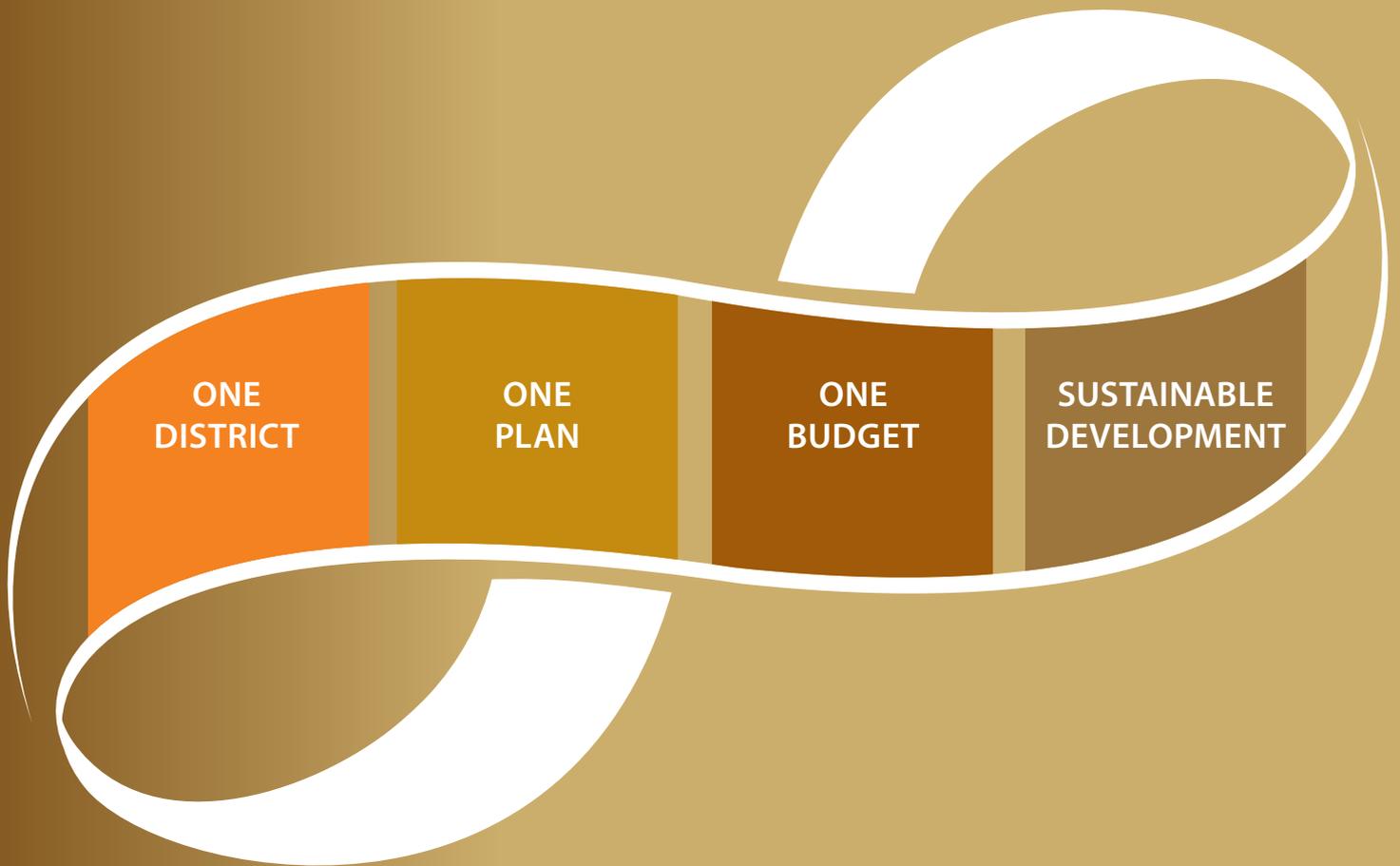


ANNUAL PERFORMANCE PLAN 2020/21



cooperative governance

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA





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ANNUAL PERFORMANCE PLAN 2020/21

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Executive Authority Statement

Dr NC Dlamini Zuma, MP

**Minister for Cooperative
Governance and Traditional
Affairs**



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”* and 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 needs 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 underserviced places far from opportunity remains.

The 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 DDM 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 evolving model will also accelerate service delivery and development towards the objectives of National Development Plan Vision 2030, in all 44 Districts and 8 Metros. 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 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, compassion, and excellence 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

Parks Tau

**Deputy Minister for
Cooperative Governance**



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 NDP. 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 commit to society an integrated and coordinated approach towards service delivery and development. 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 district-based coordination development approach 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 a Coordinating 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

Mr T Fosi

Acting Director-General



The priorities of the 6th Administration of government have been set out in the 2019-2024 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 6th 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 DDM, 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 6th 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 Annual Performance Plan:

1. Was developed by the management of the Department of Cooperative Governance under the guidance of Minister Nkosazana Dlamini Zuma;
2. Takes into account all relevant policies, legislation and other mandates for which the [name of the institution] is responsible; and
3. Accurately reflects the outcomes and outputs which the Department of Cooperative Governance will endeavour to achieve during the 2020/21 financial year.

Ms. D Burger-Snyman



Chief Financial Officer

Mr. P Tau



Deputy Minister

Mr. T Faba



Head Official: Planning

Approved by:

Dr. Nkosazana Dlamini Zuma, MP



Executive Authority

Mr. T Fosi



Acting Accounting Officer

Acronyms

AGSA	Auditor General South Africa
APP	Annual Performance Plan
CEF	Capital Expenditure Framework
CoGTA	Cooperative Governance and Traditional Affairs
CSOs	Civil Society Organisation
CWP	Community Work Programme
DCoG	Department of Cooperative Governance
DDM	District Development Model
DoRA	Division of Revenue Act
DPME	Department of Planning Monitoring and Evaluation
DPSA	Department of Public Service and Administration
GCIS	Government Communication and Information System
ICT	Information Communication Technology
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IGRFA	Intergovernmental Relations Framework Act
IMC	Inter-Ministerial Committee
IMT	Integrated Monitoring Tool
IUDF	Integrated Urban Development Framework
IUDG	Integrated Urban Development Grant
LED	Local Economic Development
LGSETA	Local Government Sector Education and Training Authority
LGSIM	Local Government Support and Interventions Management
MDB	Municipal Demarcation Board
MEC	Member of Executive Committee
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Grant
MPAC	Municipal Public Accounts Committee
MSIG	Municipal System Improvement Grant
MTEF	Medium-Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NCBF	National Capacity Building Framework
NCoP	National Council of Provinces
NDMC	National Disaster Management Centre
NDP	National Development Plan
PFMA	Public Financial Management Act
PDA's	Priority Development Areas
SACN	South African Cities Network
SALGA	South African Local Government Association
SMS	Senior Management Services
SOP	Standard Operating Procedures
UCLG	United Cities and Local Governments



OUR MANDATE PART **A**

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 6th 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 provides for national government to approve or disapprove interventions by Provincial executive when a municipality cannot or does not fulfil an executive 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);
3. Establishes criteria and procedures for the determination of municipal boundaries by an independent authority; and
4. **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;
5. 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.

Updates to Relevant 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"> • 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

Updates to Institutional Policies and Strategies

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 [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.

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.

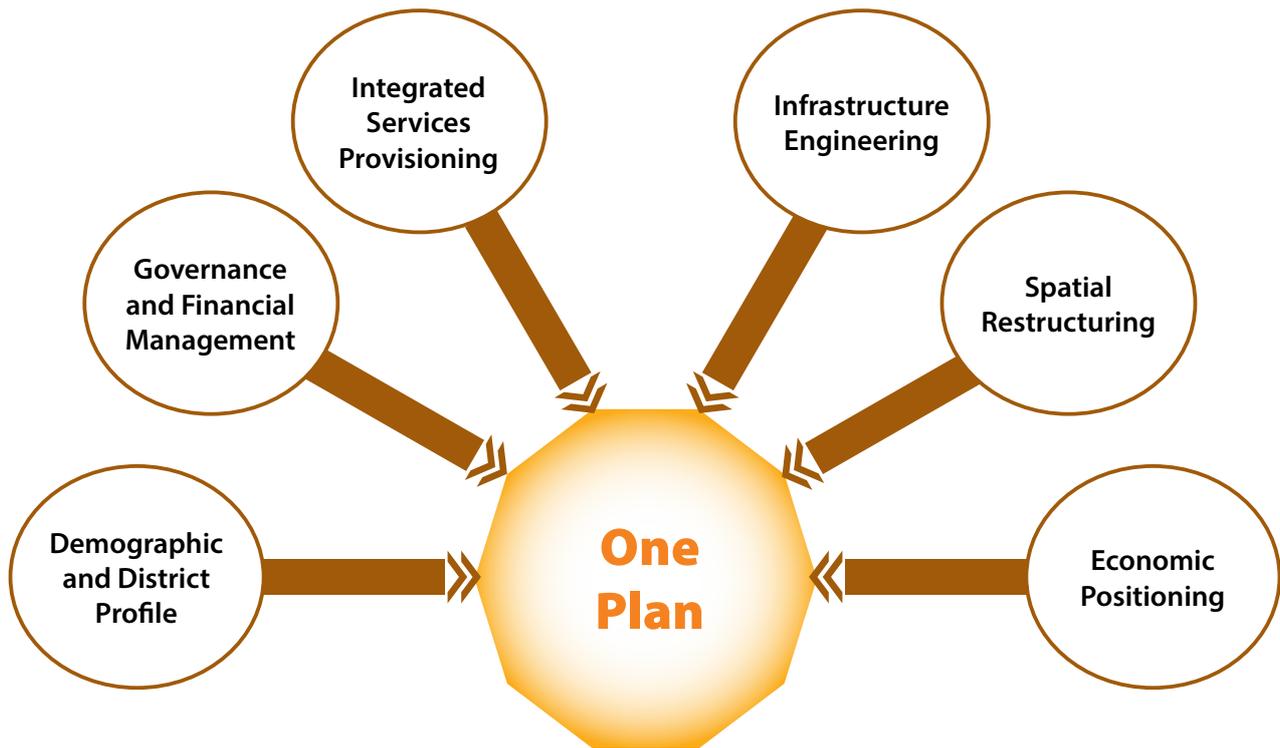
Produce a Spatially Integrated Single Government Plan (as Intergovernmental Compact) for each of the spaces that guides and directs all strategic investment spending and project delivery across government and forms the basis for accountability.

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 prioritising 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 prioritised;
- Impact will be maximised and resources will be aligned; and
- The face of the rural and urban landscapes will be changed whilst Local Economic Development will be promoted.

Localising the Sustainable Development Goals and Urban Agenda

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 organisations 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 EThekwini’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 (eThekwini) 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 Firstrand 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 OfThe 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.



OUR STRATEGIC FOCUS

PART **B**

Part B: Our Strategic Focus

Updated 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.

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

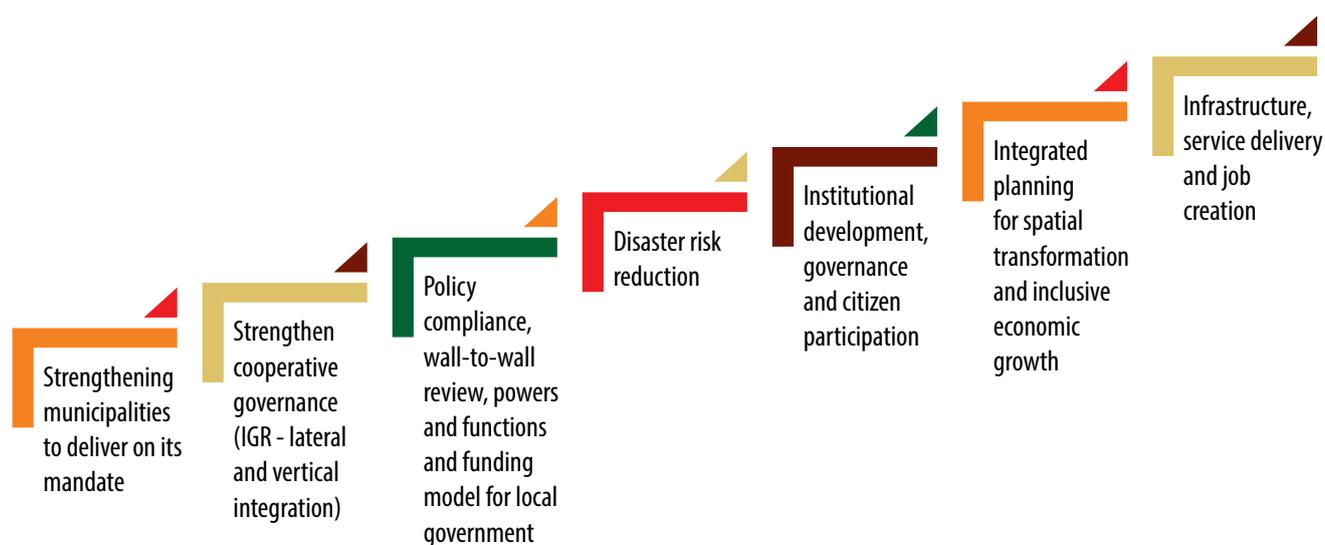
The 6th Administration under the leadership of President Cyril Ramaphosa has started its term in June 2019. The following seven priorities for the new administration were announced in the President's State of the Nation Address:

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.

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 (DCoG) 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.

External Environmental Analysis

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 organizations 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 considered.

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.

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, localization 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 localizing the SDGs and progress has been made in this regards, though more still needs to be done.

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 localization 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 Team 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. The teams are constituted by National Treasury, South African Local Government Association, The Auditor General, Statistics South Africa, South African Cities Network as well as teams from the nine provincial governments.

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 localization and monitoring and reporting of the SDGs and the Sendai Framework for Disaster Risk Reduction respectively. EThekweni Metropolitan Municipality, through the city's Municipal Institute of Learning (MILE), has already successfully rolled out a series of peer-learning events on SDGs for municipal participants from across the African continent; whilst having also embarked on a process to integrate and align the SDGs with all city and sectoral planning, monitoring, evaluation, and reporting instruments. These cities have demonstrated that mainstreaming the SDG targets set in the Urban Agenda is pivotal to their implementation of South Africa's Integrated Urban Development Framework.

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 the local municipalities which will take into consideration both urban and rural towns. This process is meant to streamline and standardize integrated planning, monitoring and reporting per category of municipality but also to reduce the burden of reporting by municipalities.

In the context of rapid urbanization 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 organization and not forgetting the Traditional authorities which many of our communities live in actively participates in the localization of the SDGs.

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 prioritizing expenditures (World Bank, 2001). Thus, decentralization implies improved accountability at all level of government. In addition to increased accountability, there is a distinct need – and progress being made – in accelerate infrastructure investment and development. Infrastructure investment is touted as one of the most critical factors to economic growth and sustainability. In unpacking the impact of global change in its district reconfiguration paper the Department of Cooperative Governance quotes the Organization for Economic Co-operation and Development (OECD) recommendation for South Africa that “in order to achieve strong, sustainable and inclusive growth, one of the overarching priorities should be to invest in social and economic infrastructure, with a particular emphasis on appropriate spatial location of investments.” The key words in this recommendation are “all-encompassing growth”, “balanced infrastructure” and “spatial integration”.

Localization 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 mobilizes 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.

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);

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

- 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 stack 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.

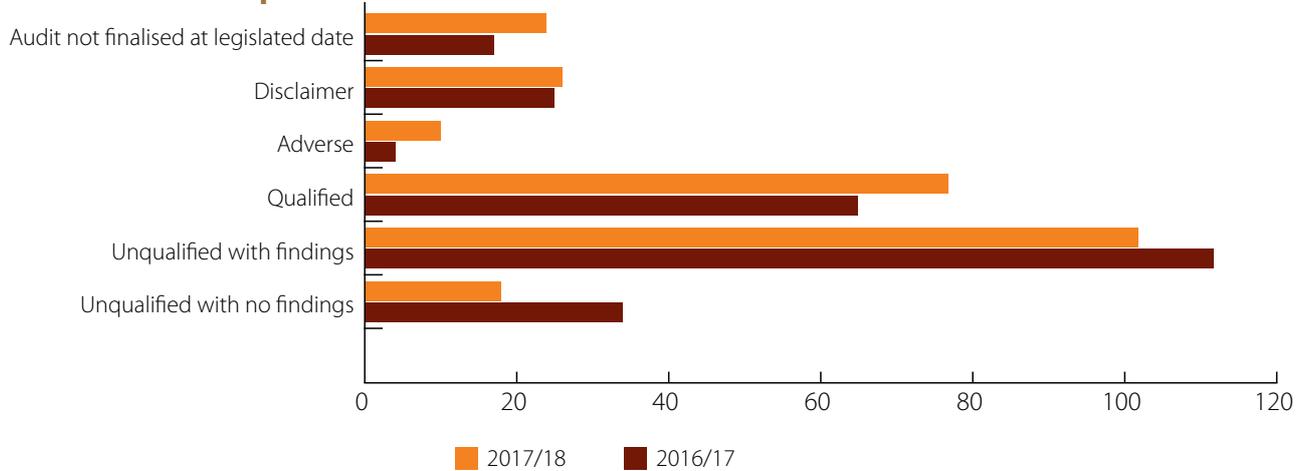
A second indicator of governance is the audit outcomes of municipalities. Using the findings of the AG's 2017/18 MFMA report, 44% of municipalities received qualified, adverse or disclaimer opinions whilst 9% of municipalities' audits were not finalised by the legislated date (combined 53%). 47% of municipalities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

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:

Comparison of Audit Outcomes 2016/17 with 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) 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.

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.

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:

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.

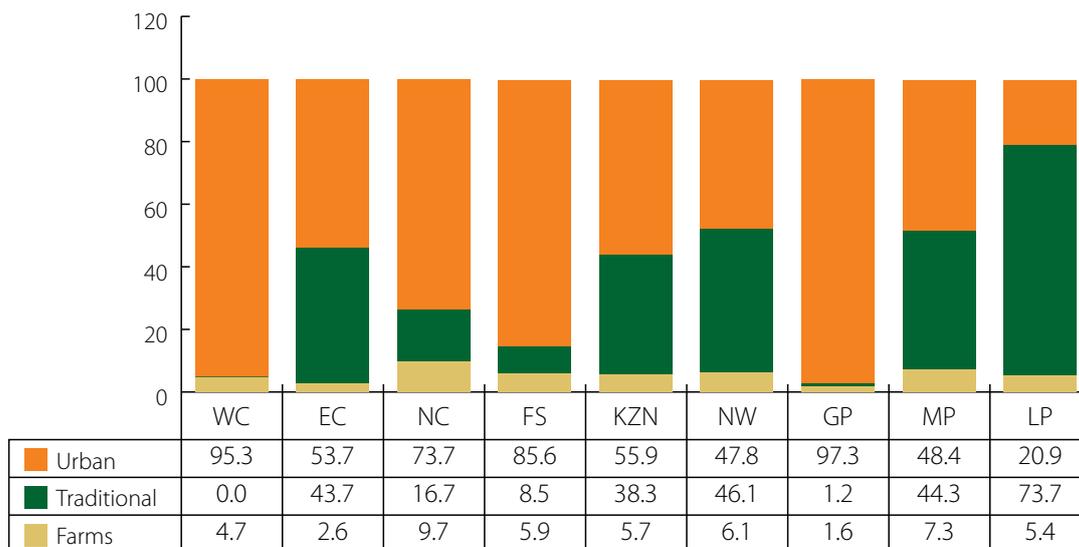
4 There are 8 indicators (cash coverage, cash balances, reliance on capital grants to fund capital budget, overspending operational budget, underspending capital budget, debtors' growth, debtors as percentage of own revenue and creditors as a percentage of cash and investments) that are used to classify 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.

- **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.

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%), Umzumbi (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.

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

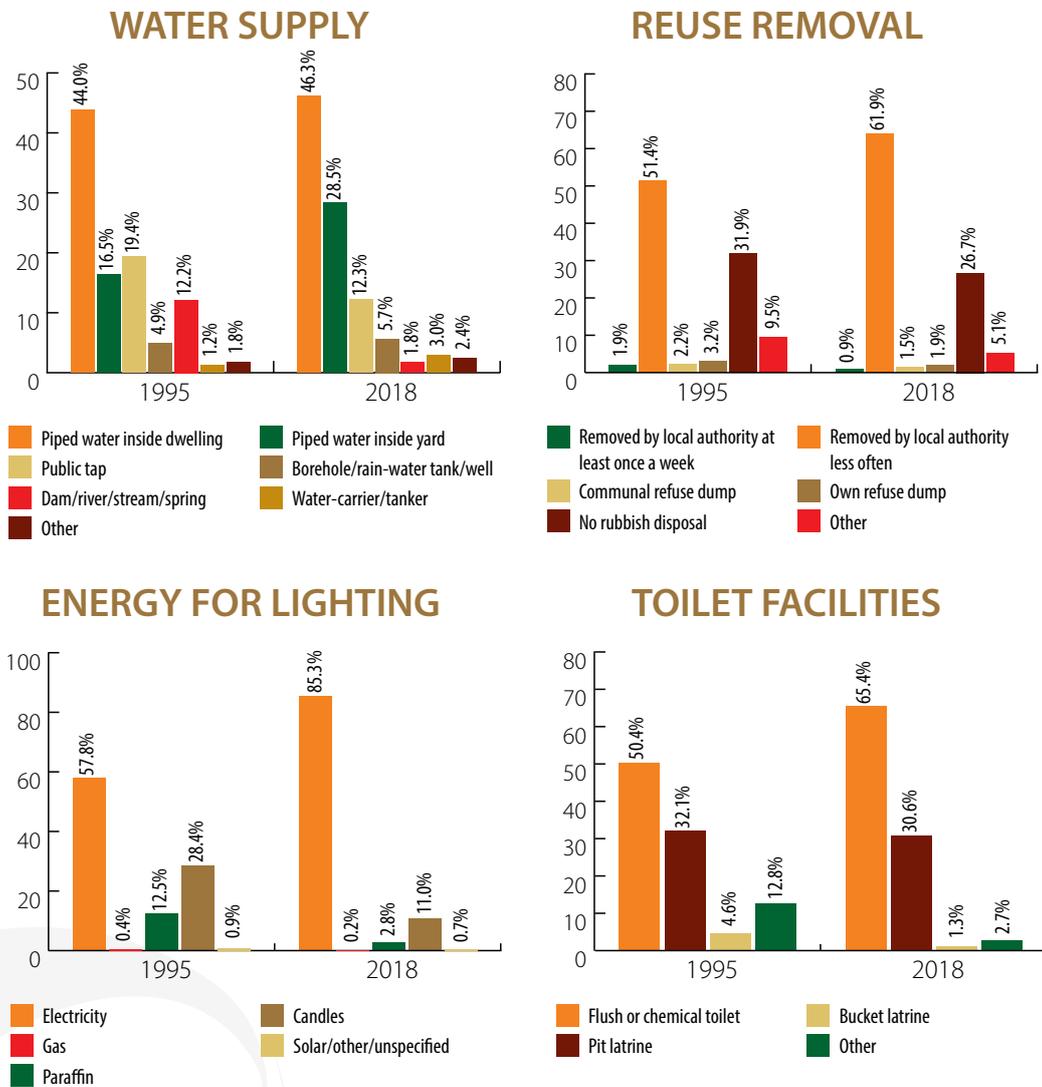
- i. Structures
- ii. Structural design
- iii. Inadequate revenue
- iv. Policies
- v. Systems
- vi. People

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

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)
Neighbourhood 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)	Integrated Urban Development Grant (IUDG)

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 Analysis

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;

Departmental MTEF estimates

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Audited outcome	Audited outcome	Audited outcome	Revised Estimate	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand							
Programmes							
Administration	267 266	260 405	293 785	280 644	294 860	313 893	325 634
Regional and Urban Development and Legislative Support	389 308	232 397	99 739	969 993	1 071 493	1 146 488	1 211 974
Institutional Development	50 797 036	55 746 607	60 956 865	69 202 476	74 961 683	81 323 035	87 483 294
National Disaster Management Centre	295 282	492 440	1 370 257	686 298	599 627	633 058	661 915
Local Government Support and Intervention Management	15 598 244	16 361 922	15 705 790	15 309 663	15 130 455	16 421 170	17 354 384
Community Work Programme	2 371 096	3 115 766	3 328 642	3 719 129	4 175 870	4 424 463	4 619 438
	-	-	-	-	-	-	-
Total	69 718 232	76 209 537	81 755 078	90 168 203	96 233 988	104 262 107	111 656 639
Change to 2019 Budget Estimate				386 233	2259995	2330604	2355866
Economic classification							
Current payments	2 815 713	3 596 203	3 901 829	4 447 419	4 955 897	5 218 068	5 441 298
Compensation of employees	272 404	288 058	306 842	326 354	395 297	420 774	438 862
Goods and services	2 543 309	3 308 139	3 594 987	4 121 065	4 560 600	4 797 294	5 002 436
Interest and rent on land	-	6	-	-	-	-	-
Transfers and subsidies	66 893 034	72 595 211	77 808 225	85 709 596	91 272 773	99 037 373	106 208 288
Payments for capital assets	9 312	17 939	44 522	11 188	5 318	6 666	7 053
Payments for financial assets	173	184	502	-	-	-	-
Total economic classification	69 718 232	76 209 537	81 755 078	90 168 203	96 233 988	104 262 107	111 656 639



MEASURING OUR PERFORMANCE PART C

Part C: Measuring Our Performance

Institutional Programme Performance Information

Programme 1: Administration

Programme purpose: Provide strategic leadership, management and support services to the department.

Role of the Administration Programme in the District Development Model:

Administration will drive institutional systems for the effective functioning of the model through the establishment of an information management system (Dashboard), The Administration programme will support the implementation of the District Development Model Implementation Plan. The Deputy Director-General, Chief Directors and Directors are part of the through participating in the DDM Provincial Task Teams.

Programme 1: Outcomes, Outputs, Performance Indicators and Targets

Outputs	Output Indicators	Annual Targets					MTEF Period	
		Audited /Actual Performance		Estimated Performance	MTEF Period			
		2016/17	2017/18	2018/19	2019/20	2020/21		2021/22
Outcome: Effective and efficient corporate governance systems to drive the implementation of the DDM								
Positive Audit Outcome	1.1 Improved audit outcomes	Qualified Audit Opinion	Qualified Audit Opinion	Disclaimer Audit Opinion	Disclaimer for 2018/19 financial year	Qualified Audit Opinion with no material findings for 2019/20 financial year	Unqualified Audit Opinion with no material findings for 2020/21 financial year	Unqualified Audit Opinion with no material findings for 2021/22 financial year
Payment of suppliers within 30 days	1.2 Percentage of uncontested invoices paid within 30 days of receipt date	% of suppliers not paid within 30 days	% of suppliers not paid within 30 days	% of suppliers not paid within 30 days	% of suppliers not paid within 30 days	100 % of uncontested invoices paid within 30 days	100% of uncontested invoices paid within 30 days	100% of uncontested invoices paid within 30 days
Improvement in individual and organizational performance	1.3 Percentage alignment of SMS performance agreement to annual targets	New Indicator	New	New	New	80% alignment of SMS performance agreement to annual targets	90% alignment of SMS performance agreement to annual targets	100% alignment of SMS performance agreement to annual targets
	1.4 Percentage improvement of organizational performance	New Indicator	New	New	New	Organizational performance against annual targets improved from 83% to 85%	85% organizational performance against annual targets	85% organizational performance
Aligned organizational structure to the strategy	1.5 Percentage Alignment of organizational structure to the strategic plan				New indicator	100% Alignment of organizational structure to the 2020-2025 Strategic Plan	No target	No target

Output indicators: Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
1.1 Improved audit outcome for 2019/20	Qualified Audit Opinion for 2019/20 financial year	Post Audit Action Plan implemented	Post Audit Action Plan implemented	Post Audit Action Plan implemented	Post Audit Action Plan implemented
1.2 Percentage of uncontested invoices paid within 30 days of receipt date	100 % of uncontested invoices paid within 30 days	100% of uncontested invoices paid within 30 days	100% of uncontested invoices paid within 30 days	100% of uncontested invoices paid within 30 days	100% of uncontested invoices paid within 30 days
1.3 Percentage organisational performance against annual targets	Organisational performance against annual targets improved from 83% to 85%	85% organisational performance against 2019/20 4th quarter and annual targets	85% Organisational performance against 2020/21 1st quarterly target	85% Organisational performance against 2020/21 2nd quarterly target	85% Organisational performance against 2020/21 3rd quarterly target
1.4 Percentage alignment of SMS performance agreements to annual targets	80% alignment of SMS performance agreement to annual targets	Guidelines for alignment of SMS performance agreement to annual targets developed	80% alignment of SMS performance agreement to annual targets	No target	No target
1.5 Percentage Alignment of organizational structure to the strategic plan	100% alignment of organizational structure to the 2020-2025 Strategic Plan	Consultation with Branches on the alignment of organisational structure to Strategic Plan	Communicate the findings to the Branches	Submit the structure for approval by the Minister	No target

Explanation of Planned Performance over the Medium-Term Period

Improving Audit Outcomes

The audit outcomes for the past MTSF 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 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. In the next three financial years of the Medium-Term Expenditure Framework (MTEF), the Department will develop responsive audit action plans for the audit outcomes and institute consequence management for the non-achievement of audit action plans. The audit action plans will also form part of performance agreements for process owners to ensure accountability and subsequently improve the audit outcomes of the Department.

Outcomes-Based Performance Management System

The Department will also put in place controls and systems to ensure that the organisational and individual performance management system enables improved productivity and effective outcomes-based performance management, this include the implementation of accountability and consequence management. An assessment of inadequacies of the performance management system will be conducted to inform the review of the system towards an outcomes-based planning, monitoring and evaluation. Support will be provided to Provincial Departments responsible for Local Government to ensure that their plans are aligned to the national government priorities.

Information Communication Technology

The Information Communication Technology (ICT) will collaborate with the external monitoring and evaluation programme to develop a performance dashboard system with key performance indicators for purposes of monitor progress against the DDM 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:

CoGTA will communicate the District Development Model as a government wide delivery vehicle by all strategic partners through a communication strategy focused on popularizing the model and other key departmental programmes. The departments will work with all communicators across government to ensure integration of messaging and information. Regular media releases will be published through various communication platforms and channels (print, electronic and digital media) to ensure understanding by all audiences.

The Constitution of the Republic of South Africa has mandated government to communicate with the citizens. Citizens have a right to know the policies and activities of their government, hence the need for CoGTA to provide reliable and timely information to the public. Effective communications between the government and the public is especially important and CoGTA will ensure effective and efficient communication of credible and timely information on the work of CoGTA is shared with citizens. CoGTA will communicate the District Development Model as a government wide delivery vehicle by all strategic partners through a communication strategy focused on popularizing the model and other key departmental programmes. CoGTA will work with all communicators across the spheres of government to ensure integration of messaging and information.

CoGTA will regularly update all citizens on the programmes, activities and services available for the improvement of their lives, and further to constantly report back on progress made in implementing government policies. Regular media releases will be published through various communication platforms and channels (print, electronic and digital media) to ensure understanding by all audiences. Communications will ensure free flow of information between the government and the public, carried out through both formal and informal exchanges in a dialogue that is continuous, open, relevant, understandable and reliable.

This communication will be directed to both internal and external audiences using all available platforms and channels.

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. Recommendations of the Law Reform Commission will be implemented speedily by working with all affected parties to review all legislation impede effective coordination and service delivery.

Change Management Strategy

The Director-General is the key driver of the change management programmes. Branches 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 Resource Considerations

Budget allocation as per the ENE and/or the EPRE.

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Audited outcome	Audited outcome	Audited outcome	Revised Estimate	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand							
Subprogrammes							
Ministry	32 086	32 040	42 071	36 441	33 685	35 779	37 112
Management	14 399	18 543	18 995	19 775	21 186	22 524	23 364
Corporate Services	139 846	123 899	135 171	121 095	129 334	137 262	142 402
Financial Services	27 159	30 616	30 797	39 347	47 185	50 008	51 888
Internal Audit and Risk Management	7 435	7 865	12 687	14 555	15 540	16 494	17 109
Office Accommodation	46 341	47 442	54 064	49 431	47 930	51 826	53 759
Total	267 266	260 405	293 785	280 644	294 860	313 893	325 634
Economic classification							
Current payments	260 294	254 272	286 127	273 058	292 208	310 040	321 558
Compensation of employees	121 844	124 029	135 350	144 200	164 610	175 248	181 733
Salaries and wages	109 035	111 297	121 020	129 606	148 927	158 547	164 411
Social contributions	12 809	12 732	14 330	14 594	15 683	16 701	17 322
Goods and services	138 450	130 243	150 777	128 858	127 598	134 792	139 825
Transfers and subsidies	185	139	1 566	5 048	118	124	128
Payments for capital assets	6 614	5 810	5 668	2 538	2 534	3 729	3 948
Payments for financial assets	173	184	424	-	-	-	-
Total	267 266	260 405	293 785	280 644	294 860	313 893	325 634

Programme 2: Regional and Urban Development and Legislative Support

Programme purpose: Provide policy analysis and development to transform local government and improve cooperative governance.

Role of the Programme 2 in the District Development Model

The Regional and Urban Development and Legislative Support Programme will strengthen integrated planning across government and lead a process of unblocking all impediments towards the implementation of the Model by facilitating the implementation of Section 47 Regulations. The Programme, in collaboration with other Programmes in the Department, will also ensure that the DDM is implemented across all Districts and metros.



Programme 2: Outcomes, Outputs, Performance Indicators and Targets

Outputs	Output Indicators	Annual Targets						
		Audited /Actual Performance		Estimated Performance	MTEF Period			
		2016/17	2017/ 18	2018/ 19	2019/20	2020/21	2021/22	2022/23
Outcome: Integrated Planning and service delivery								
Integrated Planning	2.1 Number of Municipal IDPs aligned to the District and Metro One plans				New Indicator	257 municipal IDPs for 2021/22 FY are aligned to the one plans of the Districts and Metros	257 municipal IDPs for 2021/22 FY are aligned to the one plans of the Districts and Metros	257 municipal IDPs for 2021/22 FY are aligned to the one plans of the Districts and Metros
Revised UIDF implementation plan implemented	2.2 Number of Districts and Metros where the revised IUDF implementation plan is rolled-out				New Indicator	Revised IUDF implementation plan rolled-out in 44 Districts and 8 metros	Revised IUDF implementation plan implemented in 44 Districts and 8 metros	Revised IUDF implementation plan implemented in 44 Districts and 8 metros
Capital Expenditure frameworks developed in identified intermediate cities	2.3 Capital Expenditure Framework (CEF) for number of intermediate cities implemented			New indicator	Capital Expenditure frameworks implemented in 7 intermediate cities	Capital Expenditure frameworks for 7 intermediate cities implemented	Capital Expenditure frameworks for 4 intermediate cities implemented	Capital Expenditure frameworks for 4 intermediate cities implemented
District and metro One Plans	2.4 Number of Draft District and Metro One Plans developed				New indicator	44 district and 8 metro One Plans developed	44 district and 8 metro One Plans implemented	44 district and 8 metro One Plans implemented
District/metro hubs	2.5 Number of hubs established for districts and metros				New indicator	Hubs established for 22 district and One Metro	Hubs established for 22 districts and 7 metros	Not target
Regulations for Section 47 (1) (b) Intergovernmental Relations Framework Act, 2005	2.6 Section 47 (1) (b) Regulation of the Intergovernmental Relations Framework Act, 2005 developed	New Indicator	New Indicator	New Indicator	New Indicator	Section 47 (1) (b) Regulation of the Intergovernmental Relations Framework Act, 2005 developed	Section 47 (1) (b) Regulation of the Intergovernmental Relations Framework Act, 2005 implemented	Section 47 (1) (b) Regulation of the Intergovernmental Relations Framework Act, 2005 implemented

Output indicators: Annual and Quarterly Targets

Output Indicator	Annual Target	Q1	Q2	Q3	Q4
2.1 Number of Municipal IDPs aligned to the District and Metro One plans	257 municipal IDPs for 2021/22 FY are aligned to the one plans of the Districts and Metros	No target	No target	No target	257 IDPs for 2021/22 FY are aligned to the one plans of the Districts and Metros
2.2 Number of Districts and Metros where the revised IUDF implementation plan is rolled-out	Revised 2020-2025 IUDF implementation plan rolled-out in 44 Districts and 8 metros 31 March 2021	Revised 2020-2025 IUDF implementation plan developed	No target	Revised IUDF implementation plan rolled-out in 44 Districts and 8 metros	Revised IUDF implementation plan rolled-out in 44 Districts and 8 metros
2.3 Capital Expenditure Framework (CEF) for number of intermediate cities implemented	Capital Expenditure frameworks implemented in 4 intermediate cities by March 2021	No target	No target	Draft Capital Expenditure frameworks developed in 4 intermediate cities	Final Capital Expenditure frameworks implemented in 4 intermediate cities
2.4 Number of Draft District and Metro One Plans developed	44 Draft district and 8 metro One Plans developed	Process plans developed for all 44 districts and 8 metros One Plans	No target	1st drafts of the 44 districts and 8 metro One Plans developed	Final drafts 44 districts and 8 metro plans developed
2.5 Number of hubs established for districts and metros	Hubs established for 22 district and One Metro	No target	No target	No target	Hubs established for 22 district and One Metro
2.6 Section 47 (1) (b) Regulation of the Intergovernmental Relations Framework Act, 2005 developed	Section 47 (1) (b) Regulation of the Intergovernmental Relations Framework Act, 2005 developed by March 2021	Draft discussion document developed on the Regulation of the Intergovernmental Relations Framework Act	Final discussion document Regulation of the Intergovernmental Relations Framework Act developed Draft Section 47 (1) (b) Regulation of the Intergovernmental Relations Framework Act, 2005	Internal and external consultations on the draft Section 47 (1) (b) Regulation of the Intergovernmental Relations Framework Act, 2005	Final Section 47 (1) (b) Regulation of the Intergovernmental Relations Framework Act, 2005 approved.

Explanation of Planned Performance over the Medium-Term Period

Integrated Urban Development Framework Implementation plan

The Department will consult with key stakeholder to review the IUDF Implementation Plan developed for the duration of 2016-2019. In order to reinvigorate the implementation of the IUDF, the Department will develop a new implementation plan 2020-2024 based on lessons learned, and aligned to the sixth Administration and MTSF priorities. The revised IUDF implementation plan will set the tone and give real meaning to the South Africa's national urban policy. The IUDF implementation plan will also be integrated with the implementation of the District Development Model by, amongst others, directing implementation focus in the 52 spaces; i.e. 44 districts and 8 metros.

The implementation of the IUDF will also be linked to key MTSF projects, namely: the establishment of city regions and spatial transformed cities and towns. On the latter, the Capital Expenditure Framework (CEF) identifies Priority Development Areas (PDAs) in each intermediate city. The PDAs will become the mechanism that will be used to spatially transform cities and towns within the municipalities as anticipated in the vision of the IUDF. The PDAs will also rally and coordinate government investment in these targeted spaces supported by the DDM process. The advantage of this process is that the CEF is regulated in the Spatial Planning Land Use and Management Act, and therefore is a credible tool to use to achieve this MTSF priority. The Department has already supported at seven Intermediate City Municipalities to develop the CEFs with four of those being supported in the 19/20 financial year. Once implemented, the CEFs will ensure that intermediate cities have targeted spaces that are integrated and transformed thereby giving meaning to the outcomes of the National Development Plan, the National Spatial Development Framework, the Integrated Urban Development Framework and the Medium Terms Strategic Framework.

On the former, through the IUDF implementation plan, the Department will work with the Department of Rural Development and Land Reform to establish city regions. To date, the Department of Rural Development and Land Reform in collaboration with provinces and municipalities and other stakeholders is establishing 3 city regions in Gauteng, North West, and Free State through the concept of Regional Spatial Development Framework, as promulgated in the Spatial Planning and Land Use Management Act. In addition the National Spatial Development Framework also provides an indication of functional city regions that should be prioritised for development. The Department will also work with the Department of Land Reform and Rural Development to ensure that there is proper coordination and complementarity with the District Development implementation process.

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 IUDG flagship programmes in intermediary cities. In essence the IUDG aims to achieve three main outcomes:

- Improved access to municipal infrastructure,
- Improved quality of municipal services through infrastructure that is in a better condition, and
- Improved spatial integration

Lastly the IUDG will assist to promote sound asset management in order to ensure that infrastructure remains functional and thus that public investment in infrastructure does in fact result in functional urban environments on a sustainable basis.

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 the objectives as well as to the DDM 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.

Intergovernmental Relations Framework Act

DCoG will revise the Intergovernmental Relations Framework Act to enhance interdepartmental and intergovernmental coordination by the end of 2021. 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 entail relooking at local government 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.

We will also facilitate a process of developing Section 47 (1) (b) regulations of the Intergovernmental Relations Framework Act, 2005. This is to ensure that we 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.

Implementation of government programmes through District Development Model

Integrated planning and coordination (District Development Model) The President launch the DDM in September 2019. In the spirit of Khawuleza, while the Department is still perfecting the model, the DDM pilots have been launched in the OR Tambo District Municipality, eThekweni Metropolitan Municipality and Waterberg District Municipality

This plan include the development of strategy towards smart cities within local government. This will be done through over 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.

Capital Expenditure Framework

CEF provides a context for services and infrastructure investment to take place within a developmental profile of an identified area, propose spatially based interventions and allow for development and growth. The Department through partnerships will facilitate the Identification of priority development areas to target investment, guide intergovernmental investment and transform municipal spaces to enable establishment of catalytic local economic projects per district, in an effort to make a substantial impact and contribution to building local communities.

We will also support municipalities to developed LED strategies that in order to stimulate local employment opportunities, this will ensure that inclusive economic development takes place at local level. This enables communities to take charge of their own economic growth within the municipal space.

Programme Resource Considerations

Budget allocation as per the ENE and/or the EPRE.

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Audited outcome	Audited outcome	Audited outcome	Revised Estimate	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand							
Subprogrammes							
Management: Regional and Urban Development and Legislative Support	414	703	1	3 653	3 906	4 147	4 303
Local Government Legislative Support and Institutional Establishment	4 034	5 271	4 973	6 382	7 203	7 645	7 116
Urban Development Planning	4 918	9 559	14 010	7 309	12 864	13 710	14 187
Spatial Planning Districts and Regions	9 870	7 445	9 862	12 268	13 050	13 824	14 176
Intergovernmental Policy and Practice	4 311	5 124	5 972	11 453	12 265	13 036	13 528
Municipal Demarcation Transition Grant	297 422	139 714	-	-	-	-	-
Municipal Demarcation Board	59 220	57 631	55 568	64 268	66 807	70 601	74 340
South African Cities Network	9 119	6 950	9 353	7 765	7 907	8 500	8 956
Integrated Urban Development Grant	-	-	-	856 895	947 491	1 015 025	1 075 368
Total	389 308	232 397	99 739	969 993	1 071 493	1 146 488	1 211 974
Economic classification							
Current payments	23 514	28 102	34 804	41 011	49 288	52 362	53 310
Compensation of employees	17 936	16 810	21 939	25 682	32 809	34 982	36 252
Goods and services	5 578	11 292	12 865	15 329	16 479	17 380	17 058
Transfers and subsidies	365 794	204 295	64 921	928 982	1 022 205	1 094 126	1 158 664
Payments for financial assets	-	-	14	-	-	-	-
Total	389 308	232 397	99 739	969 993	1 071 493	1 146 488	1 211 974

Programme 3: Institutional Development

Programme purpose: Build institutional resilience in local government by supporting system development, governance and capacity building.

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.



Programme 3: Outcomes, Outputs, Performance Indicators and Targets

Outputs	Output Indicators	Annual Targets					
		Audited/Actual Performance			MTEF Period		
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Outcome: Sustained Good Municipal Governance							
Finalise amendments to the Municipal Structures Act, 1998	3.1 Municipal Structures Bill finalised	Municipal Structures Bill	Municipal Structures Bill	Municipal Structures Bill	Municipal Structures Bill	Municipal Structures Bill enacted by the President	Municipal Structures Amendment Act implemented by provinces and municipalities
Municipal Staff Regulations implemented	3.2 Number of district training session on the implementation of Municipal Staff Regulations held for district and their locals	Nil	Nil	Nil	Draft Municipal Staff Regulations	Sixteen district training session on the implementation of Municipal Staff Regulations held for district and their locals	Seventeen district training session on the implementation of Municipal Staff Regulations held for district and their locals
Compliance with Regulations for appointment of municipal managers and managers directly accountable to municipal managers, including prescribed minimum competency requirements	3.3 % of identified district municipalities with its locals assessed on compliance with the Appointment Regulations	Nil	Nil	Nil	Nil	25% of identified district municipalities with its locals assessed on compliance with the Appointment Regulations	37% of identified district municipalities with its locals assessed on compliance with the Appointment Regulations

Outputs	Output Indicators	Annual Targets						
		Audited/Actual Performance			Estimated Performance	MTEF Period		
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Improved Audit Outcomes	3.4 Report on the implementation of actions to address issues raised by the AGSA in line with section 134 of the MFMA	Report on the implementation of actions to address issues raised by the AGSA submitted to Parliament annually			New Indicator	Report on the implementation of actions to address issues raised by the AGSA in line with section 134 of the MFMA	Report on the implementation of actions to address issues raised by the AGSA in line with section 134 of the MFMA	Report on the implementation of actions to address issues raised by the AGSA in line with section 134 of the MFMA
Integrated local government capacity building framework	3.5 Integrated local government capacity building framework reviewed	Nil	Nil	Nil	Nil	Capacity building strategy for local government reviewed.	Integrated local government capacity building framework developed, adopted and implemented	100% Metros and Districts monitored and supported to implement Integrated local government capacity building framework
Compliance with Municipal Performance Regulations for municipal managers and managers directly accountable to municipal managers	3.6 % of identified district municipalities with its locals assessed on compliance with Municipal Performance Regulations	Nil	Nil	Nil	Nil	25% of identified district municipalities with its locals assessed on compliance with the Municipal Performance Regulations	38% of identified district municipalities with its locals assessed on compliance with the Municipal Performance Regulations	37% of identified district municipalities with its locals assessed on compliance with the Municipal Performance Regulations

Outputs	Output Indicators	Annual Targets						
		Audited/Actual Performance			Estimated Performance	MTEF Period		
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Compliance with Disciplinary Regulations for senior managers	3.7 % of identified district municipalities with its locals assessed on compliance with Disciplinary Regulations for senior managers	Nil	Nil	Nil	Nil	25% of district municipalities with its locals assessed on compliance with the Disciplinary Regulations	38% of district municipalities with its locals assessed on compliance with the Disciplinary Regulations	37% of district municipalities with its locals assessed on compliance with the Disciplinary Regulations
Compliance with the Notice on upper limits for remuneration of municipal managers and managers directly accountable to municipal managers	3.8 % of identified district municipalities with its locals assessed on compliance with the Notice on upper limits for remuneration of senior managers	Nil	Nil	Nil	Nil	30% of identified district municipalities with its locals assessed on compliance with the Notice on upper limits for remuneration of senior managers.	30% of identified district municipalities with its locals assessed on compliance with the Notice on upper limits for remuneration of senior managers	40% of identified district municipalities with its locals assessed on compliance with the Notice on upper limits for remuneration of senior managers
Compliance with the Notice on upper limits of salaries, allowances and benefits of different members of municipal councils	3.9 % of identified district municipalities with its locals assessed on compliance with the Notice on upper limits for remuneration of municipal councils	Nil	Nil	Nil	Nil	30% of identified district municipalities with its locals assessed on compliance with the Notice on upper limits for remuneration of municipal councils	30% of identified district municipalities with its locals assessed on compliance with the Notice on upper limits for remuneration of municipal councils	40% of identified district municipalities with its locals assessed on compliance with the Notice on upper limits for remuneration of municipal councils

Outputs	Output Indicators	Annual Targets							
		Audited/Actual Performance		Estimated Performance	MTEF Period				
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Outcome: Integrated Planning and Service delivery									
Implementation of the Smart City Framework	3:10 Smart Cities Framework Developed	New	New	New	New indicator	Smart Cities Framework developed and approved by the Minister	Three municipalities (Metro/Secondary City/Local) supported to develop SMART City strategies	Three municipalities (Metro/Secondary City/Local) supported to implement SMART City strategies	Eight municipalities (Metro/Secondary City/Local) supported to develop SMART City strategies

Output indicators: Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
3.1 Municipal Structures Bill finalised	Municipal Structures Bill finalised by the NCOP	Support the NCOP and Provincial Legislatures on the processing of the Municipal Structures Bill	Support the NCOP and Provincial Legislatures on the processing of the Municipal Structures Bill	Support the NCOP and Provincial Legislatures on the processing of the Municipal Structures Bill	Support the NCOP in finalising the Municipal Structures Bill
3.2 Number of district training session on the implementation of Municipal Staff Regulations held for district and their locals	Eleven of district training session on the implementation of Municipal Staff Regulations held for district and their locals	No target	Municipal Staff Regulations published	Five district training session on the implementation of Municipal Staff Regulations held for district and their locals	Six of district training session on the implementation of Municipal Staff Regulations held for district and their locals
3.3 % of identified district municipalities with its locals assessed on compliance with the Appointment Regulations	25% of identified district municipalities with its locals assessed on compliance with the Appointment Regulations	6% of identified district municipalities with its locals	6% of identified district municipalities with its locals	6% of identified district municipalities with its locals	7% of identified district municipalities with its locals
3.4 Report on the implementation of actions to address issues raised by the AGSA in line with section 134 of the MFMA	Report on the implementation of actions to address issues raised by the AGSA in line with section 134 of the MFMA	Notice to MECs for Local Government to submit assessment reports on actions taken to address issues raised by AGSA issued	MFMA sec 134 report on actions taken to address issues raised by AGSA developed	No target	No target
3.5 Integrated local government capacity building strategy developed	Integrated local government capacity building strategy developed	Nil	Develop a draft integrated local government capacity building strategy	Consult the draft integrated local government capacity building strategy with key stakeholders	Integrated capacity building strategy for local government approved
3.6 % of identified district municipalities with its locals assessed on compliance with Municipal Performance Regulations	25% of identified district municipalities with its locals assessed on compliance with the Municipal Performance Regulations	6% of identified district municipalities with its locals	6% of identified district municipalities with its locals	6% of identified district municipalities with its locals	7% of identified district municipalities with its locals

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
3.7 % of identified district municipalities with its locals assessed on compliance with Disciplinary Regulations for senior managers	25% of identified district municipalities with its locals assessed on compliance with the Disciplinary Regulations	6% of identified district municipalities with its locals	6% of identified district municipalities with its locals	6% of identified district municipalities with its locals	7% of identified district municipalities with its locals
3.8 % of identified district municipalities with its locals assessed on compliance with the Notice on upper limits for remuneration of senior managers	30% of identified district municipalities with its locals assessed on compliance with the Notice on upper limits for remuneration of senior managers by 31 March 2021	8% of identified district municipalities with its locals	8% of identified district municipalities with its locals	8% of identified district municipalities with its locals	6% of identified district municipalities with its locals
3.9 % of identified district municipalities with its locals assessed on compliance with the Notice on upper limits for remuneration of municipal councils	30% of identified district municipalities with its locals assessed on compliance with the Notice on upper limits for remuneration of municipal councils by 31 March 2021	8% of identified district municipalities with its locals	8% of identified district municipalities with its locals	8% of identified district municipalities with its locals	6% of identified district municipalities with its locals
3.10 Smart Cities Framework Developed	SMART cities framework developed and approved by the Minister by 31 March 2021	No target	Concept document on SMART cities developed	Draft framework on SMART cities developed	SMART cities framework finalised approved by the Minister

Explanation of Planned Performance over the Medium Term Period

Sound Financial Management

DCoG together with National Treasury, provinces and municipalities, will facilitate initiatives to improve financial sustainability, revenue management and audit outcomes for Local Government. Attention will be dedicated to the reduction of qualified audits through elimination of irregular, wasteful and fruitless expenditure. The responsibility to ensure that municipalities are financial viable is a joint responsibility of the national treasury, DCoG and provincial Treasuries

Revenue Management

The poor response from consumers (residents, national and provincial government departments, with regard to payment for services provided by municipalities and insufficient budget allocations by organs of state to service current and historic debt is the prime reason why municipalities are struggling to meet their own payment obligations to Eskom and water boards.

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 implementation programmes for payment of services based on the 'user pay principle'. We will also continue with our simplified revenue project, which aims to enhance municipal revenue management and debt collection system.

This strategic intervention is bas on the review and update of revenue policies and by-laws; Billing (accurate reading/capturing of electricity and water meters); Monitoring of consumer/debtors accounts (debtor's management); Data cleansing and analysis; Indigent register management; Customer relations management.

The implementation of the Municipal Property Rates Act plays a key role in achievement of key government priorities. Revenue from property rates is used to fund services that benefit the community as a whole as opposed to individual households. These include installing and maintaining streets, roads, sidewalks, lighting, and storm drainage facilities; and building and operating clinics, parks, recreational facilities and cemeteries. Property rates revenue 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. This means that the achievement of the DCoG outcome related to increase revenue from property will also augment the fundamental objective of the back to basics programme related to Creating conditions for decent living. We will support municipalities to continue building of in-house capacity to perform legislative functions and stabilise institutional and governance systems through the close monitoring the value of Municipal Systems Improvement Grant dispersed and coordinate the activities relating to the administration of the 2017/18 Municipal Systems Improvement Grant (MSIG) in line with the DoRA and the PFMA.

Implementation of the Anti-corruption strategy

The local government Anti-corruption strategy monitors the application of Regulation 32 of the Municipal Finance Management Act, which covers regulations on supply chain management processes, fruitless, wasteful and irregular expenditure and code of conduct of councillors within local government.

We will monitor the implementation of the Local Government anti-corruption strategy by firstly assessing the extent to which their strategies are line with the National Local Government anti-corruption strategy with respect to the values and principles set out in section 195 of the constitution that promote good governance and combatting corruption. This will include assessing whether there is effective prevention, Detection, investigation and prudent resolution of corruption across all the 52 local spaces. We will also monitor the implementation of awareness and prevention campaigns by municipalities.

We envisage that by the end of 2025, through collaborative efforts with National sector departments, Provincial Anti-corruption Working Groups, Law Enforcement Agencies, Special Investigating Unit, National and Provincial Treasury, District, metros and local municipalities there will be reduction of corrupt practices within local government and a coherent and committed effort to reduce the incidents of corruption. We will go a step further to monitor the implementation of recommendations of forensic reports and investigations.

Implementation of local government capacity building framework

The lack of capacity in local government is a recurring theme as is the lack impact on the current initiatives. We plan 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. We will also deploy financial technical capacity in targeted Districts to improve financial management.

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

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.

Municipal Systems Amendment Act

The Municipal Systems Amendment Act, 2011 was declared invalid and unconstitutional by the Constitutional Court on 20 March 2019 following failure by the Legislature to remedy the tagging defect. During the 2020/21 financial year, the Department will support Parliament to approve the Bill prior ascension by the President.

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.

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.

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.

The Framework for Mainstreaming Citizen Engagement is to improve public participation. We want to better understand what we are already doing, and identify what types of engagement contribute most to results, so we can develop a coherent approach to citizen engagement. We will also develop social compacts to foster partnerships at all levels through engagement with civil society, private sector and citizens.

As part of Citizen Engagement's contribution towards improving public trust and confidence in local government, focus will be on the following:

- 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.

The National Capacity Building Framework (NCBF) is implemented across all municipalities though the emphasis is more on skills programmes (individual capacity building) e.g. municipalities compile and implement their Workplace Skills Plans on annual basis.

Programme Resource Considerations

Budget allocation as per the ENE and/or the EPRE.

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Audited outcome	Audited outcome	Audited outcome	Revised Estimate	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand							
Subprogrammes							
Management: Institutional Development	5 419	1 461	1 242	1 637	3 891	4 134	4 289
Municipal Human Resources Management Systems	8 903	8 408	13 455	16 419	10 992	11 672	12 109
Municipal Finance	5 853	8 567	27 433	31 154	63 952	34 668	35 632
Citizen Engagement	6 548	8 020	7 265	7 526	8 021	8 503	8 822
Anti-Corruption and Good Governance	3 886	6 023	8 051	7 678	7 050	7 412	7 652
Municipal Property Rates	6 560	6 856	8 881	12 494	13 637	14 498	15 042
Local Government Equitable Share	50 708 988	55 613 725	60 757 889	68 973 465	74 683 326	81 061 819	87 212 717
South African Local Government Association	31 500	31 300	33 100	33 879	35 010	36 935	38 307
Municipal Systems Improvement Grant	19 379	50 647	93 749	111 062	128 248	135 302	140 331
Department of Traditional Affairs	-	-	-	-	-	-	-
United Cities and Local Government of Africa	-	11 600	5 800	7 162	7 556	8 092	8 393
Total	50 797 036	55 746 607	60 956 865	69 202 476	74 961 683	81 323 035	87 483 294
Economic classification							
Current payments	56 529	89 469	136 401	187 359	235 151	215 514	223 176
Compensation of employees	28 673	29 451	35 399	39 017	45 094	47 960	49 711
Goods and services	27 856	60 018	101 002	148 342	190 057	167 554	173 465
Transfers and subsidies	50 740 488	55 657 138	60 820 294	69 015 106	74 726 532	81 107 521	87 260 118
Payments for capital assets	19	-	142	11	-	-	-
Payments for financial assets	-	-	28	-	-	-	-
Total	50 797 036	55 746 607	60 956 865	69 202 476	74 961 683	81 323 035	87 483 294

Programme 4: National Disaster Management Centre

Programme purpose: Promote an integrated and coordinated system of disaster prevention, mitigation and risk management.

Purpose:

Role of the Programme 4 in the DDM

The programme will contribute to the implementation of the National Climate Change Adaptation Strategy which introduce measures to reduce disaster risks and adapt to the effects of climate change and variability.

The Disaster Management Act, 2002 (Act No. 57 of 2002) 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, accessed 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'

Programme 4: Outcomes, Outputs, Performance Indicators and Targets

Outputs	Output Indicators	Annual Targets						
		Audited /Actual Performance		Estimated Performance		MTEF Period		
		2016/17	2016/17	2017/18	2018/2019	2020/21	2021/22	2022/23
Outcome: Integrated planning and service delivery								
Municipalities in priority disaster areas supported to prevent, prepare for and mitigate disaster risks through implementation of the applicable disaster management plans	4.1 Number of municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through implementation of the applicable disaster management plans	8 DM plans assessed	8 DM plans assessed	8 DM plans assessed	2 Disaster Management Plans with disaster risk priorities integrated into the DDM One Plan of 2 municipal spaces	10 municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans	10 municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans	10 municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans
Disaster grants reviewed	4.2 Disaster Grant funding reviewed and implemented	3 Disaster Grant Frameworks	Reviewed disaster grant funding implemented and reported on	Reviewed disaster grant funding implemented and reported on	Reviewed disaster grant funding implemented and reported on			
Strengthen early warning systems by implementing impact-based early warning system to enable disaster management contingency arrangements.	4.3 Number of districts and metros with increased access to impact based early warning services for identified weather hazards	-	-	-	Conducted 7 stakeholder workshops to pilot and test the impact early warning system.	3 Provinces (9 selected Districts and 2 Metros) with increased access to impact based early warning services for identified hazards.	3 Provinces (9 Districts and 2 Metros) with increased access to impact based early warning services for identified hazards.	3 Provinces (9 Districts and 2 Metros) with increased access to impact based early warning services for identified hazards.

Outputs	Output Indicators	Annual Targets						
		Audited /Actual Performance				Estimated Performance	MTEF Period	
		2016/17	2016/17	2017/18	2018/2019		2020/21	2021/22
Priority national sector departments assessed and supported to implement the disaster management function	4.4 Number of priority national sector departments assessed and supported to implement disaster management function	-	-	-	-	2 priority national sector departments assessed and supported to implement the disaster management function	2 priority national sector departments assessed and supported to implement the disaster management function	2 priority national sector departments assessed and supported to implement the disaster management function
Review of Fire Services legislation	4.5 Improve firefighting capacity in Districts	-	-	-	-	Draft White Paper on Fire Services finalised	Draft Bill on Fire Services prepared	Draft Bill on Fire Services submitted to Cabinet

Output indicators: Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
4.1 Number of municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through implementation of the applicable disaster management plans	10 municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans	2 municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans	2 municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans	3 municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans	2 municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans
4.2 Disaster Grant funding reviewed and implemented	Concept document on the review of the disaster grant funding developed	Stakeholder consultations undertaken on the review of the disaster grant funding	Concept document on the review of the disaster grant funding developed and circulated for inputs	Stakeholder inputs consolidated in the concept document	Concept document finalised and approved
4.3 Number of districts and metros with increased access to impact based early warning services for identified weather hazards	9 Districts and 2 Metros with increased access to impact based early warning services for identified hazards	Planning and advisory meetings held with SA Weather Service. Planning meeting held with Districts 2 Districts workshopped on impact-based early warning	3 Districts and 1 Metro workshopped on impact-based early warning	3 Districts and 1 Metro workshopped on impact-based early warning	1 District workshopped on impact-based early warning. National Report on implementation of impact-based early warning in the 9 Districts prepared
4.4 Number of priority national sector departments assessed and supported to implement disaster management function	2 priority national sector departments assessed and supported to implement disaster management function	Introductory meetings held with two priority national sector departments	Assessments of two priority national sector departments conducted	Workshops with two priority national sector departments on implementing the disaster management function	Areas of improvement identified and actions recommended for improvement
4.5 Improve firefighting capacity in Districts	Draft White Paper on Fire Services finalised		Draft White Paper on Fire Services tabled at Cabinet Committees	Draft White Paper on Fire Services tabled at Cabinet Committees	Draft White Paper on Fire Services tabled at Cabinet for approval

Explanation of Planned Performance over the Medium Term Period

Weather-related disasters are by far the most frequent disasters in South Africa and across the globe. Annually they cause loss of lives, impact livelihoods and cause damages to infrastructure, harm societies and economies. We commit to work with our strategic partners to support the Climate Change Adaptation Approach of the Government's National Climate Change Response Policy, to effectively manage inevitable climate change impacts through interventions that build and sustain South Africa's social, economic and environmental resilience and emergency response capacity. We will also remain focused on addressing root causes and effects of human made hazards (anthropogenic) as not all disasters are drive by natural factors.

As our point of departure, we will strive to establish effective and multi-disciplinary institutional arrangements for disaster risk management in the country. To ensure structured implementation of the function, we will continue to establishing indicative national risk profiles (identification of communities, areas & infrastructure at risk) and encourage municipalities to utilise the Climate Change Response Toolkit, which guides municipalities to identify sectors most at risk from the impacts of climate variability and changing climate and explore opportunities for adaptation and mitigation. This will be done within the context of the National Disaster Management Framework 2005.

To facilitate adherence to regulation for effective coordination of disaster management and fire services across South Africa, the National Centre will, within its legislative mandate, guide and support all role-players inclusive of municipalities to perform their function of complying and enforcing compliance with regard to human settlement risks – flood lines, dolomitic areas, shack fires, etc. through municipal by-laws, building regulations and standards and implementation of sector directives.

The Department is the signatory to the United Nations Sendai Framework for Disaster Risk Reduction. We will contribute to the achievement of the following targets as aligned to the Sendai Framework:

- Substantially Reduce global disaster mortality by 2030;
- Substantially reduce disaster damage to critical infrastructure and basic services;
- Increase the number of countries with national and local disaster risk reduction strategies; and
- Substantially increase the availability of and access to multi hazard and early warning systems and disaster risk information.

Programme Resource Considerations

Budget allocation as per the ENE and/or the EPRE.

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Audited outcome	Audited outcome	Audited outcome	Revised Estimate	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand							
Subprogrammes							
Management: Head of the National Disaster Management Centre	5 585	4 834	3 176	4 370	4 354	4 626	4 802
Disaster Risk Reduction, Capacity Building and Intervention	7 120	10 360	45 401	41 485	54 513	57 512	59 761
Legislation and Policy Management	4 479	5 658	6 010	6 785	7 241	7 684	7 972
Integrated Provincial Disaster Management Support, Monitoring and Evaluation	2 696	2 166	3 243	4 834	5 182	5 510	5 714
Fire Services	2 698	3 332	3 585	3 512	5 480	6 033	6 261
Information Technology, Intelligence and Information Management System	14 629	16 231	18 472	25 700	30 428	32 180	33 436
Disaster Relief Grant	118 075	423 712	122 678	466 392	492 429	519 513	543 969
Municipal Disaster Recovery Grant	140 000	26 147	1 151 388	133 220	-	-	-
Provincial Disaster Recovery Grant	-	-	16 304	-	-	-	-
Total	295 282	492 440	1 370 257	686 298	599 627	633 058	661 915
Economic classification							
Current payments	33 567	41 173	79 103	83 648	104 315	110 509	114 742
Compensation of employees	19 731	20 386	22 448	22 384	29 901	31 778	32 922
Goods and services	13 836	20 781	56 655	61 264	74 414	78 731	81 820
Interest and rent on land	-	6	-	-	-	-	-
Transfers and subsidies	260 326	450 204	1 290 475	600 011	492 528	519 612	544 068
Payments for capital assets	1 389	1 063	671	2 639	2 784	2 937	3 105
Payments for financial assets	-	-	8	-	-	-	-
Total	295 282	492 440	1 370 257	686 298	599 627	633 058	661 915

Programme 5: Local Government Support and Interventions Management

Programme purpose: Conduct performance monitoring, support and interventions in municipalities and provincial departments of cooperative governance that will drive Back to Basics activities.

Role of the Programme in the DDM:

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 performance monitoring and reporting in terms of the Municipal Systems Act
- Support to Provinces and municipalities through M&E learning networks and fora;
- B2B reporting on progress in terms of the pillars
- Evaluation of Departmental programmes for informed programme design, policy shifts and strategic direction.



Programme 5: Outcomes, Outputs, Performance Indicators and Targets

Outputs	Output Indicators	Annual Targets						
		Audited /Actual Performance			MTEF Period			
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Integrated planning and service delivery								
MIG spending	5.1 % of MIG receiving municipalities spending 90% of MIG allocation				66% of MIG receiving municipalities spending 90% of MIG allocation	75% of MIG receiving municipalities spending 90% of MIG allocation	80% of MIG receiving municipalities spending 90% of MIG allocation	85% of MIG receiving municipalities spending 90% of MIG allocation
Sustained good Municipal governance								
Section 100 improvement plans implemented	5.2 Number of reports on implementation of improvement plans for section 100 interventions				1 Section 100 interventions	All Section 100 improvement plans implemented	All Section 100 improvement plans implemented	All Section 100 improvement plans implemented
Section 139 improvement plans implemented	5.3 Number of reports on implementation of improvement plans for section 139 intervention				41 Section 139 interventions	All Section 139 improvement plans implemented	All Section 139 improvement plans implemented	All Section 139 improvement plans implemented
Section 154 support plans developed and implemented	5.4 Number of reports on implementation of section 154 support plans in distressed municipalities					All Section 154 support plans developed and implemented	All Section 154 support plans developed and implemented	All Section 154 support plans developed and implemented

Output indicators: Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
5.1 % of MIG receiving municipalities spending 90% of MIG allocation	75% of MIG receiving municipalities spending 90% of MIG allocation	75% of MIG receiving municipalities spending 90% of MIG allocation	75% of MIG receiving municipalities spending 20% of MIG allocation	75% of MIG receiving municipalities spending 40% of MIG allocation	75% of MIG receiving municipalities spending 60% of MIG allocation
5.2 Number of reports on implementation of improvement plans for section 100 interventions	All Section 100 improvement plans implemented	Report on the implementation of the Directives			
5.3 Number of reports on implementation of improvement plans for section 139 intervention	All Section 139 improvement plans implemented	Report on the implementation of the improvement plan	Report on the implementation of the improvement plan	Report on the implementation of the improvement plan	Report on the implementation of the improvement plan
5.4 Number of reports on implementation of section 154 support plans in distressed municipalities	All Section 154 support plans developed and implemented	Report on the implementation of section 154 support plans	Report on the implementation of section 154 support plans	Report on the implementation of section 154 support plans	Report on the implementation of section 154 support plans

Explanation of Planned Performance over the Medium Term Period

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:

- Performance management system development, maintenance, (indicators, regulation, reporting burden, AGSA indicators for performance audits) monitoring and reported on in the section 48 report;
- Provincial and Municipal Monitoring, Reporting and Evaluation system development and support;
- Support to Provinces and municipalities through M&E learning networks and fora;
- B2B reporting on progress with the implementation of the service delivery and audit improvement plans;
- Evaluation of Departmental programmes for informed programme design, policy shifts, strategic direction, and strategic direction; and
- Develop a framework, systems, processes and appropriate legal instruments for the monitoring of the SALGA, the Cities Network, UCLGA and the MDB against transfers.

Programme Resource Considerations

Budget allocation as per the ENE and/or the EPRE.

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Audited outcome	Audited outcome	Audited outcome	Revised Estimate	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand							
Subprogrammes							
Management: Local Government Support and Interventions	2 974	2 400	2 937	3 715	3 973	4 219	4 379
Municipal Performance Monitoring	274 242	22 128	12 280	12 267	12 720	13 503	14 010
Local Government Improvement Programme	26 110	22 944	25 167	90 866	29 831	31 703	32 888
Litigations and Interventions	-	7 782	499	8 001	10 017	10 568	10 930
Municipal Infrastructure Administration	31 001	33 933	34 766	34 735	42 524	45 187	46 867
Municipal Infrastructure Grant	14 914 028	15 891 252	15 287 685	14 816 103	14 671 641	15 936 791	16 852 001
Municipal Infrastructure Support Agent	349 889	381 483	342 456	343 976	359 749	379 199	393 309
Total	15 598 244	16 361 922	15 705 790	15 309 663	15 130 455	16 421 170	17 354 384
Economic classification							
Current payments	72 017	78 507	75 206	149 224	99 065	105 180	109 074
Compensation of employees	55 716	58 740	60 147	62 218	73 798	78 529	81 416
Goods and services	16 301	19 767	15 059	87 006	25 267	26 651	27 658
Transfers and subsidies	15 526 227	16 283 367	15 630 561	15 160 439	15 031 390	16 315 990	17 245 310
Payments for capital assets	-	48	-	-	-	-	-
Payments for financial assets	-	-	23	-	-	-	-
Total	15 598 244	16 361 922	15 705 790	15 309 663	15 130 455	16 421 170	17 354 384

Programme 6: Community Work Programme

Programme purpose: Conduct performance monitoring, support and interventions in municipalities and provincial departments of cooperative governance that will drive Back to Basics activities.

Role of the Programme in the DDM:

CWP is collaborating with MISA to support implementation of the DDM in the 52 Districts which aims at enhancing its useful work activities to support infrastructure maintenance while focusing on addressing challenges of youth unemployment. Furthermore, CWP is implementing agrarian projects in some districts aiming at promoting food security and contributing towards stimulation of local economies



Programme 6 : Outcomes, Outputs, Performance Indicators and Targets

Outputs	Output Indicators	Annual Targets					MTEF Period	
		Audited /Actual Performance		Estimated Performance		2021/22		2021/23
		2017/18	2018/19	2019/20	2020/21			
Outcome: Integrated Planning and Service delivery								
Redesigned CWP Model	6.1 Redesigned CWP Model approved	New Indicator	New Indicator	New Indicator	New Indicator	Redesigned CWP Model approved by the Minister and adopted by Cabinet	Redesigned CWP Model implemented	Redesigned CWP Model implemented
CWP participants enrolled	6.2 Number of people participating in the programme by target date					250 000 people participating in the programme	250 000 people participating in the programme	250 000 people participating in the programme
CWP participants trained	6.3 Number of CWP participants trained annually by target date					25 000 CWP participants trained annually	25 000 CWP participants trained annually	25 000 CWP participants trained annually
CWP partnership	6.4 Number of partnerships established by 31 March 2021					5 partnerships established	5 partnerships established	5 partnerships established
Agrarian projects	6.5 Number of agrarian projects established per district	New Indicator	New Indicator	New Indicator	New Indicator	Two agrarian projects established per district through CWP	Two agrarian projects established per district through CWP	Two agrarian projects established per district through CWP

Output indicators: Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
6.1 Redesigned CWP Model approved	Redesigned CWP Model approved by the Minister and adopted by Cabinet	Model options analysis report	Redesigned CWP Model approved by the Minister	Institutional arrangement aligned to redesigned model	Redesigned CWP Model adopted by Cabinet
6.2 Number of people participating in the programme by target date	250 000 people participating in the programme by 31 March 2021	250 000 people participating in the programme	250 000 people participating in the programme	250 000 people participating in the programme	250 000 people participating in the programme
6.3 Number of CWP participants trained annually by target date	25 000 CWP participants trained annually by target date	Conduct training procurement	5000 CWP participants trained annually	10 000 CWP participants trained annually by target date	10 000 CWP participants trained annually by target date
6.4 Number of partnerships established by 31 March 2021	6 partnerships established by 31 March 2021	1 partnerships established	1 partnerships established	3 partnerships established	1 partnerships established
6.5 Number of agrarian projects established per district	Ten functional cooperative per Agrarian Revolution project	Two functional cooperative per Agrarian Revolution project	Two functional cooperative per Agrarian Revolution project	Four functional cooperative per Agrarian Revolution project	Two functional cooperative per Agrarian Revolution project

Explanation of Planned Performance over the Medium Term Period

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 re-modelled 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.

Control and reporting environment

The redesigned model will introduce controls to improve operational efficiencies and performance accountability through stringent contract management guided by the SLA checklist to be administered on a quarterly basis.

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 and provision of useful work done by participants for example waste management, greening, closing of potholes, cleaning of culverts.

Partnerships to stimulate Economic development initiatives

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

Partnerships will be entered into to implement inter-sectoral action towards improve food security and nutrition.

Programme Resource Considerations

Budget allocation as per the ENE and/or the EPRE.

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Audited outcome	Audited outcome	Audited outcome	Revised Estimate	Revised Baseline	Revised Baseline	Revised Baseline
Rand thousand							
Subprogrammes							
Management: Community Work Programme	2 368 246	3 114 003	3 325 280	3 659 900	4 113 022	4 357 966	4 550 459
Programme Coordination	1 455	1 169	1 456	45 260	48 029	50 821	52 715
Partnerships, Norms, Standards and Innovation	1 395	594	1 891	13 969	14 819	15 676	16 264
Total	2 371 096	3 115 766	3 328 627	3 719 129	4 175 870	4 424 463	4 619 438
Economic classification							
Current payments	2 369 792	3 104 680	3 290 191	3 713 119	4 175 870	4 424 463	4 619 438
Compensation of employees	28 504	38 642	31 558	32 853	49 085	52 277	56 828
Goods and services	2 341 288	3 066 038	3 258 633	3 680 266	4 126 785	4 372 186	4 562 610
Transfers and subsidies	14	68	390	10	-	-	-
Payments for capital assets	1 290	11 018	38 041	6 000	-	-	-
Payments for financial assets	-	-	5	-	-	-	-
Total	2 371 096	3 115 766	3 328 627	3 719 129	4 175 870	4 424 463	4 619 438

Updated Key Risks and Mitigations

Outcomes	Key Risks	Risk Mitigations
Integrated Planning and service delivery	Fragmented planning across the three spheres	Development of s47(1)(b) Regulation (IGRFA) to ensure seamless planning processes.
	Misaligned IDPs and One Plans	Development and roll out of the guidelines on the alignment of IDPs and One Plans.
	Weak infrastructure planning	Develop a Capital Expenditure Framework in 12 municipalities
	Poor implementation of the indigent policies	Review gaps and monitor the implementation of indigent policies. Capacitate the National and Provincial departments to monitor implementation.
	Lack of capacity and resources to implement climate change adaption and disaster risk reduction programs in the municipalities	Build capacity and allocate resources to implement disaster risk reduction and climate change adaptation measures within municipalities.
	Institutional interdependencies	Establish collaborative arrangements with relevant organs of state.
	Policy incoherence in the provision of fire services	Introduction of the new legislation and policy on fire services
Sustained good Municipal governance	Limited involvement and support by sectors in terms of integrated planning on infrastructure	Review the Fiscal Framework to improve seamless grant coordination.
	District municipalities not performing statutory functions effectively	Finalise the Powers and Functions Identify revenue streams for districts municipalities.
	Inadequate and ineffective accountability systems and processes within municipalities	Amendment of Municipal Systems Act to allow prototype organograms to be enforced by municipalities. Promulgation and monitoring of the roll out of municipal staff regulations to cascade Performance Management to staff below section 57. Standardise job descriptions for employees below senior managers. Review draft organograms before adoption by Council. Review National and Provincial capacity to improve capacity.
	Weaknesses in the functionality of ward committees	Finalise the review of the composition and roles and functions of ward committees.
	Weak relations between government and communities	Regular awareness, monitor the effectiveness of the GovChat tool and roll out to all municipalities
	Inaccurate reporting of information Ineffective monitoring systems	Establish an information management System Unit to manage the information from various stakeholders. Develop a framework to monitor and report the implementation of district plans.

Outcomes	Key Risks	Risk Mitigations
Improved Municipal Financial Viability	Municipalities inability to generate revenue	<p>Develop and implement a differentiated approach for the provision of services in different contexts (highly densified rural areas and scattered settlements, norms and standards).</p> <p>Implementation of the credit control and debt policy.</p> <p>Develop a tariff setting framework to assist municipalities</p> <p>Develop a models for the rollout of prepaid meters.</p>
	Inadequate Community Work Programme design	<p>Remodelling of the programme.</p> <p>Strengthen monitoring and contract management.</p>
Effective and efficient corporate governance systems to drive the implementation of the DDM	Inadequate funding	<p>Re align and re prioritise the budget.</p> <p>Source additional funding through donors/ partnerships.</p>
	The organisational structure may not support the strategy	<p>Re-align the organisational structure to support the implementation of the strategy.</p> <p>Implementation of the change management strategy.</p>
	Misaligned strategy, APP targets, budget and individual performance.	<p>Alignment of planning, budgeting and performance agreement processes.</p> <p>Develop and implement adequate systems of performance management systems.</p> <ul style="list-style-type: none"> Link the individual targets with those of the Branches to ensure alignment and seamless monitoring and evaluation of performance targets.
	Limited human capacity	<p>Review human resource needs and develop a resource plan.</p>
	Non-compliance with policies and applicable prescripts	<p>Ensure compliance with policies and procedures.</p> <p>Implement consistent consequence management for failure to comply with policies and procedures.</p> <p>Regular review of policies and procedures.</p> <p>Acquire a suitable office accommodation that complies with health and safety standards</p> <p>Conduct regular audits and implementation of recommendations.</p>
	Material misstatements on the financial statements.	<p>Timeous collection of information and quality review of financial statements.</p> <p>Review and strengthen the capacity and capability.</p>

Outcomes	Key Risks	Risk Mitigations
Effective and efficient corporate governance systems to drive the implementation of the DDM	Inability to pay suppliers within 30 days	Centralise the submission of invoices Expedite the implementation of the invoice tracking tool.
	Ineffective governance structures and processes	Ensure that authority and accountability for key responsibilities is understood at all levels. Enforce consequence management where required.
	Ineffective ICT support	Review the ICT strategy to accommodate the needs of the Department Source additional funding Increase storage and bandwidth
	Poor data governance	Review and strengthen data policies, processes and controls. Secure storage for data maintenance
	Uncoordinated communication on the implementation of the DDM	Develop and implement the communication plans and strategies driven by National and Provinces. Collaborate with GCIS and Provinces to ensure coordination and integration of messages on the implementation of DDM. Roll out internal communication. GCIS to communicate progress to all government institutions.
	Litigations	Resuscitate CoGTA Provincial Legal Advisors Forum. Clearly define governance structures to ensure each sphere understands its mandate and objectives. Develop and implement SOP for implementation of legal duties and responsibilities relating to litigations in the Department. Develop and implement electronic dashboard with all (National, Provincial and Municipalities) spheres of government to monitor, timeously respond/guide on the litigation cases. Conduct workshops/ roadshows on litigation management systems.
Ineffective contract management systems	Review and enforce implementation of the SOP on contract management. Conduct training on the reviewed SOP on contract management. Develop and implement the electronic contract management system.	

Outcomes	Key Risks	Risk Mitigations
Effective and efficient corporate governance systems to drive the implementation of the DDM	Lack of coordination of strategic donors and partnerships.	Development and implementation of the strategic donor and partnership framework. Monitor and report on the performance of donors and partnerships.
	Misaligned political and administrative interface	Effective coordination of the interface and management of relations.

Public Entities

Name of public entity	Mandate	Outcomes
Municipal Infrastructure Support Agent (MISA)	The MISA is mandated to: <ul style="list-style-type: none"> Support municipalities to conduct effective infrastructure planning towards sustainable service delivery Support and assist municipalities to implement infrastructure projects as determined by the Municipal Integrated Development Plans Support and assist municipalities to operate and maintain municipal infrastructure Build the capacity of municipalities to undertake effective planning, delivery, operations and management of municipal infrastructure 	<ul style="list-style-type: none"> Support municipalities in eradicating service delivery backlogs through the Municipal Infrastructure Grant Effective support and interventions with greater impact on citizen's lives Improved technical capacity and enhanced technical skills in municipalities Efficient and effective municipal infrastructure procurement
South African Local Government Association (SALGA)	To transform the local government sector to one with the required capacity to contribute meaningfully to poverty alleviation, economic development and all socio-economic opportunities that the state provides for its people	<ul style="list-style-type: none"> Access to sustainable municipal infrastructure and services Effective IGR support and international relations <p>Strengthened community participation in municipal governance</p>
Municipal Demarcation Board (MDB)	The MDB is mandated, in terms of Section 15(3)(b) of the Constitution, to determine municipal boundaries; declare and withdraw the declaration of district management areas; and assess the capacity of municipalities to perform their functions	<ul style="list-style-type: none"> Determination and redetermination of municipal boundaries Capacity assessments for district, metropolitan and local municipalities

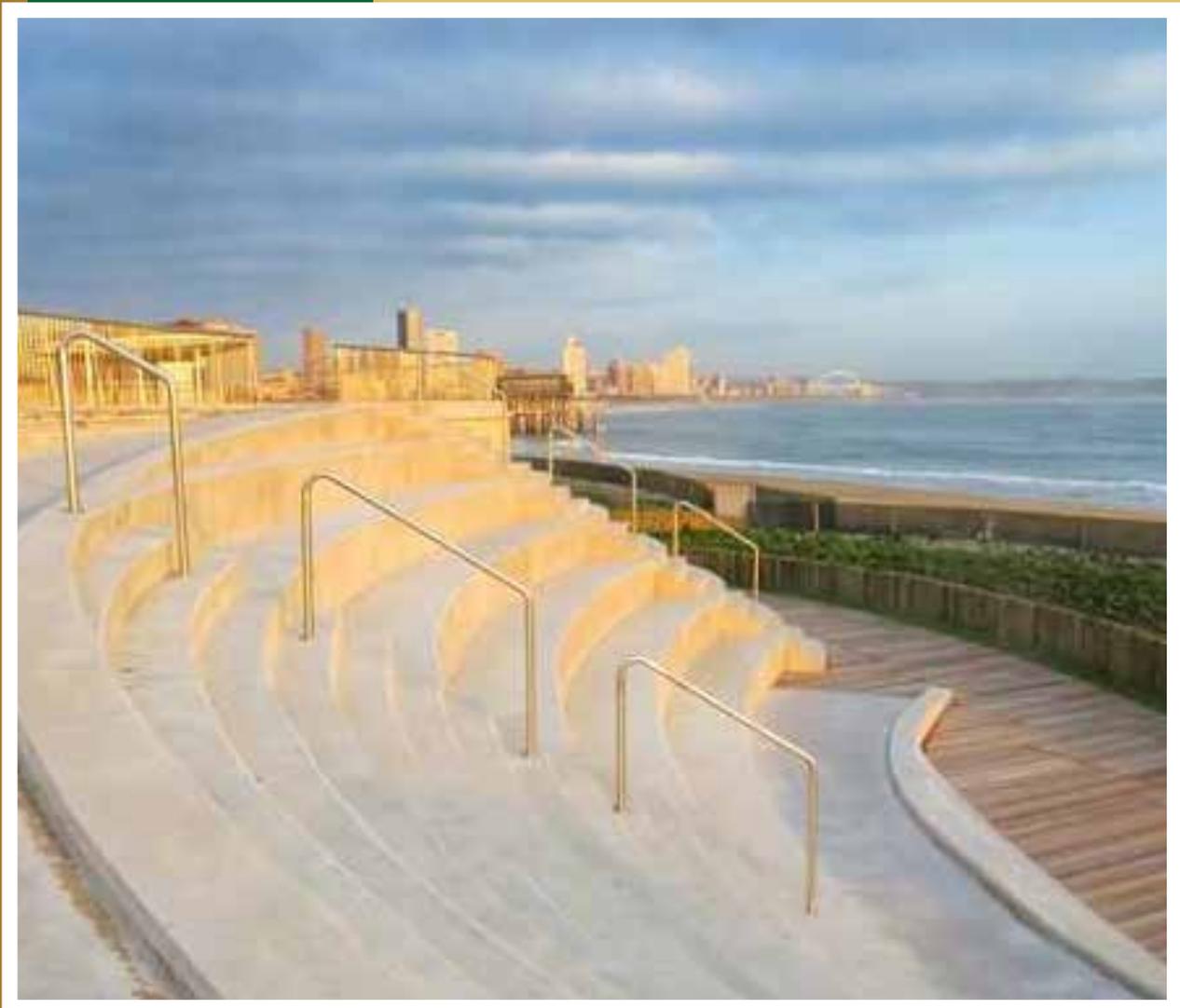
Name of public entity	Mandate	Outcomes
South African Cities Network (SACN)	Promote good governance and management of its member cities using the knowledge of large city government experiences within the global and national economic development contexts; and to promote partnerships between or among the spheres of government in the interests of enhancing good city governance in South Africa	<ul style="list-style-type: none"> Using shared learning as the basis of inter-sphere partnerships Updating leaders on current and emerging changes and trends in urban policy nationally and internationally Promoting innovation and strategic thinking between cities and other spheres of government Mobilising the capacity of cities to support local government and national development Strengthening linkages between cities, towns and rural areas

Infrastructure projects

No.	Project Name	Programmes	Description	Outputs	Start date	Completion date	Total estimated cost	Current year expenditure
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Public-Private Partnerships (PPPs)

PPP name	Purpose	Outputs	Current value of agreement	End-date of agreement
n/a	n/a	n/a	n/a	n/a



TECHNICAL INDICATOR DESCRIPTIONS

PART D

Part D: Technical Indicator Descriptions (TIDs)

Programme 1: Administration

TID for improved audit outcomes

Indicator 1.1	Improved audit opinion
Definition	Moving from a disclaimer opinion to a qualified opinion Reduction in Material audit findings The audit outcomes will be improved through the audit action plans that will be monitored through the Integrated Monitoring Tool (IMT).
Source of data	Annual Audit Report
Method of Calculation/ Assessment	Based on the assessment of the audit outcomes (qualitative) Number of material findings (quantitative)
Means of Verification	Audit Report IMT reports
Assumptions	Recognising and disclosing figures in the Financial Statements that are valid, accurate and complete.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting cycle	Each financial year against the five year target
Desired performance	Higher performance than a qualified audit opinion will be desirable but lower performance will not be desirable.
Indicator Responsibility	Chief Financial Officer

TID for % of suppliers paid within 30 days

Indicator 1.2	% of suppliers paid within 30 days
Definition	The indicators seeks to measure and improve the percentage of valid invoices paid within the prescribed timeframe (30 day payment period)
Source of data	National Treasury monthly payment report
Method of Calculation/ Assessment	Number of invoices not paid within a 30- day period (quantitative) calculated as a percentage
Means of Verification	National Treasury 30 day payment report
Assumptions	All valid invoices certified and submitted to a central repository for processing of payments.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting cycle	Monthly progress against the five year target
Desired performance	Valid invoices paid within 30 days will be desirable but payments in excess of 30 days will not be desirable.
Indicator Responsibility	Chief Financial Officer

TID for % alignment of SMS performance agreement to annual targets

Indicator 1.3	% alignment of SMS performance agreement to annual targets
Definition	The indicator seeks to ensure that there is alignment between performance agreements of SMS members and Annual Performance Plan and Annual Operational Plan.
Source of data	Annual Performance Plan Operational Plan SMS Handbook
Method of Calculation/ Assessment	Performance will be calculated as a percentage of the Annual Performance Plan and Operational Plan targets that form part of the performance agreements of SMS members.
Means of Verification	Annual Performance Plan Operational Plan SMS members performance agreements
Assumptions	The Department has an approved Strategic Plan and Annual Performance Plan. All SMS members use the APP and Operational Plans as the basis of performance agreements
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting cycle	Bi-annually
Desired performance	Improved organizational performance linked to individual performance
Indicator Responsibility	DDG: Corporate Services

TID for % improvement of organization performance

Indicator 1.4	% 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	Quarterly performance reports Annual Report Gap analysis reports presented to Quarterly Review Meetings
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	Quarterly
Desired performance	Improved organizational performance against Strategic Plan and APP
Indicator Responsibility	DDG: Corporate Services

TID for % alignment organisational structure to strategic plan

Indicator 1.5	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 2019-2024
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting cycle	Bi-annually
Desired performance	Implementation of the Strategic Plan
Indicator Responsibility	DDG: Corporate Services

Programme 2: Regional and Urban Development and Legislative Support

TID for Alignment between the IDPs and One Plans

Indicator 2.1	Number of Municipal IDPs aligned to the District and Metro 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 within 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/ Assessment	<ul style="list-style-type: none"> • Qualitative
Means of Verification	Through the annual assessment of IDPs
Assumptions	Report on alignment of IDPs to the One Plans
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 (where applicable)	N/A
Reporting cycle	Annually
Desired performance	IDPs aligned to the One Plans.
Indicator Responsibility	Integrated District and Regional Spatial Planning

TID for Number of Districts and Metros where the revised IUDF implementation plan is rolled-out

Indicator 2.2	Number of Districts and Metros where the revised IUDF implementation plan is rolled-out
Definition	<p>The Indicator seeks to measure that revised IUDF implementation plan</p> <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.
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

TID for number of municipalities with Capital Expenditure frameworks

Indicator 2.3	Capital Expenditure Framework (CEF) for number of intermediate cities implemented
Definition	<ul style="list-style-type: none"> • The capital investment refers to funds provided to Municipalities to further its infrastructure objectives as set in the IDPS • CEF provides a context for services and infrastructure investment to take place within a developmental profile of an identified area, propose spatially-based interventions and allow for development and growth • Implemented means that the municipalities will utilise the CEF to execute the infrastructure plans • Capital investment framework is sometimes referred to as capital expenditure framework
Source of data	<ul style="list-style-type: none"> • Municipal Integrated Development Plans (IDPs) • Municipal Spatial Development Framework (SDF) • Municipal sector plans
Method of Calculation/ Assessment	<ul style="list-style-type: none"> • Counting the number of municipalities that are implementing the CEF
Means of Verification	<ul style="list-style-type: none"> • Approved CEF for identified municipalities
Assumptions	<ul style="list-style-type: none"> • Municipal IDPs include infrastructure objectives
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • N/A
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Identification of Priority Development Areas to target investment, guide intergovernmental investment and transform municipal spaces
Reporting cycle	Quarterly
Desired performance	Focused and improved delivery of basic services
Indicator Responsibility	Urban Development Planning

TID for number of Districts and metros implementing the one plan

Indicator 2.4	Number of Draft District and Metro One Plans developed
Definition	<ul style="list-style-type: none"> • The One Plan refers to a long-term (25 year) joined-up intergovernmental plan prepared as part of the process to implement the District Development Model in all the districts and metros. • The One Plan seeks to reflect long term government and private actions in the districts and metro spaces based on aspirations of communities living in the districts. • The process to develop the One Plan for all districts and metros will be inclusive, i.e. intergovernmental in nature, rigorous, strategic but also provide clear targets and actions and have commitment from all spheres of government.
Source of data	<ul style="list-style-type: none"> • District and Metro profiles • Municipal IDPs • Municipal Spatial Development Plans • Provincial Growth and Development Plans/Strategies • Provincial Spatial Development Frameworks • National Development Plan • National Development Spatial Framework • Medium Term Strategic Framework
Method of Calculation/ Assessment	<ul style="list-style-type: none"> • Number of districts and metros implementing the One Plans
Means of Verification	<ul style="list-style-type: none"> • Adopted One Plans of districts and metros
Assumptions	<ul style="list-style-type: none"> • Cooperation from various spheres of government • Cooperation from the private sector • Dedicated capacity in the Department to guide the process • All identified Intergovernmental structures will adopt the the One Plans timeously
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> • Target for Women: NA • Target for Youth: NA • Target for People with Disabilities: NA
Spatial Transformation	<ul style="list-style-type: none"> • The One Plans will contain priorities and targets to ensure spatial transformation
Reporting cycle	<ul style="list-style-type: none"> • Quarterly
Desired performance	<ul style="list-style-type: none"> • Sustainable, coherent, integrated government planning and implementation in 52 district spaces
Indicator Responsibility	<ul style="list-style-type: none"> • Urban Development Planning Unit

TID for number of hubs established for districts and metros

Indicator 2.5	Number of hubs established for districts and metros
Definition	<p>The district and metro hubs will coordinate the implementation of the District Development Model within the district and metro spaces. The hubs will be coordinate vertically and horizontally in government and the private, research, NGOs and other stakeholders. The hubs will also complement the Departmental and government wide efforts in the district space. The establishment of the district hubs will include:</p> <ul style="list-style-type: none"> • Appointment of DDM programme manager • Appointment of hub managers • Appointment of technical teams that will work within hubs such as engineers, planners, financial managers; etc. • Establishment of steering committees per hub • Setting up of actual hub sites <p>The choice of the 22 district and 1 hub is In line with the President's pronouncement at the State of the Nation Address 2020</p>
Source of data	District Model Concept note, the District Implementation Plan and District Profiles
Method of Calculation/ Assessment	Simple count of district hubs that have been established
Means of Verification	<p>Signed contracts between district hubs managers and hub officials</p> <p>Signed performance agreements</p> <p>Terms of reference for the district hubs steering committees</p>
Assumptions	There is political support for the implementation of the District Development Model
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting cycle	Annually
Desired performance	Integrated and coordinated service delivery across three spheres of government
Indicator Responsibility	DDG: LGSIM

TID for Development of Section 47(1)(b) Regulations (Intergovernmental Relations Framework Act, 2005)

Indicator 2.6	Development of Section 47(1)(b) Regulations (Intergovernmental Relations Framework Act, 2005)
Definition	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 for section 47 of the IGRF Act, 2005
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)	N/A
Spatial Transformation (where applicable)	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"> • Quarterly
Desired performance	<ul style="list-style-type: none"> • Implementation of the Regulation to enforce intergovernmental coordination
Indicator Responsibility	<ul style="list-style-type: none"> • Intergovernmental Policy & Practice Chief Directorate

Programme 3: Institutional Development

TID for Municipal Structures Bill finalised

Indicator 3.1	Municipal Structures Bill finalised
Definition	<ul style="list-style-type: none"> • The Municipal Structures Draft Bill was passed by the National Assembly in 2019 • Finalised means that the NCOP has conducted public hearings and deliberated on it in the NCOP sittings • DCoG will support the finalisation of the Bill by clarifying provisions in the Bill and providing inputs during engagements with the NCOP
Source of data	Public hearings, Municipal Structures Bill that is passed by the National Assembly
Method of Calculation/ Assessment	Inputs from engagements with NCOP
Means of Verification	Draft Bill from National Assembly and Finalised Bill from NCOP
Assumptions	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	Annual
Desired performance	Strengthen Governance and improve the administration and management of Elections
Indicator Responsibility	Municipal Governance

TID for percentage of district municipalities with its locals supported with the implementation of Municipal Staff Regulations

Indicator 3.2	Number of district training session held for district and their locals on the implementation of Municipal Staff Regulations
Definition	The indicator seeks to measure the number of training sessions that will be held on the implementing the provisions of the Municipal Staff Regulations for district municipalities inclusive of their locals by the end of the financial year. The training will take place at each district targeting officials from that district and those from its locals
Source of data	Municipal Staff Regulations Training material
Method of Calculation/ Assessment	Simple count of the % of identified district municipalities with its locals where training sessions were held to support municipalities to implement the Municipal Staff Regulations
Means of Verification	Report on the supported with the implementation of Municipal Staff Regulations Attendance registers of training sessions and presentations made to the identified district municipalities
Assumptions	Training successfully facilitated Availability of officials to be trained
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Reporting cycle	Quarterly
Desired performance	Improved capacity of municipalities to implement the Municipal Staff Regulations
Indicator Responsibility	Municipal Human Resource Management Systems Unit

TID for percentage of identified district municipalities with its locals assessed on compliance with the Appointment Regulations

Indicator 3.3	Percentage of identified district municipalities with its locals assessed on compliance with the Appointment Regulations
Definition	The indicator seeks to assess compliance with MSA regulations in terms of appointments of senior managers within 25% district municipalities with their locals
Source of data	Appointment Regulations
Method of Calculation/ Assessment	Simple count of the % of identified district municipalities where compliance has been assessed
Means of Verification	Report
Assumptions	Senior managers who comply with the minimum competency requirements as prescribed in the MSA regulations appointed
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Reporting cycle	Quarterly
Desired performance	Improved compliance with the Appointment Regulations
Indicator Responsibility	Municipal Human Resource Management Systems Unit

TID for Report on the actions to address issues raised by the AGSA in line with section 134 of the MFMA

Indicator 3.4	Report on the actions to address issues raised by the AGSA in line with section 134 of the MFMA
Definition	<ul style="list-style-type: none"> • This indicator seeks to assist municipalities improve municipal audit outcomes • The report is based on the MECs of Local Government assessment reports on actions taken to address issues raised by the AGSA on municipal audit outcomes
Source of data	MECs of Local Government assessment reports on actions taken to address municipal audit outcomes
Method of Calculation/ Assessment	<ul style="list-style-type: none"> • Based on each of the 9 provinces assessment of audit outcomes (quantitative) • Number of material findings per province (qualitative)
Means of Verification	Audit reports and assessment reports from MECs of Local Government on actions taken to addresses issues raised by AGSA
Assumptions	Municipal audit actions plans
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Reporting cycle	Annually
Desired performance	Reduction in poor audit opinions is desirable
Indicator Responsibility	Deputy Director-General: Institutional Development

TID for Integrated local government capacity building framework developed and implemented

Indicator 3.5	Integrated local government capacity building framework developed and implemented
Definition	Development of an integrated local government capacity building strategy
Source of data	National Capacity Building Framework
Method of Calculation/ Assessment	Approved Integrated local government capacity building strategy
Means of Verification	Integrated capacity building strategy
Assumptions	Uniform strategy for capacity building and coordination
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Reporting cycle	Quarterly
Desired performance	Integrated local government capacity building strategy developed
Indicator Responsibility	Municipal Human Resource Management Systems Unit

TID for percentage of identified district municipalities with its locals assessed on compliance with Municipal Performance Regulations

Indicator 3.6	Percentage of identified district municipalities with its locals assessed on compliance with Municipal Performance Regulations
Definition	The indicator seeks to assess compliance with Municipal Performance Regulations for senior managers within 25% district municipalities with their locals
Source of data	Municipal Performance Regulations
Method of Calculation/ Assessment	Simple count of the % of identified district municipalities where compliance has been assessed
Means of Verification	Report on assessment of compliance with Municipal Performance Regulations
Assumptions	Senior managers who comply with the Municipal Performance Regulations
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Reporting cycle	Quarterly
Desired performance	Improved compliance with the Municipal Performance Regulations
Indicator Responsibility	Municipal Human Resource Management Systems Unit

TID for percentage of identified district municipalities with its locals assessed on compliance with Disciplinary Regulations for senior managers

Indicator 3.7	Percentage of identified district municipalities with its locals assessed on compliance with Disciplinary Regulations for senior managers
Definition	The indicator seeks to assess compliance with Disciplinary Regulations for senior managers within 25% district municipalities with their locals
Source of data	Disciplinary Regulations
Method of Calculation/ Assessment	Simple count of the % of identified district municipalities where compliance has been assessed
Means of Verification	Report on municipalities assessed on compliance with Disciplinary Regulations for senior managers
Assumptions	Disciplinary proceedings initiated and concluded in compliance with the Disciplinary Regulations for senior managers
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Reporting cycle	Quarterly
Desired performance	Improved compliance with the Disciplinary Regulations
Indicator Responsibility	Municipal Human Resource Management Systems Unit

TID for percentage of identified district municipalities with its locals assessed on compliance with the Notice on upper limits for remuneration of senior managers

Indicator 3.8	% of identified district municipalities with its locals assessed on compliance with the Notice on upper limits for remuneration of senior managers
Definition	The indicator seeks to monitor compliance in 30% identified district municipalities with the Notice on upper limits for remuneration of municipal managers and managers directly accountable to municipal managers
Source of data	Notice
Method of Calculation/ Assessment	Simple count of the attendance registers of identified municipalities per district and presentations
Means of Verification	Simple count of the % of identified district municipalities where compliance has been assessed
Assumptions	Identified district municipalities comply with the Notice
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Reporting cycle	Quarterly
Desired performance	Municipalities paying senior managers within the approved pay scales
Indicator Responsibility	Municipal Human Resource Management Systems Unit

TID for percentage of identified district municipalities with its locals assessed on compliance with the Notice on upper limits for remuneration of municipal councils

Indicator 3.9	Percentage of identified district municipalities with its locals assessed on compliance with the Notice on upper limits for remuneration of municipal councils
Definition	The indicator seeks to monitor compliance in 30% identified district municipalities with the Notice on upper limits for remuneration of municipal councils
Source of data	Notice
Method of Calculation/ Assessment	Simple count of the attendance registers of identified municipalities per district and presentations
Means of Verification	Simple count of the % of identified district municipalities where compliance has been assessed
Assumptions	Identified district municipalities comply with the Notice
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Reporting cycle	Quarterly
Desired performance	Municipalities paying municipal councils within the approved pay scales
Indicator Responsibility	Municipal Human Resource Management Systems Unit

TID for number of cities implementing Smart city solutions

Indicator 3.10	Smart Cities Framework Developed
Definition	<p>The indicator measures the development of a Smart City Framework in order to enable implementation in the outer years of the MTSF</p> <p>Developed will be measured by the approval by the Minister</p> <p>A smart city is defined as a city that incorporates information and communication technologies to enhance the quality and performance of urban services such as energy, transportation and utilities in order to reduce consumption, wastage and overall costs.</p>
Source of data	<ul style="list-style-type: none"> • Medium Term Strategic Framework, Draft Smart Cities Framework, • Integrated Urban Development Framework
Method of Calculation/ Assessment	For 2020/21: An approved Smart Cities Framework
Means of Verification	<ul style="list-style-type: none"> • Approved Smart Cities Framework • Smart solutions plan developed for selected cities.
Assumptions	
Disaggregation of Beneficiaries (where applicable)	Some of initiatives to be deliberately aimed as women, youth and people with disabilities.
Spatial Transformation (where applicable)	The projects implemented will contribute to spatial transformation indicators.
Reporting cycle	Annual progress against the five year target and Quarterly
Desired performance	Cities that have reduced inefficiencies through implementation of smart solutions.
Indicator Responsibility	Urban Development Planning Unit

Programme 4 TIDs

TID for support municipalities in priority disaster areas to prevent, prepare and mitigate disaster risks through applicable disaster management plans

Indicator 4.1	Number of municipalities in priority disaster areas supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans
Definition	The project will assist in ensuring the municipalities capacity to prevent, mitigate and be prepared to address climate change risks and respond effectively before they escalate to disasters
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>Quarter 1: 2 Municipalities assessed and supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans</p> <p>Quarter 2: 3 Municipalities assessed and supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans</p> <p>Quarter 3: 3 Municipalities assessed and supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans</p> <p>Quarter 4: 2 Municipalities assessed and supported to prevent, prepare and mitigate disaster risks through applicable disaster management plans</p>
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)	Not applicable
Spatial Transformation (where applicable)	The use of applicable disaster management plans will influence decisions on spatial transformation to reduce the vulnerability to risks associated with climate change and disasters within priority municipal areas. This will guide and contribute towards decisions towards integrated municipal planning e.g. zoning of land for various development issues.
Reporting cycle	Cumulative quarterly towards the annual year target
Desired performance	Municipalities being able to prevent, prepare and mitigate disaster risks through applicable disaster management plans
Indicator Responsibility	Directorate: Disaster Risk reduction and Planning

TID for review of disaster grant funding

Indicator 4.2	Disaster grant funding reviewed
Definition	Disaster Grant Funding is annual funding allocated to DCOG through the Provincial Relief, Municipal Relief and Municipal Disaster Recovery Grants within the Division of Revenue Act.
Source of data	Division of Revenue Act Provincial Disaster Relief, Municipal Disaster Relief and Municipal Disaster Recovery Grants.
Method of Calculation/ Assessment	Report on the reviewed disaster grant funding Report on the implementation of the reviewed disaster grant funding
Means of Verification	Quarter 1: Stakeholder consultations undertaken Quarter 2: Concept document on the review of the disaster grant funding developed and circulated to stakeholders for inputs Quarter 3: Inputs consolidated in the concept document Quarter 4: Concept document developed
Assumptions	Concept document on the review of the disaster grant funding developed
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Reporting cycle	Quarterly
Desired performance	Disaster Grant Funding reviewed
Indicator Responsibility	Directorate: Disaster Response Coordination

TID for number of districts and metro disaster management stakeholders with access to Impact Based Early Warnings Messages

Indicator 4.3	Number of districts and metro disaster management stakeholders with access to Impact Based Early Warnings Messages
Definition	Improve the availability and access to impact based early warnings messages to disaster management stakeholders by conducting training and awareness on the concept of impact based leading to impact tables or contingency arrangements to aid responsiveness for different hazards in each geographical area. Impact Based Early Warnings provides a shift in emphasis from climate related warnings to geographically relevant impact based warnings that encompasses aspects of vulnerability in that area leading to increased responsiveness and contingency planning.
Source of data	Each district and metro will undergo training and awareness using empirical weather data from that geographical area will form the basis for the determination per geographical area. Impact tables (weather hazard and its related impact level) will be compiled. Workshop documents (Invitation letters, Agendas, Attendance Registers and impact tables will be compiled and submitted as evidence).
Method of Calculation/ Assessment	Count of districts and metros that have both availability and access to impact based early warnings messages for local hazards.
Means of Verification	<p>Quarter 1: Planning meetings with co-lead entities. Planning and scheduling meetings with Districts assisted by Provincial Disaster Management Centres. Impact based training and awareness conducted 2 districts and 1 metro. Registration of new users.</p> <p>Quarter 2: Planning and scheduling meetings with district level and Provincial Disaster Management Centres. Impact Based training and awareness conducted in 2 districts. Registration of new users.</p> <p>Quarter 3: Planning and scheduling meetings with district level and Provincial Disaster Management Centres. Impact Based training and awareness conducted in 2 districts. Registration of new users.</p> <p>Quarter 4: Impact Based training and awareness conducted in 2 districts and 1 metro. Annual report on impact based training and awareness developed. Registration of new users and compilation of annual users into a database.</p>
Assumptions	There is an early warning system in place for disaster management
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Reporting cycle	Quarterly
Desired performance	Improved availability and access to early warnings messages to mitigate the impacts of hazard specific disasters at district and metro level.
Indicator Responsibility	Directorate: Early Warnings and Capability Management Systems.

TID for number of priority national sector departments assessed and supported to implement the disaster management function

Indicator 4.4	Number of priority national sector departments assessed and supported to implement the disaster management function
Definition	Priority sector departments assessed and supported to implement the disaster management function in terms of the Disaster Management Act, 2002
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	<p>Quarter 1: Report detailing the introductory meetings held with two priority national sector departments.</p> <p>Quarter 2: Report detailing the assessments of two priority national sector departments conducted.</p> <p>Quarter 3: Report detailing the workshops held with two priority national sector departments on implementing the disaster management function.</p> <p>Quarter 4: Sector reports detailing the areas of improvement identified and actions recommended for improvement.</p>
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 supported 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	Quarterly
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 improving firefighting capacity in Districts

Indicator 4.5	Improve firefighting capacity in Districts
Definition	Firefighting capacity of Districts improved through a revised policy and legislative framework
Source of data	National disaster management centre
Method of Calculation/ Assessment	Existence of a draft national fire services draft White paper
Means of Verification	Quarter 1: No target Quarter 2: Draft White Paper on Fire Services tabled at Cabinet committees Quarter 3: Draft White Paper on Fire Services tabled at Cabinet for approval Quarter 4: No target
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	Quarterly
Desired performance	Improved firefighting capacity through a revised fire services policy and legislative framework
Indicator Responsibility	National Disaster Management Centre Directorate: Fire Services

Programme 5 TIDs

TID for % of MIG receiving municipalities spending 90% of MIG allocation

Indicator 5.1	% of MIG receiving municipalities spending 90% of MIG allocation.
Definition	The measurement of the municipalities spending on their total MIG allocation for the financial year 2020/21
Source of data	Division of Revenue Act report to National Treasury for the end of June 2020
Method of Calculation/ Assessment	Quantitative
Means of Verification	Expenditure reporting by municipalities on registered projects to be funded from the MIG
Assumptions	The municipality have appropriate institutional arrangements, financial management capability and MIG programme Management Capability to spend their MIG allocation in line with the approved Implementation Plan
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Projects that have contributed to performance must be in line with the Municipal IDP, which are in turn informed by the municipalities' Spatial Development Plan
Reporting cycle	Quarterly
Desired performance	75%.of receiving municipalities spending 90% of MIG allocation
Indicator Responsibility	Project Manager for the Municipal Infrastructure Grant

TID for Number of reports on implementation of improvement plans for section 100 interventions

Indicator 5.2	Number of reports on implementation of improvement plans for section 100 interventions
Definition	<p>The indicator seeks to measure the implementation of section 100 interventions improvement plans through reports consolidated</p> <p>Section 100 of the Constitution of the Republic of South Africa is invoked when a province cannot or does not fulfil an executive obligation in terms of the Constitution. For each of these interventions there is collaboration between the relevant sector departments, National DCoG and Premiers' offices to develop an improvement plan to rectify the inadequate fulfilment of the obligation</p> <ul style="list-style-type: none"> • Due to the different challenges facing provinces, improvement plans are developed based on the circumstance of that province. • The reports on implementation of improvement plans for section 100 intervention serve as a tool for all parties who compiled them to monitor progress on implementation. <p>Upon identifying gaps in implementation, the parties will contribute to capacity building and other support measures agreed to in the plan.</p>
Source of data	Section 100 improvement plan and progress report to the Department and parties to the support plan and the Political Principals
Method of Calculation/ Assessment	Performance is calculated as the number of Improvement plans that have been implemented for Section 100 of the Constitution of the Republic of South Africa interventions
Means of Verification	Copies of the plans and the progress reports
Assumptions	That improvement plans will be developed for all directives in terms of Section 100 Inter-Ministerial Committee is established
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	The province under section 100
Reporting cycle	Quarterly
Desired performance	Improved state of a Province under section 100 interventions
Indicator Responsibility	Interventions sub-programme in LGSIM branch

TID for number of improvement plans for Section 139 interventions implemented

Indicator 5.3	Number of reports on implementation of improvement plans for section 139 intervention
Definition	<p>The indicator seeks to measure the implementation of improvement plans through reports consolidated</p> <p>Section 139 of the Constitution of the Republic of South Africa is invoked when a municipality cannot or does not fulfil and executive obligation in terms of the Constitution or legislation. For each of these interventions there is collaboration between the Provincial CoGTA's relevant sector Departments, National Treasury and National DCoG to develop an improvement plan to rectify the inadequate fulfilment of the obligation.</p> <ul style="list-style-type: none"> • Due to the different challenges facing municipalities that are put under section 139, improvement plans are developed based on the circumstance of each distressed municipality. • The reports on implementation of improvement plans for section 139 intervention serve as a tool for all parties who compiled them to monitor progress on implementation. <p>Upon identifying gaps in implementation, the parties will contribute to capacity building and other support measures agreed to in the plan.</p>
Source of data	Section 139 improvement plans and progress reports to the Department and parties to the support plan and the Political Principals
Method of Calculation/ Assessment	Counting the number of reports containing Section 139 improvement plan interventions that have been implemented by the collaborative stakeholders
Means of Verification	Copies of the Section 139 improvement plans and the progress reports
Assumptions	That where the Province assume responsibility, there will also be an improvement plan
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Municipalities under section 139 in a geographic area
Reporting cycle	Quarterly
Desired performance	Improved state of municipalities under section 139 interventions
Indicator Responsibility	The Interventions sub-programme in the LGSIM branch

TID for number of reports on implementation of section 154 support plans in distressed municipalities

Indicator 5.4	Number of reports on implementation of section 154 support plans in distressed municipalities
Definition	<p>The indicator seeks to measure the implementation of section 154 support plans through reports consolidated</p> <p>Section 154 of the Constitution of the Republic of South Africa lays the foundation for cooperative government by requiring both national and provincial government to support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.</p> <p>The support plans are collaboratively developed with the sectors and the Provincial Departments of CoGTA as well as the municipality. Each sector then contributes to the capacity building and other support measures agreed to in the plan. Progress against the plan is consolidated into quarterly reports.</p> <p>The number of these municipalities vary according to performance.</p> <ul style="list-style-type: none"> • Municipalities to be supported are identified as distressed in collaboration with relevant sector departments and stakeholders e.g. National Treasury, Water and Sanitation • Due to the different challenges facing distressed municipalities, support plans are developed based on the circumstance of each distressed municipality. • The reports on implementation of support plans serve as a tool for all parties who compiled them to monitor progress on implementation. • Upon identifying gaps in implementation, the parties will contribute to capacity building and other support measures agreed to in the plan.
Source of data	Section 154 Support Plans and Progress reports to the Department and parties to the support plan and the Political Principals
Method of Calculation/ Assessment	Counting the number of reports that contain Section 154 support plan interventions that have been implemented by the collaborative stakeholders
Means of Verification	Copies of the plans and quarterly progress reports
Assumptions	Progress will be reported quarterly by the collaborative stakeholders
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Distressed municipalities in a geographic area
Reporting cycle	Quarterly
Desired performance	Improved municipal governance
Indicator Responsibility	Local Government Support and Interventions Management – Provincial Coordinators

Programme 6 TIDs

TID for redesigned CWP model approved

Indicator 6.1	Redesigned CWP model approved
Definition	The redesigned CWP Model will be implemented through government structures, without NPOs Redesign means reconceptualised model to a totally different implementation arrangements
Source of data	MTSF Priorities
Method of Calculation/ Assessment	Model options analysis report
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 (where applicable)	N/A
Reporting cycle	Quarterly and Annual.
Desired performance	Contribute towards poverty alleviation imperatives.
Indicator Responsibility	CWP

TID for number of people participating in the programme by target date

Indicator 6.2	Number of people participating in the programme by target date
Definition	The number of people refers to the participants from the marginalised communities who have enrolled and are participating in the programme Participation is determined by the ENE budget allocation of both non-wage and wage cost for each position.
Source of data	CWP Integrated Management System (IMS); COGTA Portal (all attendance registers of participants are uploaded on to the Portal).
Method of Calculation/ Assessment	Counting the number of people on the wage bill participating in the programme by reporting timeline
Means of Verification	ID numbers on the wage bill and wage bill
Assumptions	ENE budget allocation will be available
Disaggregation of Beneficiaries (where applicable)	Target for Women: 55% of participants Target for Youth: 55% of participants Target for People with Disabilities: 02% of participants
Spatial Transformation (where applicable)	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

TID for Number of CWP participants trained annually by target date

Indicator 6.3	Number of CWP participants trained annually by target date
Definition	<p>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</p> <p>Training can be both accredited and non-accredited, as well as formal and informal</p>
Source of data	Site Training Plans, Attendance Registers and Training Reports
Method of Calculation/ Assessment	<p>Count the number of participants trained which equal to 10% of the total participants enrolled in the programme annually as per the available budget</p> <p>The training numbers will vary quarterly due to procurement processes which sometimes delayed due to varied reasons</p>
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	Quarterly
Desired performance	Skilled/capacitated participants.
Indicator Responsibility	CWP

TID for number of partnerships established

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 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)	Target for Women: 55% of participants. Target for Youth:55% of participants Target for People with Disabilities: 02% of participants.
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

TID for number of agrarian projects established per district

Indicator 6.5	Number of agrarian projects established per district
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 (where applicable)	Rural areas transformed to stimulate local economies
Reporting cycle	Each financial year against the five-year target
Desired performance	Agrarian projects are meant to alleviate poverty and stimulate rural economic growth
Indicator Responsibility	CWP Programme Implementation Unit

Annexures to the Annual Performance Plan

Annexure A: Amendments to the Strategic Plan

None

Annexure B: Conditional Grants

Name of grant	Purpose	Outputs	Current annual budget (R thousands)	Period of grant
Municipal Infrastructure Grant (MIG)	Provides specific capital finance for basic municipal infrastructure back-logs for poor households, micro enterprises and social institutions serving poor communities	Expand basic social infrastructure in poor communities	14 671.00	3 years
Local Government Equitable Share (LGES)	Ensure that municipalities can provide basic services and perform the functions allocated to them	Provision of water, sanitation, electricity, refuse removal and basic municipal administration	74 683.00	3 years
Municipal Systems Improvement Grant (MSiG)	Assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related local government system	Building in-house capacity to perform functions, and stabilise institutional and governmental systems	128 000.00	3 years
Disaster Relief Grant (DRG)	To provide immediate relief for legally declared disasters	Legally declared disasters	492 000.00	3 years
Municipal Disaster Recovery Grant (MDRG)	To repair municipal infrastructure damaged by disasters	Repaired municipal infrastructure damaged by disasters	-	3 years
Provincial Disaster Recovery Grant (PDRG)	To rehabilitate and reconstruct the provincial infrastructure damaged by disasters	Rehabilitation and reconstructions of the provincial infrastructure damaged by disasters	-	3 years

Annexure C: Consolidated Indicators

Institution	Output indicator	Annual target	Data source
n/a	n/a	n/a	n/a

Annexure D: District Development Model

The district profiles being developed for all 44 districts and 8 metros. Budget allocation will be discussed upon conclusion of the profiles and an agreement reached on alignment of plans to IDPs.

Areas of intervention	Medium Term (3 years - MTEF)					
	Project description	Budget allocation	District municipality	Location: GPS coordinates	Project leader	Social partners
Piloting of the District Development Model	Piloting of the District Development Model in two district municipalities and one metro	To be determined by district municipalities prior launch and implementation	<ul style="list-style-type: none"> OR Tambo District Municipality eThekweni Metropolitan Municipality Waterberg District Municipality 		CoGTA	OR Tambo District Municipality, eThekweni Metropolitan Municipality, and Waterberg District Municipality All government departments
District Hubs	Establishment of District Hubs	To be determined by district municipalities prior launch and implementation	All 44 Districts Municipalities and 8 Metros	Districts and Metro locations	CoGTA	District Municipalities, CoGTA, all government departments
Implementation of the District Development Model	Implementation of the District Development Model in 23 new districts	To be determined by district municipalities prior launch and implementation	Identification of the districts	23 districts sites	Districts municipalities and CoGTA	All government departments, civil society organisations and private sector

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The Department of Cooperative Governance

Content enquiries:

Executive Manager: Office of the Director-General

Tel: 012 334 4972

Fax: 086 615 1738

Chief Directorate: Corporate Planning

Private Bag X 804 Pretoria

0001

South Africa

Tel: 012 395 4612

www.cogta.gov.za

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