alignment of the departmental organisational structure to the strategic plan (budget programme structure). This will ensure that the functions of the department are geared towards the implementation of the Strategic Plan.
Source of data	DCoG approved strategic plan
Method of Calculation/ Assessment	The performance will be measured by the percentage of the alignment of the organisational structure to the strategic plan (as both approved by the Minister)
Means of Verification	Approved Strategic Plan and approved organisational structure
Assumptions	The Department has an approved Strategic Plan 2020-2025
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Reporting cycle	Annual progress against the five year target
Desired performance	Bi-annually
Indicator Responsibility	DDG: Corporate Services

Programme 2: Regional and Urban Development and Legislative Support

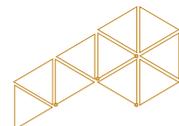
Indicator	2.1 Number of District/Metro Hubs established
Definition	The indicator seeks to measure the number of districts hubs established Hubs refer to a center of coordinating one plans, one budget per district and metro
Source of data	DDM concept document 2019
Method of Calculation/ Assessment	Simple count of the number of district hubs established
Means of Verification	District hubs in each of the district and metros
Assumptions	<ul style="list-style-type: none"> It is assumed that all Sector Departments Provincial Departments, Municipalities, Private sector will participate in the hubs
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Footprint in all districts and metros
Reporting cycle	Annually
Desired performance	Consolidated plans incorporating on all role players
Indicator Responsibility	Urban Development Planning Unit

Indicator	2.2 Number of Districts and metros implementing the One Plan
Definition	<ul style="list-style-type: none"> The One Plan is an output of the new District Development Model (DDM), that is aimed at improving the coherence and impact of government service delivery programmes, focusing on the 44 districts and eight Metropolitan municipalities. The One Plan is an all of government plan, which requires all role players in development to elaborate and detail their own plans and actions in the 44 districts and 8 metropolitan municipalities. Implementation of the plan refers to the districts and metros addressing commitments indicated in the One Plan.
Source of data	<ul style="list-style-type: none"> One Plans and IDPs
Method of Calculation/ Assessment	<ul style="list-style-type: none"> Quantitative
Means of Verification	<ul style="list-style-type: none"> Annual reports of municipalities
Assumptions	<ul style="list-style-type: none"> All districts and metros will develop the One Plans



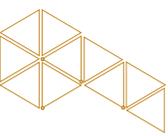
Indicator	2.2 Number of Districts and metros implementing the One Plan
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation	<ul style="list-style-type: none"> N/A
Reporting cycle	<ul style="list-style-type: none"> Annually
Desired performance	<ul style="list-style-type: none"> One Plans implemented by all Districts and Metros.
Indicator Responsibility	<ul style="list-style-type: none"> LGSIM

Indicator	2.3 Section 47 (1) (b) Regulation of the Intergovernmental Relations Framework Act, 2005 implemented
Definition	<ul style="list-style-type: none"> Section 47(1)(b) Regulation will frame the coordination and alignment of development priorities and objectives across the three spheres of government. The Regulation will further serve as a framework for intergovernmental and inter-departmental coordination for effective alignment of planning between the different spheres of government, thus facilitating the implementation of a District wide approach (District Development Model) for effective coordination of 'all-of-government' programmes and projects within the 44 Districts and 8 Metropolitan Municipalities.
Source of data	<ul style="list-style-type: none"> IGR commissioned research studies. National, provincial, and District IGR performance reports. IGR toolkit and Guidelines. IGRFA Key national planning legislation, policies, frameworks, and guidelines.
Method of Calculation/ Assessment	<ul style="list-style-type: none"> Final and approved Regulation.
Means of Verification	<ul style="list-style-type: none"> Discussion Paper. Draft Regulation. Reports on outcomes of consultative intergovernmental stakeholder dialogues and engagements. Final Regulation.
Assumptions	<ul style="list-style-type: none"> Quality data and information readily available. Participation of key stakeholders is guaranteed. Technical and political steering of drafting processes is ensured.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> N/A
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> The Regulation will contribute to ensuring that all of government planning and plans are aligned across the three spheres that will address the spatial imbalances by redirecting critical resources to those communities and areas that have been previously deprived.
Reporting cycle	<ul style="list-style-type: none"> Annually
Desired performance	<ul style="list-style-type: none"> Implementation of the Regulation through the DDM.
Indicator Responsibility	<ul style="list-style-type: none"> Intergovernmental Policy & Practice Chief Directorate



Indicator	2.4 Alignment between the IDPs and One Plans
Definition	<ul style="list-style-type: none"> Integrated Development Plans (IDPs) are medium term strategic plans of municipalities. The One Plans as envisaged by the DDM are all government plans with a district spatial reference. Both plans are to be implemented in a municipal space. Alignment of the One Plans to IDPs refers to IDPs demonstrating how priorities, objectives and commitments contained in the One Plans are going to be addressed.
Source of data	<ul style="list-style-type: none"> IDPs One Plans
Method of Calculation	<ul style="list-style-type: none"> Qualitative
Means of Verification	<ul style="list-style-type: none"> Through the annual assessment of IDPs
Assumptions	<ul style="list-style-type: none"> All municipalities will adopt their IDPs
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Target for Women: N/A Target for Youth: N/A Target for People with Disabilities: N/A
Spatial Transformation	<ul style="list-style-type: none"> N/A
Reporting cycle	<ul style="list-style-type: none"> Annually
Desired performance	<ul style="list-style-type: none"> IDPs aligned to the One Plans.
Indicator Responsibility	<ul style="list-style-type: none"> Integrated Districts and Regional Spatial Planning

Indicator	2.5 IUDF Revised Implementation Plan 2020 -2025
Definition	<p>The IUDF's overall outcome is to support and guide SA cities and towns (including small towns) to achieve spatial transformation – in other words reversing the inefficient spatial patterns in a way that promotes both social and economic development, while protecting the environment.</p> <p>The IUDF aims to guide the development of inclusive, resilient and liveable urban settlements, while directly addressing the unique conditions and challenges facing South Africa's Cities and Towns.</p> <p>This framework addresses the unique conditions of the past apartheid spatial system in South Africa, and uniquely looks at Urbanization and how to plan ahead with specific reference to spatial transformation</p>
Source of data	National Development Plan (NDP), National Spatial Development Framework (NSDF), Integrated Urban Development Framework (IUDF) Implementation Plan 2016 – 2019
Method of Calculation/ Assessment	Final IUDF Implementation plan 2020-2025 submitted to cabinet for adoption and Approval 31 March 2021
Means of Verification	<p>Draft IUDF implementation plan 2020- 2025 presented at Minmec by 30 September 2020</p> <p>Stakeholder and consultative engagements and Seminars, report produced by 31 December 2020</p> <p>Final IUDF Implementation plan 2020-2025 submitted to cabinet for adoption and Approval 31 March 2021</p>
Assumptions	<ul style="list-style-type: none"> Project Steering Committee Meetings Stakeholder Engagements Minutes Attendance Registers
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	IUDF is a response to the overall SDGs, ensuring Spatial Transformation and addressing Urbanisation by creating a growth model of compact, connected and coordinated cities and towns.

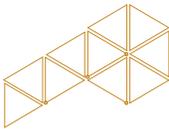


Indicator	2.5 IUDF Revised Implementation Plan 2020 -2025
Reporting cycle	Annual progress against the five year target
Desired performance	Knowledge on municipalities to implement the IUDF Priorities
Indicator Responsibility	Urban Development Planning Unit
	1.1 Integrated Urban Development Framework Implemented
	1.2 IUDF Implementation Plan

Indicator	2.6 TID for Number of cities implementing Smart City solutions
Definition	<ul style="list-style-type: none"> The indicator seeks to measure the number of cities that implement smart city solutions By smart cities we mean cities that utilise ICT to enhance the quality and performance of services such as energy, in order to reduce resource consumption, wastage and overall costs. Implementing means the identified cities have adopted smart technology like smart meters and are rolling them out to communities
Source of data	<ul style="list-style-type: none"> Smart Cities report
Method of Calculation/ Assessment	<ul style="list-style-type: none"> Counting the number of smart cities that are implementing the solutions
Means of Verification	<ul style="list-style-type: none"> Existence of smart city solutions in identified municipalities
Assumptions	<ul style="list-style-type: none"> Municipalities will buy-in into adopting the solutions
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> N/A
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> Cities that are spatially transformed to implement the solutions
Reporting cycle	<ul style="list-style-type: none"> Annually
Desired performance	<ul style="list-style-type: none"> It is desirable to utilise ICT for improved access by communities
Indicator Responsibility	<ul style="list-style-type: none"> Institutional Development

Programme 3: Institutional Development

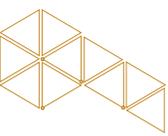
Indicator	3.1 Number of Municipalities implementing financial viability toolkit
Definition	<p>This indicator seeks to measure the number of municipalities that are implemented the Financial viability toolkit</p> <p>The Financial viability toolkit is an instrument that will assist municipalities to improve their financial performance in line with set Standard Operating Procedures</p> <p>The toolkit will be developed taking into consideration the MFMA, common challenges experienced by municipalities that lead to negative audit outcomes</p>
Source of data	AGSA report on municipal audit outcomes
Method of Calculation/ Assessment	Counting the number of municipalities that are implementing the toolkit
Means of Verification	AGSA report on municipal audit outcomes
Assumptions	AGSA issue municipal audit outcomes report
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Reporting cycle	Annually
Desired performance	Reduction in qualified audit opinion is desirable
Indicator Responsibility	Municipal Finance Unit



Indicator	3.2 Percentage reduction of municipalities with unfunded budgets
Definition	The indicator seeks to measure municipalities with inadequate resources to fund operational expenditure, meet all current liabilities over the Medium Term Revenue and Expenditure Framework. (MTREF) and no internally generated funds to fund capital expenditure
Source of data	Section 71 MFMA reports
Method of Calculation/ Assessment	Counting reductions reported in Section 71 MFMA reports
Means of Verification	Section 71 MFMA reports
Assumptions	Municipalities are capacitated to manage the burdens placed on them to fund projects which they have not budgeted for Municipalities have adopted a plan on how they will manage unfunded budget
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Reporting cycle	Annually
Desired performance	Municipalities have the ability to meet current liabilities
Indicator Responsibility	Municipal Finance Unit

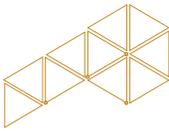
Indicator	3.3 Reduction in the number of municipalities with Municipal negative audit opinions opinion
Definition	This indicator seeks to measure the reduction of qualified negative audit opinions within local government, in support of the MTSF outcome and targets on Improved Municipal Financial Viability
Source of data	AGSA report on municipal audit outcomes
Method of Calculation/ Assessment	Number of municipalities with qualified audit opinions (quantitative)
Means of Verification	AGSA report on municipal audit outcomes
Assumptions	AGSA issue municipal audit outcomes report
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting cycle	Annually
Desired performance	Reduction in poor audit opinions is desirable
Indicator Responsibility	Deputy Director-General: Institutional Development

Indicator	3.4 Percentage reduction in debtors book of municipalities
Definition	This indicator seeks to measure the reduction of debtors book of municipalities
Source of data	Section 71 Reports on municipal financial performance AGSA report on municipal audit outcomes
Method of Calculation/ Assessment	counting the reduction debtors book of municipalities
Means of Verification	Section 71 Reports on municipal financial performance AGSA report on municipal audit outcomes
Assumptions	municipalities are capacitated to manage the debtors book
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Reporting cycle	Annually
Desired performance	There is stable cash flows for municipalities, and impact on its ability in delivering services
Indicator Responsibility	Municipal Finance Unit



Indicator	3.5 Roll-out revenue management systems to increase revenue collection rate
Definition	This indicator seeks to measure the roll-out of revenue management systems for purposes of assisting municipalities to increase revenue collection rate Roll-out entail working with municipalities to develop implementable revenue management and enhancement strategies
Source of data	Section 71 Reports on municipal financial performance AGSA report on municipal audit outcomes
Method of Calculation/ Assessment	counting the reduction debtors book of municipalities
Means of Verification	Section 71 Reports on municipal financial performance AGSA report on municipal audit outcomes
Assumptions	municipaliteis are capacitated to manage the debtors book
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting cycle	Annually
Desired performance	There are core revenue processes, systems, data quality, and cost analysis and tariff determination methods based on cost of services
Indicator Responsibility	Municipal Finance Unit

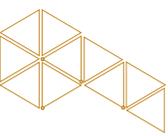
Indicator	3.6 Municipal Structures Bill finalised
Definition	<ul style="list-style-type: none"> The Municipipl Structures Bill was passed by the National Assembly in 2019 The finalisation of the Municipal Structures Bill is now being processed by the NCOP Finalised means that the NCOP has conducted public hearings and deliberated on it in the NCOP DCoG will support the finalisation of the Bill by clarifying provisions in the Bill
Source of data	<ul style="list-style-type: none"> Public hearings
Method of Calculation/ Assessment	<ul style="list-style-type: none"> Inputs from engagements with NCOP
Means of Verification	<ul style="list-style-type: none"> Draft Bill from National Assembly and Finalised Bill from NCOP
Assumptions	<ul style="list-style-type: none"> Clarification which will be provided within the context of existing prescripts will be accepted by NCOP
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Reporting cycle	Annually
Desired performance	<ul style="list-style-type: none"> Strengthen Governance and improve the administration and management of Elections
Indicator Responsibility	<ul style="list-style-type: none"> Municipal Governance



Programme 4: National Disaster Management Centre

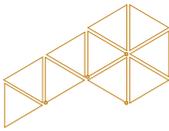
Indicator	4.1 Reduction of turnaround time to manage disasters through prevention, preparedness, mitigation, response, recovery and rehabilitation
Definition	The indicator seeks to improve the turnaround time to manage disasters through prevention, preparedness, mitigation, response, recovery and rehabilitation primarily by reviewing the disaster grant and related frameworks.
Source of data	Division of Revenue Act Provincial Disaster Relief, Municipal Disaster Relief and Municipal Disaster Recovery Grants. Reports from stakeholder engagement
Method of Calculation/ Assessment	Report on stakeholder engagements Report on the reviewed disaster management and related guidelines Report on the implementation of the reviewed disaster grant funding
Means of Verification	2021/22: Provincial and Municipal Disaster Relief Grants Frameworks, Municipal Disaster Recovery Grant Framework 2022/23: Provincial and Municipal Disaster Relief Grants Frameworks, Municipal Disaster Recovery Grant Framework 2023/24: Provincial and Municipal Disaster Relief Grants Frameworks, Municipal Disaster Recovery Grant Framework 2025/25: Provincial and Municipal Disaster Relief Grants Frameworks, Municipal Disaster Recovery Grant Framework
Assumptions	The turnaround time to manage disasters will be reduced
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting cycle	Annually
Desired performance	Timely response to disasters to ensure prevention, preparedness, mitigation, response, recovery and rehabilitation prevention, preparedness, mitigation, response, recovery and rehabilitation
Indicator Responsibility	Directorate: Disaster Response Coordination

Indicator	4.2 Number of Districts and metros implementing impact-based early warnings system (EWS) with contingency arrangements
Definition	The indicator seeks to measure the number of districts and metros that are implementing impact based early warnings systems that in the form of messages to enable disaster management contingency arrangements.
Source of data	SA Weather Service Impact Based Warnings Impact tables per district and metro
Method of Calculation/ Assessment	Counting and assessing the districts and metros that are implementing impact based EWS



Indicator	4.2 Number of Districts and metros implementing impact-based early warnings system (EWS) with contingency arrangements
Means of Verification	<p>2020/21: 3 provinces trained on Impact based early warnings and have access to warnings.</p> <p>2021/22: 3 provinces trained on Impact based early warnings and have access to warnings</p> <p>2022/23: 3 provinces trained on Impact based early warnings and have access to warnings</p> <p>2023/24: Review national level of impact based warnings and make provisions for increased access to warnings.</p> <p>2025/25: Finalisation of national level of impact based warnings to all districts and metros.</p>
Assumptions	Districts and municipalities have the means to receive the formulated impact based warnings and have the necessary resources to activate response and contingency measures.
Disaggregation of Beneficiaries (where applicable)	Impact based early warnings benefits communities with high levels of vulnerability in terms of social, economic and environmental factors.
Spatial Transformation (where applicable)	Impact based warnings is related to specific geographical/ spatial areas with identified vulnerabilities
Reporting cycle	Annually
Desired performance	Communities are informed timeously and able to respond to disasters
Indicator Responsibility	Directorate: Early Warnings and Capability Management Systems

Indicator	4.3 Number of municipalities in priority disaster and metros supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans
Definition	<p>The indicator measures the number of municipalities that have the capacity to prevent, mitigate and be prepared to address climate and disaster risks and respond effectively before they escalate to disasters</p> <p>Support means going to priority district and metros and holding working sessions, giving feedback on their disaster management plans</p>
Source of data	The information will be sourced from the sectoral and municipal reports on climate change adaptation and disaster risk reduction programmes submitted to the National Disaster Management Centre including their disaster management plans and Integrated Development Plans
Method of Calculation/ Assessment	Simple count of the supported municipalities with implementable disaster management plans able to adapt to climate change and reduce disaster risks
Means of Verification	<p>2020/21: 10 municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans</p> <p>2021/22: 10 municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans</p> <p>2022/23: 10 municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans</p> <p>2023/24: 10 municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans</p> <p>2025/25: 10 municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans</p>

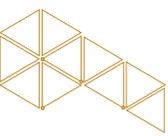


Indicator	4.3 Number of municipalities in priority disaster and metros supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans
Assumptions	Sectors, Provincial Disaster Management Centres are providing support to municipalities to implement climate change adaptation and disaster risk reduction measures.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Specific geographical areas that are prone to disasters
Reporting cycle	Annually
Desired performance	Prepared to address climate and disaster risks and respond effectively before they escalate to disasters
Indicator Responsibility	Directorate: Disaster Risk reduction and Planning

Indicator	4.4 Number of priority national sector departments assessed and supported to implement disaster risk reduction management
Definition	The indicators measures the number of priority sector departments that are assessed and supported to implement the disaster management function in terms of the Disaster Management Act, 2002 Assessed means Support means going to priority sector departments and working with them to manage disaster risk reduction Assessed means analysing the sector's capacity to implement disaster risk reduction
Source of data	Assessment reports and notes of actions implemented
Method of Calculation/ Assessment	Simple count of the priority national sector departments assessed and supported to implement the disaster management function
Means of Verification	Annual report on the assessments and support provided to priority national sector departments to implement the disaster management function.
Assumptions	Priority national sector departments implement the Disaster Management Act, 2002 within the sector
Disaggregation of Beneficiaries (where applicable)	Measures implemented by priority sector departments are specifically assessed and support is provided to reduce the vulnerability of woman, children the elderly and people with disabilities.
Spatial Transformation (where applicable)	Measures implemented by priority sector departments are specifically assessed and supported to influence spatial transformation to reduce the vulnerability to disasters.
Reporting cycle	Annually
Desired performance	Priority national sector departments are implementing measures to reduce the impact of disasters
Indicator Responsibility	Directorate: Policy Development and Regulatory Frameworks

TID for Outcome (Strategic Plan) Improve firefighting capacity in Districts

Indicator	4.5 Fire Services Act promulgated to improve firefighting capacity of Districts
Definition	Firefighting capacity of Districts improved through a revised policy and legislative framework
Source of data	National Disaster Management Centre, Provincial Disaster Management Centres
Method of Calculation/ Assessment	Existence of a draft National Fire Services Act



Indicator	4.5 Fire Services Act promulgated to improve firefighting capacity of Districts
Means of Verification	2020/21: Draft White Paper on Fire Services finalised 2021/22: Draft Bill on Fire Services prepared 2022/23: Draft Bill on Fire Services submitted to Cabinet 2023/24: Draft Bill on Fire Services submitted to Parliamentary structures 2025/25: Fire Services Act promulgated
Assumptions	Political support for the review of the fire services legislation
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting cycle	Annually
Desired performance	Firefighting capacity of Districts improved through a revised policy and legislative framework
Indicator Responsibility	Directorate: Fire Services

Programme 5: Local Government Support and Interventions Management

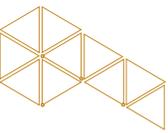
Indicator	5.1 Number of municipalities spending MIG as per the norm
Definition	<ul style="list-style-type: none"> The indicator measure the number of municipalities spending MIG as per the norm The norm is explained in the Division of Revenue Act
Source of data	<ul style="list-style-type: none"> MIG registration status (Commitment levels) MIG MIS reports
Method of Calculation/ Assessment	Performance is quantitative determined and qualitative assessed
Means of Verification	<ul style="list-style-type: none"> Commitment levels and Expenditure levels reported by municipalities in terms of DoRA
Assumptions	<ul style="list-style-type: none"> Municipal IDPs clearly states which projects can be registered for MIG funding. One plans will clearly articulate infrastructure requirements. Processes were concluded per municipality
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> N/A
Spatial Transformation	<ul style="list-style-type: none"> Infrastructure projects have to be aligned to the One Plans of Districts which consider spatial transformation
Reporting cycle	<ul style="list-style-type: none"> Annually
Desired performance	<ul style="list-style-type: none"> MIG funds are utilised as per the IDPs
Indicator Responsibility	<ul style="list-style-type: none"> Municipal Infrastructure Grant Unit



Indicator	5.2 Intergovernmental, Monitoring, Support and Interventions (IMSI) Bill and Regulations reviewed and approved by Cabinet.
Definition	<ul style="list-style-type: none"> The indicator seeks to measure the review and approval by Cabinet the IMSI Act Approval entails Parliamentary processes including consultation on the Act Review entails drafting of the Act and processing it through public consultation processes
Source of data	<ul style="list-style-type: none"> Intergovernmental Monitoring, Support and Interventions (IMSI) Bill
Method of Calculation/ Assessment	<ul style="list-style-type: none"> Final and approved Regulation.
Means of Verification	<ul style="list-style-type: none"> Discussion Paper Draft Act Reports on outcomes of consultative intergovernmental stakeholder dialogues and engagements Final Act
Assumptions	<ul style="list-style-type: none"> Quality data and information readily available. Participation of key stakeholders is guaranteed. Technical and political steering of drafting processes is ensured.
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> N/A
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> N/A
Reporting cycle	<ul style="list-style-type: none"> Annually
Desired performance	<ul style="list-style-type: none"> Implementation of the Act
Indicator Responsibility	<ul style="list-style-type: none"> Intergovernmental Policy & Practice Chief Directorate

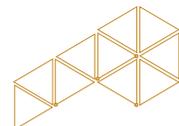
Programme 6: Community Work Programme

Indicator	6.1 Number of people participating in the programme
Definition	<p>The number of people refers to the participants from the marginalised communities who have enrolled and are participating in the programme</p> <p>Participation is determined by the ENE budget allocation of both non-wage and wage cost for each position.</p>
Source of data	<p>CWP Integrated Management System (IMS);</p> <p>COGTA Portal (all attendance registers of participants are uploaded on to the Portal).</p>
Method of Calculation/ Assessment	Counting the number of people on the wage bill participating in the programme by reporting timeline
Means of Verification	Identification numbers on the wage bill and the wage bill itself
Assumptions	ENE budget allocation will be available
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women: 55% of participants</p> <p>Target for Youth: 55% of participants</p> <p>Target for People with Disabilities: 02% of participants</p>
Spatial Transformation	CWP foot print in all municipalities.
Reporting cycle	Annually
Desired performance	Enrolment of participants from poor households for the purposes of poverty alleviation and sustainable livelihoods
Indicator Responsibility	Community Work Programme

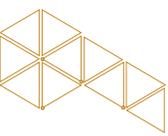


Indicator	6.2 CWP model redesigned and implemented
Definition	The redesigned CWP Model will be implemented through government structures, without NPOs Redesign means reconceptualised model to a different implementation arrangements to enable impactful results
Source of data	Model options analysis report
Method of Calculation	The redesigned model
Means of Verification	Approved CWP redesigned Model.
Assumptions	Consensus with all relevant stakeholders and role players regarding implementation modalities.
Disaggregation of Beneficiaries	Target for Women:55% of participants. Target for Youth: 55% of participants Target for People with Disabilities:02% of participants.
Spatial Transformation	N/A
Reporting cycle	Annually
Desired performance	Contribute towards poverty alleviation imperatives.
Indicator Responsibility	CWP

Indicator	6.3 Number of CWP participants trained annually
Definition	Training refers to a deliberate secondary function that ensures skills development for participants to enhance the useful work activities and equip them with other skills for personal development and the restoration of dignity. The training is conducted within the CWP sites by NPOs Training can be both accredited and non-accredited, as well as formal and informal
Source of data	Site Training Plans, Attendance Registers and Training Reports
Method of Calculation/ Assessment	Count the number of participants trained which equal to 10% of the total participants enrolled in the programme annually as per the available budget The training numbers will vary quarterly due to procurement processes which sometimes delayed due to varied reasons
Means of Verification	Site training plans, training attendance registers, certificate of attendance
Assumptions	Participants are available for training
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: 55% of participants • Target for Youth: 55% • Target for People with Disabilities:02%
Spatial Transformation	Footprint in every municipality
Reporting cycle	Annually
Desired performance	Skilled/capacitated participants.
Indicator Responsibility	CWP



Indicator	6.4 Number of CWP partnerships established
Definition	<p>Establishment of partnerships to enhance the performance outcomes of the Programme. One of the values of the CWP is for the Programme to establish partnerships with the public and private organisations to improve the lives of communities.</p> <p>Partnerships can take the form of donor funding, labour contribution, or any contribution in the form of assets and equipment, essential to achieving the goals of community development and poverty alleviation.</p> <p>Partnerships can be formal or informal to add value to the implementation of the programme</p> <p>To mobilise public and private sector support for the Programme through partnerships</p> <p>The project manager facilitates the establishment of partnerships through:</p> <ul style="list-style-type: none"> • Engagements with partners or relevant stakeholders <p>Facilitate the development of commitments through signed reports/ signed minutes, letters or emails.</p>
Source of data	Partnership framework, standard operating procedure for establishment of CWP partnerships, partnership database
Method of Calculation/ Assessment	Number of partnerships entered into and maintained in the programme through signed agreements or captured by minutes or signed reports and signed attendance registers
Means of Verification	Invitations, signed attendance registers, Minutes, correspondence, signed reports on partnerships established, MoUs and MoAs
Assumptions	Non-disclosure of partnerships, non-functional partnerships as well as inaccurate data inputs into reports
Disaggregation of Beneficiaries (where applicable)	<p>Target for Women:55% of participants.</p> <p>Target for Youth:55% of participants</p> <p>Target for People with Disabilities:02% of participants.</p>
Spatial Transformation (where applicable)	District profiles and plans
Reporting cycle	Annual
Desired performance	Enhance CWP partnerships towards more effective useful work in communities.
Indicator Responsibility	CWP



Indicator	6.5 Number of agrarian projects established through CWP
Definition	Agrarian project refers to agricultural related projects aimed at promoting food security and contribute towards stimulating local economies
Source of data	Agrarian Revolution Project Reports and business plans
Method of Calculation/ Assessment	Count the number of agrarian projects established
Means of Verification	Agrarian Revolution progress reports
Assumptions	Agrarian projects are implemented for the benefit of community formations
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: 55 % participants • Target for Youth:N/A • Target for People with Disabilities: 02% of participants.
Spatial Transformation	Rural areas transformed to stimulate local economies
Reporting cycle	Annually
Desired performance	Agrarian projects are meant to alleviate poverty and stimulate rural economic growth
Indicator Responsibility	CWP Programme Implementation Unit

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