An Intergovernmental Perspective ...

Preparations for the 2010 FIFA Soccer World Cup

Service delivery in the water sector

Service delivery in the former cross-boundary municipalities

Planning & delivery of sustainable human settlements

The URP & ISRDP under the spotlight

Towards integrated governance & seamless delivery

| A SERIES OF SIX CASE STUDIES |
Foreword
by the Minister, Mr Sicelo Shiceka

The Constitution of the Republic of South Africa (1996) states that government is constituted of the national, provincial and local spheres of government, which are distinctive, interdependent and interrelated (Section 40 (1)). In order to bring cohesion and stability between these distinct but interrelated spheres of government, Chapter 3 of the Constitution refers to the principles and practice of co-operative government. Thus each sphere is expected to work towards the provision of coherent government through the fostering of co-operation, friendly relations, transparency and consultation in the execution of constitutional mandates.

In order to provide a framework within which we realise these principles, The Intergovernmental Relations Framework Act was promulgated in 2005. The Act provides for an institutional approach to foster cohesive and co-operative government in the implementation of policy and legislation, as well as in the effective provision of government programmes and services.

Intergovernmental Relations (IGR) therefore, provides a systemic framework for how governance is managed in a decentralised system. This framework supports the constitutional requirement that the three spheres assist and support each other, consult on matters of national interest and co-ordinate their actions.
How government has responded to the challenge of implementing a working system of Intergovernmental Relations was assessed in the first report to Parliament on the conduct of IGR in the Republic. The Implementation of the Intergovernmental Relations Framework Act, the Inaugural Report 2005/06 – 2006/07 was tabled in Parliament in June 2008. The report provides an overview of the evolution of the system during the first and now second decades of democracy, and further reviews the important policy, legislative and programmatic measures that have been implemented since the Act was promulgated.

The Report notes that the effectiveness of the IGR system may be measured by the extent to which it adds value in effective service delivery, development and good governance across the three spheres of government. This shift in thinking, from a technical and legalistic understanding of IGR, to a developmental understanding, has opened up a central role for IGR in the uniformly co-ordinated approach that currently informs service delivery and the implementation of policy across all spheres of government.

The six case studies presented to you in this publication serve to illustrate these developmental intergovernmental perspectives. They provide clarity on how multi-sphere co-ordination is managed in a variety of contexts, within programmes, and provide insights into critical challenges that still remain to be overcome. You will learn how the national policy, fiscal and legislative environments are translated into developmental activity by the sector departments, the provinces and local government. The key role of partnerships with both state and non-state role-players such as communities, the private sector and civil society are also featured. Together, these elements combine to provide us with a comprehensive series of case studies that provide a welcome addition to the growing body of knowledge on the practice and conduct of Intergovernmental Relations in the Republic.

The dplg would like to thank its development partner, GTZ, for the support in getting this publication produced. May you enjoy it, and find value in these pages as you partner with government in overcoming the major challenges in the creation of a better life for all. Your comments and feedback are welcome.

Minister for Provincial and Local Government
Sicelo Shiceka
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<td>ABM</td>
<td>Area-Based Management</td>
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<tr>
<td>ACSA</td>
<td>Airports Company of South Africa</td>
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<td>AsgiSA</td>
<td>Accelerated and Shared Growth Initiative for South Africa</td>
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<td>CBM</td>
<td>Cross Border Municipality</td>
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<td>CFO</td>
<td>Chief Financial Officer</td>
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<td>CMIP</td>
<td>Consolidated Municipal Infrastructure Program</td>
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<td>CWSS</td>
<td>Community Water Supply and Sanitation</td>
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<td>DBSA</td>
<td>Development Bank of Southern Africa</td>
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<td>DEAT</td>
<td>Department of Environmental Affairs and Tourism</td>
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<td>DFA</td>
<td>Department of Foreign Affairs</td>
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<td>DG</td>
<td>Director General</td>
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<td>DIF</td>
<td>District Intergovernmental Forum</td>
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<td>DM</td>
<td>District Municipality</td>
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<td>DoC</td>
<td>Department of Communications</td>
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<td>DOH</td>
<td>Department of Health</td>
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<td>DOHA</td>
<td>Department of Home Affairs</td>
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<td>DOJ</td>
<td>Department of Justice</td>
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<td>DoRA</td>
<td>Division of Revenue Act</td>
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<td>DOT</td>
<td>Department of Transport</td>
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<td>DPLG</td>
<td>Department of Provincial and Local Government</td>
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<td>DTI</td>
<td>Department of Trade and Industry</td>
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<td>DWAF</td>
<td>Department of Water Affairs and Forestry</td>
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<td>FFC</td>
<td>Fiscal and Financial Commission</td>
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<td>FIFA</td>
<td>Fédération Internationale de Football Association</td>
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<td>FOSAD</td>
<td>Forum of South African Directors-General</td>
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<td>FS</td>
<td>Free State</td>
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<td>GCIS</td>
<td>Government Communication and Information Service</td>
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<td>HOD</td>
<td>Heads of Departments</td>
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<td>ICT</td>
<td>Information and Communications Technology</td>
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<td>IDASA</td>
<td>Institute for a Democratic Alternative for South Africa</td>
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<td>IDP</td>
<td>Integrated Development Plan</td>
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<td>IDTT</td>
<td>Integrated Development Task Team</td>
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<td>IDZ</td>
<td>Industrial Development Zone</td>
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<td>IGR</td>
<td>Intergovernmental Relations</td>
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<td>IGRFA</td>
<td>Intergovernmental Relations Framework Act</td>
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<td>IMC</td>
<td>International Marketing Council</td>
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<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>ISRDP</td>
<td>Integrated Sustainable Rural Development Programme</td>
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<td>JGTF</td>
<td>Joint Government Technical Forum</td>
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<td>KZN</td>
<td>KwaZulu Natal</td>
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<td>LED</td>
<td>Local Economic Development</td>
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<td>LGES</td>
<td>Local Government Equitable Share</td>
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<td>LM</td>
<td>Local Municipality</td>
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<td>LOC</td>
<td>Local Organising Committee</td>
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<td>MEC</td>
<td>Member of Executive Committee</td>
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<td>MFMA</td>
<td>Municipal Finance Management Act</td>
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<td>Municipal Infrastructure Grant</td>
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<td>MITT</td>
<td>Municipal Infrastructure Task Team</td>
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<td>MM</td>
<td>Municipal Manager</td>
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<td>MOU</td>
<td>Memorandum of Understanding</td>
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<td>MSA</td>
<td>Municipal Systems Act</td>
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<td>MTEF</td>
<td>Medium Term Expenditure Framework</td>
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<td>MTSF</td>
<td>Medium Term Strategic Framework</td>
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<tr>
<td>NEDLAC</td>
<td>National Economic Development and Labour Advisory Council</td>
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<td>NJRT</td>
<td>National Joint Response Team</td>
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<td>NPF</td>
<td>National Planning Framework</td>
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<td>NSDP</td>
<td>National Spatial Development Perspective</td>
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<td>NSTT</td>
<td>National Sanitation Task Team</td>
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<td>NT</td>
<td>National Treasury</td>
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<td>NWSP</td>
<td>National Water Sector Program</td>
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<td>OTP</td>
<td>Office of the Premier</td>
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<td>PCAS</td>
<td>President’s Coordinating and Advisory Services</td>
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<td>PCC</td>
<td>President’s Coordinating Council</td>
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<td>PFMA</td>
<td>Public Finance Management Act</td>
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<td>PGDP</td>
<td>Provincial Growth and Development Plan</td>
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<td>PIF</td>
<td>Premier’s Intergovernmental Forum</td>
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<tr>
<td>PIMMS</td>
<td>Planning, Implementation, and Management Support System</td>
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<tr>
<td>PLC</td>
<td>Provincial Liaison Committee</td>
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<td>PMU</td>
<td>Project Management Unit</td>
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<td>PSL</td>
<td>Professional Soccer League</td>
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<td>PTCC</td>
<td>Provincial Technical Coordinating Committee</td>
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<td>SAA</td>
<td>South African Airways</td>
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<td>SABC</td>
<td>South African Broadcasting Corporation</td>
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<td>SAFA</td>
<td>South African Football Association</td>
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<td>SALGA</td>
<td>SA Local Government Association</td>
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SANRAL  South African National Roads Agency Ltd.
SARCC  South African Rail Commuter Corporation
SARS  SA Revenue Service
SAT  South African Tourism
SETA  Sector Education and Training Authority
SFWS  Strategic Framework for Water Services
SMME  Small, Medium and Micro Enterprises
SOEs  State Owned Enterprises
SONA  State of the Nation Address
SWAP  Sector-Wide Approach
URF  Urban Renewal Forum
URP  Urban Renewal Program
WCA  Water Catchment Areas
WSA  Water Services Authority
WSDP  Water Sector Development Plan
WSP  Water Services Provider
Six case studies are presented around the distinct yet interrelated themes of intergovernmental planning, intergovernmental co-ordination and Intergovernmental Relations. These case studies address strategically important issues for the developmental agenda of the South African Government over the next few years.

Introduction
Intergovernmental Relations

Case Studies

Introduction

The South African Constitution, 1996 stipulates that government is constituted as national, provincial and local spheres of government, which are distinctive, interdependent and interrelated. These three spheres of government and organs of state in each sphere are constitutionally bound by the basic principles of co-operative governance.

Co-operative governance is the marshalling of the distinctive effort, capacity, leadership and resources of each sphere of government; and directing these, as effectively as possible, towards the developmental and service delivery objectives of government as a whole. Section 41(1) of the Constitution further states that there shall be cooperation, mutual trust and good faith between these three spheres. They should inform and consult one another on matters of common interest, co-ordinate their legislation, and adhere to agreed procedures. In addition, it is expected that Acts of Parliament should establish structures and institutions to promote and facilitate Intergovernmental Relations, and provide mechanisms and procedures to facilitate settlement of intergovernmental disputes.

Intergovernmental Relations (IGR) facilitates the achievement of shared developmental outcomes in the context of the three-sphere governance system. IGR is about complex and interdependent relations amongst the three spheres of government. Intergovernmental Relations has been conceptualised as a system through which political priorities across the nation are harmonised to flow in the same developmental direction. IGR incorporates political leadership and aligns and directs spheres of government towards the same political priorities.

South Africa has adopted an instrumental approach to IGR that focuses on what effective IGR can achieve, in other words, better developmental outcomes through the strategic management of decision making and development. IGR is an instrument for mobilising the distinctive efforts, capacities, leadership and resources of each sphere towards service delivery and development objectives. IGR should have a specific developmental character.
“... It is critically important that our system of co-operative governance must continually operate in ways that result in better co-ordinated and integrated planning, budgeting and service delivery within and across spheres of government, if we are to promote sustainable community development and help bring a better life to all citizens ...” – Former President Mr Thabo Mbeki, Address to the National Council of Provinces, 10 November 2006.

Effective IGR – co-operative governance in action – should contribute towards seamless government. The concept of seamless government is important because communities do not particularly care which sphere of government, or which specific government department, is responsible for a specific function. They are interested in the results: development and infrastructure delivery such as schools, sanitation, jobs, electricity, and houses.

The system of IGR has evolved over time and will continue to evolve in the future. IGR practices have emerged and evolved pragmatically as practitioners have sought to give effect to the co-operative governance imperative. Various structures and forums emerged to facilitate IGR. Many of these have now been codified in the Intergovernmental Relations Framework Act (IGRF Act), 2005. The IGRF Act provides the broad statutory framework for IGR by articulating the objectives of co-operative governance, providing the institutional spine of the IGR system by regulating specific IGR forums, providing an institutional mechanism for joint cross-sphere activities and providing a basic framework for the resolution of IGR disputes.

Understanding IGR

This publication presents six case studies revolving around the broad practice of IGR, both before and after the framework legislation of 2005. Readers interested in a more extensive study of the evolution of the conduct of IGR to date, are referred to:

2. The IGR Toolkit, a comprehensive set of policy, educational and advocacy materials on IGR.

These and other publications on the work of the dplg are available on the website www.dplg.gov.za.
overview of the six case studies

The first case study examines intergovernmental co-operation by looking at the preparations for the 2010 FIFA Soccer World Cup. South Africa will be the first African country to host the World Cup Finals. The case study looks at how the Government of South Africa was required to provide a number of guarantees to FIFA on a range of issues including stadiums, transport, communications, and security in order to host this event. These guarantees are required by FIFA to ensure a successful tournament.

The co-operation of a range of organisations across the three spheres is needed to ensure South Africa’s full preparedness for the tournament. Role-players include the host cities, relevant provincial governments and many national departments, as well as state-owned enterprises, the private sector, the South African Football Association and FIFA which owns the rights to the event.

Preparing for the finals is a massive, multi-sectoral project that must be managed within a definite time period. Thus the preparations for the successful hosting of the 2010 FIFA Soccer World Cup Finals presents a complex set of co-ordination and Intergovernmental Relations challenges that must be carefully managed. Some of the early lessons from the 2010 preparations for effective Intergovernmental Relations appear to be the value of focus on a common objective, the benefits of providing funding directly to the point of delivery; the benefits of fixed and non-negotiable deadlines; and the value of special-purpose, dedicated co-ordinating and intergovernmental co-ordinating structures.

The second case study discusses the role of Intergovernmental Relations in facilitating effective service delivery, specifically water and sanitation. The case study looks at the benefits of a sector-wide approach to improving co-ordinated service delivery. It highlights both the value of and challenges experienced in the water and sanitation sector with regard to alignment and co-ordination of powers and functions that are not distributed concurrently and for which the provincial government sphere does not have direct responsibility. The role of sector policy and legislation in assigning powers and functions to local government is examined, as is the IGR challenges presented by the existence of regional and provincial offices of national sector departments. The institutional arrangements that facilitate collaboration in these circumstances are discussed along with the possible lessons for other sectors in respect of managing co-operative governance and Intergovernmental Relations.
The case study considers the challenges experienced with IGR and how these were addressed in respect of a constitutional power and function that is not shared concurrently with the provincial sphere of government. This is in contrast to housing which is a concurrent power and function between national and provincial government. The next case study examined IGR in this sector.

The third case study focuses on the improvements in service delivery in the former cross-boundary municipalities brought about through intergovernmental co-operation and action. The case study includes an analysis of the intergovernmental elements of the following: the abolition and subsequent realignment of the cross-boundary municipalities, transitional arrangements, subsequent improvements in service delivery and tackling the remaining challenges.

Cross-boundary municipalities, designed with the best of intentions, proved largely unworkable in practice, generating a range of problems that impeded service delivery. The Constitution, 1996, established 284 municipalities with 16 cross-boundary municipalities affecting five provinces. At the time of this demarcation, cross-boundary municipalities were set up in some areas to ensure viable, integrated and effective local government without shifting the existing provincial boundaries. These provincial boundaries had been established through reference to the already existing magisterial districts.

The case study demonstrates the importance of clarity within the IGR system especially with regard to powers and functions, national and provincial responsibility and oversight, as well as sufficient and aligned funding. Managing co-operative governance is a complex activity which was especially highlighted in the challenges relating to the realignment of the former cross-boundary municipalities.

The case study on housing and sustainable human settlements investigates how the three spheres of government collaborate to uphold the right to access adequate housing that is enshrined in the Constitution. Specifically, it considers the policy, legislative and regulatory environment and how powers and functions in respect of housing are allocated between national, provincial and local government spheres, as well as the institutional arrangements that have been established to manage co-ordination between the different role players.

Since 1994, the state has made massive progress in the delivery of housing. More than 3,6 million houses have been built and transferred to poor South Africans. Nevertheless, there is still a large need for housing throughout the country. The Breaking New Ground policy recognises that local government could fulfil a more direct role in the delivery of housing and mechanisms such as Housing Accreditation
were introduced to facilitate this. As such, this sector provides a useful setting in which to study the practice of Intergovernmental Relations and co-operative governance. Ultimately, this case study is about the pursuit of integrated governance within a specific sector – housing – and the enabling policies, regulations, institutions and support within an intergovernmental context.

The fifth case study examines Intergovernmental Relations and the success of the Urban Renewal (URP) and Integrated Sustainable Rural Development Programmes (ISRDP). The URP and the ISRDP were introduced in 2001 to eradicate urban and rural poverty in the poorest areas within South Africa, as well to attain social cohesion and equity. Former President Mr Thabo Mbeki said in his State of the Nation Address of 2001 that the aim of URP and ISRDP was “to conduct a sustained campaign against rural and urban poverty and underdevelopment, bringing in the resources of all three spheres of government in a co-ordinated manner”.

Some ten million South Africans live in the twenty-one nodes identified in the programmes: eight urban renewal nodes and thirteen rural development nodes. These two programmes, inherently intergovernmental in character, require the combined efforts of the three spheres of government and the Department of Provincial and Local Government was mandated by Cabinet to co-ordinate the implementation of the programmes. The inception of the URP and the ISRDP in 2001 ushered in a renewed focus on a new approach to integration at a local level in South Africa.

This case study demonstrates the role that is played by constructive Intergovernmental Relations in the integrated development of specific areas. Specifically, this case study highlights the value of robust institutional arrangements for the alignment and co-ordination of planning, budgeting and implementation between sector departments and across the three spheres of government; as well as the need for alignment and co-ordination to be scaled down to specific towns and settlements.

The nodal programmes reflect an attempt to adopt a ‘whole-of-government’ approach to the development of specific areas of the country, as well as the forging of a partnership approach between the private sector, communities and government. No single sphere, department or agency has total responsibility for the success of the programmes. Neither can any single sphere, department or agency working by itself develop a node, settlement or area. Roles and responsibilities are distributed across a range of departments and agencies in the national, provincial and local spheres of government. Funding for development programmes and projects in the nodes is similarly distributed across government.
The dplg believes that the implementation of these programmes in the last five years has shown that the principle of an ‘all-of-government’, area-based focus on poverty has produced some encouraging results. The programmes have tested new forms of intergovernmental co-operation and co-ordination for achieving shared developmental outcomes. They have sought to co-ordinate, integrate and focus the activities of the three spheres of government by developing ways of prioritising and aligning budgets and expenditures of the three spheres of government and associated sector departments. This is in the pursuit of improved developmental outcomes and to ensure cluster and inter-cluster, cross-level approaches to planning, budgeting and implementation.

The final case study examines intergovernmental planning with a focus on how it contributes to integrated governance and seamless service delivery. This case study highlighted real examples of the challenges and results of co-operative planning across the three spheres of government. Institutional arrangements and the links between planning and budgeting were also explored. The case study aims to demonstrate that each sphere of government has an integral role to play in ensuring that the outcomes from planning activities are co-ordinated, integrated and aligned in such a way that national developmental priorities are achieved. The national planning framework and cycle is discussed, as well as the roles and responsibilities of each of the three spheres therein.
‘Various departments have themselves signed 2010 guarantees specific to their respective mandate, the need for IGR co-operation and co-ordination becomes vital.’

Deputy Minister of Sports and Recreation Mr Gert Oosthuizen, 2007
Preparations for the 2010 FIFA Soccer World Cup
South Africa will be the first African country to host the 2010 FIFA (Fédération Internationale de Football Association) Soccer World Cup Finals. This is the biggest single sports event in the world and, as such, represents an international and very public vote of confidence in South Africa’s capabilities and progress since 1994. 32 nations will compete in 64 matches over 43 days in a competition that has the largest global television audience of any event. During these six weeks, South Africa and nine of its cities and towns will be under the spotlight on a global stage.

In order to host this event, the Government of South Africa was required to provide a number of guarantees to FIFA on a range of issues including stadia, transport, communications and security. These guarantees are required by FIFA to ensure a successful tournament. Preparing for the finals in 2010 and meeting these guarantees is a massive undertaking. Former President Mbeki stated that “Government will leave no stone unturned to ensure … resounding success”, at the celebrations to mark 1000 days to the start of the finals (13 September, 2006).

The co-operation of a range of organisations is needed to ensure South Africa’s full preparedness for the tournament. Role-players include the host cities, relevant provincial governments, and many national departments, as well as state-owned enterprises, tourism bodies, the transport sector, the private sector, the South African Football Association (SAFA) and FIFA, which owns the rights to the event.

Preparing for the finals is a massive, multi-sectoral project that must be managed within a non-negotiable timeline. Thus the preparations for the successful hosting of the 2010 FIFA Soccer World Cup Finals presents a complex set of co-ordination and Intergovernmental Relations (IGR) challenges that must be very carefully managed.

This case study examines how IGR is central to success in the preparations for 2010 and what lessons can be learned from this for other projects, programmes and policies that require an intergovernmental approach.
intergovernmental roles and responsibilities
in preparing for the 2010 FIFA Soccer World Cup finals

The matches will take place in ten stadia in nine host cities throughout South Africa and as such a great deal of the preparatory work is focused in these municipalities.

In order to win the right to host the event, the Government of South Africa was required to signed several guarantees with FIFA (as indicated above). These guarantees were signed by national government as well as the nine host city municipalities. Each host city entered into a Host City Agreement with the Local Organising Committee (LOC) in terms of which the city has to provide all requested assistance and support in matters which relate to the conduct of competition, the operation and running of the stadia and training grounds, with a particular emphasis on match days.

Although provincial government did not sign the guarantees it is essentially bound by them as the guarantees include functions that are managed concurrently by national and provincial government, such as transport and sports and recreation.
Thus an important first part of the preparations was the clarification of roles and responsibilities of the three spheres of government in those provinces where matches will be hosted. Host cities and provinces have entered into agreements outlining their respective roles and responsibilities, as well as establishing governance structures to oversee the preparations. An example of the agreement between Mangaung Local Municipality and Free State Provincial Government is outlined below. Another example is the formulation of a provincial 2010 strategy by Gauteng Provincial Government:

“We cannot afford to fail when we have in a very sober state, made guarantees regarding the obligations of government with respect to the 2010 tournament. We are all aware that the Presidency even made a declaration to FIFA committing all spheres of government to successfully fulfil all the 17 obligations, in terms of the guarantees, we committed ourselves to achieve. We should therefore ensure that through the various government departments and forums that we have, we work towards nothing else other than success. While various departments have themselves signed guarantees specific to their respective mandates, the need for intergovernmental co-operation and co-ordination becomes vital.

Co-operation of structures within government extends to all its three spheres. While provinces have not signed guarantees to FIFA, they still have a supportive role to play especially in respect of provincial competencies such as transport, health and sport and recreation. It is therefore imperative that government departments at all spheres plan jointly and monitor progress.”

Address by the Deputy Minister of Sport and Recreation in South Africa, Mr Gert Oosthuizen MP at the 2010: Role of Local Government Conference, 24 May 2007

Mangaung Local Municipality and Free State Provincial Government:
Clarifying Roles and Responsibilities

In February 2006, the Mangaung Host City and the Free State Provincial Government launched its governance structure for its 2010 preparations at a stakeholder workshop. The governance structure defined how the two spheres of government would work together with the sole purpose of preparing for the 2010 FIFA Soccer World Cup.

Role Clarification between Mangaung Host City and Free State Province

- Mangaung Host City: responsible for the development, implementation and hands-on management of all the activities necessary to ensure a successful 2010 FIFA Soccer World Cup tournament.
- Free State Province: responsible for facilitating, supporting and monitoring to ensure that the Province in general benefits from the hosting of the 2010 FIFA Soccer World Cup in Mangaung, in accordance with the broader objectives of the Free State Provincial Growth and Development Strategy (PGDS) and National Government priorities.
Institutional Arrangements

The committee structure adopted by Mangaung Local Municipality and Free State Province consists of three levels:

- Political Committee
- Technical Committee
- Sub-committees (e.g. Transport, Safety and Security)

Key Drivers for Functioning of the Committees

- Focus on co-operative government
- Prepare a plan to address development objectives of the Free State, specifically Integrated Development Plan and Free State PGDS
- Get the active participation of the private sector and neighbouring municipalities, (and other cities in SA)
- Spread the 2010 benefits to other areas within the Free State Province

Administration

The committees and sub-committees operate through the 2010 Mangaung World Cup Office to ensure that a secretariat function is adequately provided and that alignment of processes and proper co-ordination of activities is facilitated.

The host cities and towns carry the burden of responsibility for the successful staging of the matches. This responsibility not only includes the completion of stadia and training grounds on time, public transport and safety and security during the event. It also includes the provision of adequate accommodation, signage, sufficient water and power supplies for the influx of visitors, robust disaster management plans, traffic management on match days and waste management. To meet this responsibility, municipalities will require the full support of provincial and national government, especially the smaller municipalities with less capacity than the big Metros: e.g. Mbombela, Polokwane and Rustenburg.

A massive programme of work cutting across a diverse range of sector departments, government agencies, and all three spheres of government is required for 2010. Just some of the tasks involved are highlighted in the table below. Co-ordinating all of this work is a challenge and the institutional arrangements for co-ordination must function effectively.
### Examples of the Multi-Sectoral Nature of the Preparations for 2010

<table>
<thead>
<tr>
<th>Department</th>
<th>Responsibility</th>
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<tbody>
<tr>
<td><strong>Department of Communications</strong></td>
<td>Successful broadcasting of the tournament to a global audience&lt;br&gt;Provide ICT infrastructure according to FIFA's standards</td>
</tr>
<tr>
<td><strong>Department of Home Affairs</strong></td>
<td>Provide unconditional visas to FIFA role-players for 2010&lt;br&gt;Set up special immigration procedures for participants and visitors</td>
</tr>
<tr>
<td><strong>Department of Health – concurrent function with Provincial Government</strong></td>
<td>Comprehensive medical and disaster management services in the host cities</td>
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<tr>
<td><strong>Department of Trade and Industry</strong></td>
<td>Protection for FIFA trade-marks and merchandising</td>
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<tr>
<td><strong>Department of Sports and Recreation – concurrent function with Provincial Government</strong></td>
<td>Provision of suitable training facilities</td>
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<tr>
<td><strong>Department of Transport – concurrent function with Provincial Government</strong></td>
<td>Passenger transport systems&lt;br&gt;Upgrading and maintenance of roads</td>
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<td><strong>Host cities</strong></td>
<td>Management of volunteers</td>
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<td><strong>Policing</strong></td>
<td>Safety and Security</td>
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institutional arrangements for managing co-ordination

Special purpose co-ordinating structures have been established to oversee, manage, and co-ordinate the preparations for the 2010 finals. These structures bring together the various role-players and are in addition to the various IGR forums already in place.

These structures have proved to be important vehicles for monitoring progress and managing tensions. An example of this is the settlement of the controversy that arose in the City of Cape Town regarding the funding of the Green Point Stadium (for more information, refer to the section on 2010 Intergovernmental Fiscal Relations). It was recognised that the LOC had to ensure effective communications to host cities and provide accurate and timeous information to them in order to avert any disputes. The City of Johannesburg, another host city, has reported that “Intergovernmental Relations with other spheres of government and the 2010 LOC have been improving progressively. The City participates in the Provincial Technical Working Group, and this has helped to resolve some of the challenges with overlapping mandates and responsibilities between the City and the province.”

2010 Co-ordinating Structures

Local Organising Committee (LOC)
This is the South African primary co-ordinating structure that brings together all role-players including FIFA, SA Football Association, the Government of South Africa, the private sector and other stakeholders. The LOC is responsible for ensuring the success of the tournament. The LOC has established a number of committees and working groups to manage specific issues. The LOC has also set up an Integrated Project Office.

Inter-Ministerial Committee
Chaired by the Deputy President this committee drives government’s overall preparations for 2010 and ensures that the guarantees are fulfilled. The committee reports to the President on a monthly basis.

(National) Technical Co-ordinating Committee
Chaired by the Deputy Minister of Finance this committee reports to the Inter-Ministerial Committee and is comprised of senior departmental officials.
Many national departments, provincial governments and host city municipalities have also established 2010 Units to manage their specific 2010-related responsibilities.

The Host Cities Forum is the central structure for intergovernmental co-ordination. This structure is chaired by the Minister of Provincial and Local Government and is responsible for co-ordinating all 2010 preparations across the three spheres of government, including: providing project offices and accommodation for the LOC and FIFA; providing suitable stadia and training grounds; safety and security; transport and airports; environmental protection; FIFA ‘fan parks’; FIFA marketing and advertising; and municipal services.

The Host Cities Forum has to provide guidelines and directives for jointly managing projects around the stadium precincts, tourism initiatives, city beautification, disaster management, the volunteer programme, and environmental rehabilitation.
Getting South Africa ready to host the biggest and most watched sporting event in the world and fulfilling the guarantees made to FIFA requires government to invest in infrastructure, logistics, communications and security.

National Treasury is allocating funds at the ‘point of delivery’. Thus a large portion of the funds required have been allocated to relevant national sector departments and to the nine host cities. Funds have been dedicated to infrastructure and five new stadia and the upgrading of another five. This will be supplemented with contributions from provincial government, host cities and other partners. Funds have also been allocated to transport and related infrastructure, sports and recreation, arts and culture, safety and security and health. National Treasury has mooted the possibility of introducing a World Cup Host City Operating Grant in the next Financial Year to help municipalities prepare.
Concerns about intergovernmental fiscal relations threatened to disrupt the building of the new Green Point Stadium in Cape Town, a venue for one of the 2010 semi-finals. Executive Mayor Helen Zille refused to sign the contracts with construction companies until greater clarity was obtained about the funding arrangements for the new stadium. This led to tensions between the City and the Western Cape Provincial Government. Province saw it as a lack of support for the Western Cape’s hosting of the tournament. The City was concerned about possible shortfalls in the funding of the stadium and the negative impact of this on other capital expenditure plans should it need to foot the bill.

Consultations involving the three spheres of government, the Minister, as well as the Local Organising Committee, produced an agreement and construction began:

- National Government Grant – R1.93bn
- DBSA Planning Grant – R30m
- Provincial Government of the Western Cape – R212m
- City of Cape Town – R400m

In eThekwini, concerns arose when National Treasury offered the city R1.8bn for the new stadium but escalating building costs pushed the costs up to R2.6bn. The City insisted that it could not fund the shortfall. Fears arose that the City would increase rates significantly to cover the difference. The municipality and the KwaZulu-Natal Provincial Government agreed to jointly make up the shortfall, the former with a R300 million pledge.

Intergovernmental concerns generated by the funding arrangements for the new and refurbished stadia in the host cities are inevitable. Two examples of this and how these tensions were resolved are described below.

Budgeting for 2010 is guided by the protocol that prioritises spending that will leave a legacy beyond the end of the 43-day tournament. It is only through the legacy projects that the spending on the 2010 preparations can be justified in the context of continuing developmental challenges in the country.
keeping everyone informed
and involved

The success of the 2010 FIFA Soccer World Cup Finals does not lie solely with government departments and the host city municipalities. A range of other stakeholders have important roles to play in ensuring a successful event. These include a number of government agencies and parastatals such as ACSA, Eskom, SAA, the International Marketing Council, SA Tourism and the SABC.

The private sector’s role in building the stadia and providing a range of goods and services needed for the tournament is obvious. There are also other stakeholders that need to be involved, such as organised labour, community organisations, the media and the diplomatic and international community.

Accordingly, several of the co-ordinating structures include representatives of the private sector, organised labour, parastatals and other stakeholders.

<table>
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<tr>
<th>2010 Structures that Include Stakeholders</th>
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<tr>
<td>Local Organising Committee</td>
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<tr>
<td>Provincial Technical Co-ordinating Committee</td>
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<tr>
<td>2010 National Communications Partnership</td>
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Given the complex institutional arrangements that have been created to co-ordinate efforts for 2010 the issue of communication becomes an important one to be managed. The LOC has clarified the lines of communication between the various co-ordinating structures in a Communications Protocol.

The question of external communications and marketing of the event (and South Africa) has also been considered and a 2010 National Communications Partnership Strategic Framework has been adopted. This framework sets out roles and responsibilities for external communications, as well as communications objectives and core messages.
conclusion

The preparations for the hosting of the 2010 FIFA Soccer World Cup Finals raises a range of intergovernmental challenges essential for success. Although 2010 preparations have a higher media profile than other government projects, the challenges do not substantially differ from those in most efforts in IGR and co-operation. Some of the Intergovernmental Relations issues that have been highlighted in this case are:

- The importance of clarity in the allocation of powers and functions between spheres
- The need for effective co-ordinating structures
- The need for intergovernmental fiscal relations that align budget allocations with powers and functions, roles and responsibilities
- The need for coherent communications and messaging

For this reason, 2010 is an important case study on how Intergovernmental Relations can be managed effectively to achieve shared outcomes. A successful event in 2010 will perhaps be the ultimate case study in effective Intergovernmental Relations. Therefore it is worth continuing to study the preparations as they unfold over the next two years.

Some of the early lessons from the 2010 preparations for effective Intergovernmental Relations appear to be:

- The value of focus on a common objective
- The benefits of providing funding directly to the point of delivery
- The benefits of fixed and non-negotiable deadlines
- The value of special-purpose, dedicated co-ordinating and intergovernmental co-ordinating structures
- The importance of good communications.
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Free State Provincial Government (no date) Committee Structure for Mangaung Host City and Free State Province 2010 FIFA World Cup

Media releases
‘A country should use water and forests productively and in a sustainable manner for social and economic activities; in a manner that promotes growth, development and prosperity of all people to achieve social justice and equity.’

DWAF Strategic Framework for Water Services, 2003
Service delivery in the water sector
This case study examines the role of Intergovernmental Relations in facilitating effective service delivery through a sector-wide approach to improving co-ordinated government.

The Department of Water Affairs and Forestry (DWAF) is constitutionally mandated to provide all households with basic water and sanitation in accordance with national targets and standards. This mandate is not shared with the provincial sphere of government unlike housing or health; it is a non-concurrent function in terms of the Constitution of the Republic of South Africa, 1996. Nevertheless, this is a service that is delivered at household level and local government has a vital role to play accordingly.

There are many role players involved in the delivery of water and sanitation, including the National Treasury, DWAF, municipalities, Water Services Authorities (WSAs), Water Catchment Agencies (WCAs), donor agencies, the DBSA and Mvula Trust. Planning and delivery of water and sanitation also cannot be pursued in isolation from planning and delivery of housing, electricity, land zoning and other services.

Understanding the role of collaboration, where it is appropriate and what links collaboration to successful delivery is therefore important. This case study examines how collaboration in the water sector has been made possible and the lessons this holds for other sectors in managing co-operative governance and Intergovernmental Relations.
Constitutional right to water and sanitation

Access to water is recognised as a basic human right in the Constitution, 1996. This right is also recognised in international human rights instruments such as the Convention on the Elimination of All Forms of Discrimination Against Women of 1979 (Article 14) and the United Nations Convention on the Rights of the Child of 1989 (Article 24). Sanitation is not named as a right in the South African Constitution, but in international law and policy, water and sanitation are closely linked. Without water, many sanitation facilities cannot function and meet the hygiene standards essential to preventing the spread of diseases. For this reason the effective delivery of water services across government is an important barometer of service delivery by government.

The Millennium Development Goals on Water and Sanitation

One of the Millennium Development Goals (MDGs) is to halve the proportion of people without sustainable access to safe water and basic sanitation by 2015.

Achievements since 1994

The proportion of households having access to clean water increased from 60 percent in 1995 to 85.5 percent in 2003. By December 2004, 10 million people had gained access to a basic clean water supply. Access to sanitation increased from 49 percent of households in 1994 to 63 percent in 2003.

Delivery targets

“A2008 is the year we envisage we will have supplied all South Africans with clean water. 2010 is the year we envisage we shall have supplied all South Africans with sanitation services …these targets are stipulated in the Strategic Framework for Water Services document.”

African Ministers Coming Together to Achieve the Millennium Development Goals Speech by former Minister of Water Affairs and Forestry Ms BP Sonjica, Stockholm, Sweden, August 2005
The extent of the backlogs is still daunting. Success requires the concerted efforts of all role-players to meet the targets Government has set in its Progarme of Action to meet the Millenium Development Goals. The National Water Services Delivery Plan will confirm the number of households that must still receive water services. However, many municipalities are struggling to address the challenge of supply. This is evidenced by the continuing battle to eradicate the bucket system, to provide services to new settlements, schools and clinics, to urban based informal settlements and for some of the poorest rural areas. On top of this municipalities must try to maintain the existing and often ageing water infrastructure.

“The Constitution assigns the executive authority for water supply and sanitation services to local government, an independent sphere of government. National and provincial governments are obliged to support and strengthen the capacity of municipalities and to ensure effective performance. National government may not undermine the executive authority of local government but can set national norms and standards (policy function) and enforce legislation (regulatory function). In exercising these roles, national government must apply the principles of co-operative government.”

Strategic Framework for Water Services, 2003

The following table highlights the extent of water backlogs per province and the costs per province to eradicate these backlogs.
### Extent of the investment needed to address the backlogs

| Province            | Total Households April 2007 | Total Below RDP Water April 2006 (Households) | Total Below RDP Water April 2007 (Households) | No Formal Water Infrastructure April 2007 (Households) | Cost to eradicate the backlogs at a cost of R6 000 per household |
|---------------------|-----------------------------|-----------------------------------------------|-----------------------------------------------|------------------------------------------------------|----------------------------------------------------------------
| Eastern Cape        | 1,590,216                   | 369,781                                       | 312,442                                       | 192,770                                              | 1,874,652,000                                                   |
| Free State          | 792,734                     | 59,540                                        | 37,648                                        | 8,042                                                | 225,888,000                                                    |
| Gauteng             | 3,339,015                   | 212,298                                       | 167,456                                       | 26,346                                               | 1,004,736,000                                                  |
| KwaZulu-Natal       | 2,435,795                   | 553,606                                       | 491,015                                       | 235,663                                              | 2,946,090,000                                                  |
| Limpopo             | 1,250,308                   | 346,114                                       | 296,665                                       | 79,401                                               | 1,779,990,000                                                  |
| Mpumalanga          | 892,197                     | 171,586                                       | 141,291                                       | 39,687                                               | 847,746,000                                                    |
| North West          | 922,051                     | 160,410                                       | 130,842                                       | 48,041                                               | 785,052,000                                                    |
| Northern Cape       | 262,404                     | 29,259                                        | 24,244                                        | 8,000                                                | 145,464,000                                                    |
| Western Cape        | 1,393,101                   | 59,086                                        | 47,709                                        | 8,964                                                | 286,254,000                                                    |
| **Total**           | **12,877,821**              | **1,961,680**                                 | **1,649,312**                                 | **646,914**                                          | **9,895,872,000**                                             |

Source: DWAF April 2007
As can be seen from the table, the highest backlog for water is in KwaZulu-Natal (491 015), followed by Eastern Cape (312 442) and Limpopo Province (296 665) households.

To meet the milestone for universal access to services 191,037 household connections per annum need to be delivered until 2014. This is a challenge for both DWAF and the dplg, in terms of co-ordinating the Municipal Infrastructure Grant and the required capacity and funding. However a total of 312 368 households were served in 2007 alone (DWAF, July 2008). Overall, household water backlogs were reduced from 3,891,227 million households in 1994 to 1,337,257 households as at March 2008 which is a significant achievement.
Introduction

While DWAF is the national custodian of the water sector it is not solely responsible for ensuring the delivery of water and sanitation. Other departments, government agencies, development financing institutions, utilities companies, and municipalities also play a central role. Water and sanitation is an inherently cross-cutting issue, directly impacting on other sectors such as health, education, and economic development. In turn, other sectors also impact on the water sector: environmental affairs, bulk infrastructure, land use, waste management, and housing. The cross-sectoral nature of the water sector means that a high degree of consultation, co-ordination and collaboration is needed if integrated service delivery is to be achieved.

The sector leader: Department of Water Affairs and Forestry

DWAF’s role is to safeguard and harness the country’s water resources as well as to ensure universal access to affordable water and sanitation services. DWAF has regional offices that divide along provincial lines. Importantly, it does not have Provincial Ministers or Departments as counterparts as this is not a concurrent function according to the Constitution, 1996. However, DWAF does have regional offices, which has generated confusion and added to the intergovernmental complexity of this sector. This has raised questions about the relationships and Implementation Protocols between DWAF, provincial Premiers and MECs for Local Government to clarify.
Other role-players in the water services sector

<table>
<thead>
<tr>
<th>Role Player</th>
<th>Responsibilities</th>
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<tbody>
<tr>
<td>Department of Provincial and Local Government</td>
<td>The Department of Provincial and Local Government supports and co-ordinates the work of these two spheres of government. It also has overall responsibility for local government. Related to water services dplg is responsible for the regulation of municipal service partnerships in terms of the White Paper on Municipal Partnerships and the Municipal Systems Act, 2000 enforcing the development of water services development plans by ensuring integration into the IDP process, allocating of the MIG and intervening in the case of non-performing municipalities.</td>
</tr>
<tr>
<td>National Treasury</td>
<td>National Treasury is responsible for the efficient and effective allocation of funds and use of public resources in the country.</td>
</tr>
<tr>
<td>National Sector Departments</td>
<td>Many sector departments have a direct and indirect role in the water services sector in that their particular mandates overlap to some extent, or are impacted by the work of DWAF. Some examples include the Department of Housing, the Department of Environmental Affairs and Tourism, the Department of Health, and the Department of Agriculture.</td>
</tr>
<tr>
<td>Provincial Sector Departments</td>
<td>Provincial government occupies a somewhat awkward role in the water sector as the primary role players are the national department and municipalities. However, provincial public works departments may undertake (or oversee) the construction of water and sanitation infrastructure on behalf of other departments in the province such as education, housing or health. Typically this will include setting design standards for water and sanitation facilities in schools, hospitals and clinics. Nevertheless, these ‘client’ departments remain ultimately responsible for the water supply and sanitation services within their own facilities, including the associated costs of bulk water and sanitation infrastructure where appropriate.</td>
</tr>
<tr>
<td>Water Services Authorities</td>
<td>The Water Services Act, 1997 created the function of Water Services Authority (WSA). The Authority function is vested in local government and its primary responsibility is ensuring that the water and sanitation needs of its constituents are met. The Municipal Structures Act allowed for the WSA function to be allocated to either local or district municipalities. WSAs need to decide who will undertake the twin function of Water Service Provider, which can be retained by local government or delegated to other actors. Section 78 of the Municipal Structures Act, 1990 guides this appointment process. The effectiveness of the WSA role can be constrained by capacity problems at local government level as it is a complex assignment. The WSA determines local policies and standards (which must conform to national minimum norms and standards), promulgates by-laws, plans the provision of water services, determines how investments in water services are undertaken and sets tariffs. In cases where the WSA is also Water Services Provider (WSP), there is self-regulation and where the water services are provided by an external water services provider, the WSA regulates the provision of services by means of service delivery agreements.</td>
</tr>
<tr>
<td>Water Services Providers</td>
<td>Water Services Providers (WSPs) physically provide the water services to consumers under contract to the WSA. This function of WSP can be performed by a municipality itself or a private utility, an NGO, or a state-owned enterprise. Water Boards are established by DWAF to provide water services.</td>
</tr>
<tr>
<td>Development Partners</td>
<td>The donor community has provided immense institutional support to the sector mainly through supporting DWAF. It is the donor community that has been instrumental in spearheading a more co-ordinated intergovernmental approach to the sector.</td>
</tr>
</tbody>
</table>
Managing the challenges of diffuse roles and responsibilities

In 2003 Cabinet adopted the Strategic Framework for Water Services (SFWS), a coherent framework for water service support. It also clarified the allocation of Municipal Infrastructure Grant (MIG) funds, the co-ordination of planning and reporting requirements, clarification of the distinction between local and regional water services and water services providers.

Challenges face the respective spheres of government. In the local sphere capacity is a major issue, DWAF as sector leader has assumed responsibility to guide, co-ordinate and harness resources of sector partners to provide support. The SWFS gives effect to this responsibility, and should be achieved with the next five to ten years.

The transfer of powers and functions for water services delivery to municipalities meant that DWAF had to withdraw from delivering services directly. This proved to be challenging. Municipalities did not want to accept schemes with excess staff that required ongoing subsidies. Staff members working for DWAF were not always comfortable transferring to municipalities.

A lack of alignment between various programmes within DWAF further affected delivery. For example, the Consolidated Municipal Infrastructure Programme (CMIP) and the Community Water Supply and Sanitation (CWSS) differed on financial rules governing programmes, levels of services and subsidy, the focus on community-driven processes and even the role of NGOs. This resulted in some confusion for municipalities and some tension between DWAF and dplg.

The introduction of the new Strategic Framework for Water Services went some way in clarifying roles and responsibilities within the sector. The introduction of other legislation such as the Municipal Finance Management Act, 2003 also assisted in this regard.
Legislation that promotes intergovernmental collaboration in the water services sector includes:

- **Constitution of the Republic of South Africa, 1996** - vests the executive authority for water services with local government.

- **Local Government: The Municipal Structures Act, 1998** - gives district municipalities the powers necessary to perform the water services authority function as contained in the Water Services Act, 1997. The Minister of Provincial and Local Government may authorise a local municipality to be a WSA.

- **Local Government: The Municipal Systems Act, 2000** - regulates the differences between the authority and providers functions of a municipality. In other words, a municipality may deliver water services itself or may choose to appoint an external service provider. The legislation regulates such municipal service partnerships and introduces a range of institutional forms for the delivery of water services.

- **Municipal Finance Management Act, 2003** - The duty to provide free basic water is balanced against sustainable service delivery. This act complements the Municipal Systems Act by regulating credit control, debt collection, budgeting for service delivery, and financial reporting.

- **Division of Revenue Act** - provides for the annual division of nationally-raised revenue among the three spheres of government including conditional grants such as the Municipal Infrastructure Grant.

The clear allocation of the powers and functions for water services to local government led many municipalities to embark on a Section 78 assessment in terms of the Municipal Systems Act to determine the most appropriate water services arrangements within their municipality.
Section 78 Assessments: Implementing the Division of Powers and Functions for Water Services

A section 78 assessment is required by the Municipal Systems Act to assess potential service delivery mechanisms for the provision of a municipal service such as basic water and sanitation. This was triggered by the division of powers and functions for water services to local government in 2003. The assessment first involves a status quo assessment to identify water services challenges in the particular municipal area. Second, a decision is taken to explore internal or external service delivery mechanisms. Third, a municipal council decision is taken on which option will be implemented.

A variety of support mechanisms are available to municipalities conducting a Section 78 assessment for water services. Funding is available for the process, as is a range of guidelines and case studies.

The Municipal Systems Act provides for community consultation in the Section 78 assessment.

The newly introduced framework did not, however, resolve all the challenges arising from diffuse institutional arrangements. For example, the role and accountability of DWAF’s regional offices in relation to municipal councils as well as provincial governments remained unclear. These offices are accountable to the national head office and the link to provincial government is to some extent informal and collegial. The Minister of Water Affairs and Forestry has stated that the regional DWAF offices should be politically accountable to the MEC for Local Government. This would allow better alignment of the DWAF activities and resources in the local government sphere.

At provincial level there was no political voice for DWAF as a sector leader. The DWAF MinMec has experienced functionality problems, partly due to the challenges of co-ordinating its broad range of intergovernmental role-players. The absence of a permanent seat for the Minister of Water Affairs and Forestry on the President’s Co-ordinating Council has also inhibited intergovernmental collaboration.
the emergence of an intergovernmental and sector-wide approach in the water services sector

Under the leadership of DWAF, South Africa has adopted a sector-wide collaborative approach to the delivery of water services. This approach seeks to forge collaboration across the three spheres of government as well as water services bodies in the private and not-for-profit sectors. It is an approach that is meant to be a vehicle for transformation and decentralisation through joint responsibility and collective accountability. Since DWAF does not have direct control over local government this approach enables the lead sector department to work with the other role players in delivering against sector goals and targets, for which DWAF is ultimately responsible.

From 1994 to 2000, against the backdrop of the transformation of local government, DWAF implemented a range of water services schemes itself. The lack of functional structures and capacity, especially in rural areas, led to the water sector in effect creating a parallel rural government system. This was followed by a transitional period during which responsibility was progressively transferred to municipalities. Funding for the capital investment needed to eradicate water services backlogs was transferred from DWAF to municipalities during this period through a growing system of grants. Tensions arose during this time as a result of a lack of clarity about roles and responsibilities. This saw communities approaching DWAF directly even though the function had been passed over to municipalities.

Tensions arose between municipalities and DWAF in some instances especially where councils perceived water committees to be undermining their roles. The Water
Services Act, 1997 was an attempt to remedy this situation. This legislation introduced the concepts of Water Services Providers and Water Services Authorities. It also introduced the need for Water Services Development Plans which is an integrated approach aligned to the municipal IDP process. The Water Services Act provides a framework within which DWAF could work constructively with municipalities to assist them to assume their WSA responsibilities and prepare their WSDPs.¹

Within the international water sector the idea of a sector-wide approach gained ground in the later 1990s. This influenced the thinking in South Africa. The result was the Masibambane programme² ('Let’s Work Together') of co-ordinated ‘sector support’ and strengthen the water and sanitation services sector in South Africa as a whole and to support the proper functioning of local government in terms of the policy and legislative framework. Masibambane included an explicit focus on integrated planning and co-ordination across the sector. The programme focused on the three provinces with the greatest backlogs: Limpopo, KwaZulu-Natal and the Eastern Cape. The programme has subsequently been extended to six provinces.

The Masibambane Programme is a national initiative of the Government of South Africa with its European donors such as the Commission of the European Communities, who contribute a financing grant. Today, Masibambane has evolved to a Sector-Wide Approach (SWAP), the National Water Sector Programme (NSWP).

The National Water Sector Programme (NWSP 2007/08 – 2011/12) deals with water sector needs, the design and development of intervention strategies in order to achieve those articulated needs and an implementation programme. It was developed through an extensive consultative process both within and across people and institutions in all the provinces. Within provinces various water sector stakeholders convened to deliberate the role and function of water management in Provincial Growth and Development Strategies. Provincial Water Sector Plans were developed accordingly. A somewhat similar process was developed at the national level whereby a national water summit was convened to discuss the challenges of water management and use.

¹ In 2008, the focus is placed on municipal performance and how local government is discharging its responsibility for the provision of water services as well as how national government is overseeing and supporting municipalities in this regard.

² Masibambane won the Water Globe Award in 2002, and the CPSI Public Sector Innovation Award in 2006. DWAF also won a Vuna Award for Best Sector Department in 2006 in recognition for support to municipalities in delivering water and sanitation services. Masibambane’s role has primarily been focused on building capacity at local government level, sector collaboration, and institutional reform and it has made significant strides in developing IGR to facilitate collaboration between various government departments.
how intergovernmental planning and budgeting supports a sector-wide approach

The provision of water services must align with the broader goals of integrated water resources management. This requires an integrated planning approach.

Water sector and water services development plans

“Sustainable service delivery starts with sound planning frameworks and guidelines. Our water services legislation makes planning of services a requirement to the extent that only projects that are reflected in local authorities’ Integrated Development Plans receive Government funds … the Water Services Development Plan is a component of the Integrated Development Plans of municipalities. These plans are reviewed on an annual basis to coincide with the Government’s budgeting processes.”

Minister of DWAF, Ms Lindiwe Hendriks 2007

The primary instrument of planning in the water services sector is the Water Services Development Plan (WSDP). A local or a district municipality that is not a Water Services Authority should develop a water sector plan addressing the district-wide issues arising from the local WSDPs and include this in the district’s Integrated Development Plan. Where district municipalities have district management areas, the district must develop a WSDP for these areas. Where a local municipality is not a water services authority, the local municipality should summarise the implications of the district level WSDP for its own area in a water sector plan and include it in its IDP.

DWAF is responsible for sector policy, support and regulation and plays an active role in the IDP engagements process. The intensity of DWAFs involvement as sector regulator will increase over time. In the medium to long term, however, the role of DWAF in institutional reform and support is likely to diminish, leaving DWAF as sector leader.

In order to ensure appropriate alignment and integration between WSDPs and IDPs, the WSAs need to not only own the WSDP and champion it but work closely with local government. All WSAs must develop a WSDP to assist water services authorities...
to carry out their mandate effectively. The requirement that water services authorities regularly update their plans and report annually on progress against their plans will assist local communities and DWAF to assess how well they are performing.

DWAF must ensure alignment and integration with development guidelines to assist local government in the preparation of practical water services development and water sector plans. Approval of WSDPs rests with the municipal councils. However, there are instances where regional DWAF officials have insisted on vetting these plans. Regional officials need to shift their role away from oversight and control to support and guidance.

Initially, it was not clear how the DWAF strategic plans were linked to budget allocations. Over time the sector priorities have increasingly influenced resource allocations. An elaborate sector planning process has been effected, linking priorities at a national, regional and WSA level. Ideally, this sector-wide planning and budgeting process would be integrated, aligned and transparent to increase ownership of each element of the plan by the role players.

**Intergovernmental fiscal relations in the water sector**

The introduction of MIG has had a significant impact on IGR in the water sector. Prior to MIG, DWAF funded water infrastructure in municipalities through its own conditional grant programme. This came to an end with the introduction of MIG which is housed at the *dplg*. The implication was that the lead sector department no longer had direct control over funding flows in the sector.

The links between WSDPs and IDPs became more important as credible IDPs are a condition for accessing MIG funding. This facilitated closer integration of the WSDPs with the IDPs of municipalities. Guidelines in this regard have been developed. However, concerns have been raised about misalignment between national policy goals in the water sector and resource allocation to the sector as these responsibilities are now split between DWAF and the *dplg*. This had led to calls for National Treasury to monitor alignment of policy goals with funding, and for the establishment of a National Water Sector Intergovernmental Forum in terms of the IGRF Act, 2005.

Currently, this intergovernmental co-ordination occurs through the Municipal Infrastructure Task Team chaired by the *dplg* where both NT and DWAF are represented to ensure overall alignment of infrastructure related policies and MIG

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3 The acceleration of the introduction of the MIG means the *dplg* rather than DWAF now oversees grant money in the water sector. In practice, difficulties arise, especially in respect of exactly how resource allocations were determined as well as inadequate integration between the sector-wide planning process and the DWAF strategic planning process.
funding. There is a need to ensure that collaborative structures that engage in sector-wide planning sequence their meetings so as to make timeous inputs into the MIG co-ordinating structures.

**capacity building**

A massive capacity-building effort, led by DWAF, has accompanied the transfer of powers and functions in the water services sector to local government. The Five-Year Local Government Water Sector Support Plan outlines these programmes.

The DWAF model of local government support is collaborative and co-operative. The Water Services Act, 1997 created a suitable framework for this. The main emphasis is on strengthening local government in terms of both its authority and water and sanitation services provision functions.

In particular the plan focuses on ensuring that Water Services Authorities have the capacity to accelerate the delivery of water and sanitation infrastructure and regulate service provision and improve the performance of water services providers.

A National Joint Water Services Sector Support Strategy was developed in consultation within the entire water services sector, including SALGA, dplg and National Treasury, with extensive inputs received from Water Services Authorities themselves.

In order to avoid fragmentation and duplication the DWAF support given to local government is co-ordinated through a number of structures including a national task team, national support managers, and regional support managers. Peer networks and knowledge management are critical components of the capacity building occurring in this sector. Examples include the District Water Services Managers Forum and the Water Information Network.

DWAF, with the support of donors, champions a multi-dimensional approach to capacity-building that truly reflects the spirit of the constitutional principle of co-operative governance.
The Five-Year Local Government Water Sector Support Plan

Support Focus Areas:

- Support to Local Government Water Services Institutions including support for the development of the WSDP, MIG project planning and implementation, free basic water and sanitation, tariff policy, and deciding on the most appropriate water service provider arrangements
- Development of skills including councillor development in waters services and resources, and the creation of a national and regional resource pools
- Enabling all sector role-players to fulfil their roles effectively including co-ordination.

An example of WSA support

The DWAF and its Regional offices will support WSAs by addressing the needs identified in the WSA support plan. By using the WSA checklist, WSAs will identify gaps and compile an action plan with targets, submitted for Council approval. The next step is the preparation of a WSA support plan which will form a part of the broader municipal support plan. The WSA support plan should identify the type of support required to achieve water and sanitation targets.
Intergovernmental Relations
lessons from managing
a sector-wide approach

While not without significant challenges, the Department of Water Affairs and Forestry has spearheaded an intergovernmental approach characterised by:

- Strong sector leadership
- A shared vision for the sector
- The devolution of powers and functions to local government as per constitutional imperatives
- The introduction of a legislative and regulatory framework to provide clarity on roles and responsibilities, powers and functions
- The implementation of a co-ordinated capacity building and support programme to enable local government to fulfil its powers and functions in the sector
- The evolution of a sector-wide approach to planning, budgeting, reporting and monitoring
- The establishment of special purpose, dedicated IGR structures in the sector.

These are elements of success that can be considered in other developmental areas requiring strong sector-wide collaboration such as economic development, housing, rural development and transportation. The emergence of the sector-wide approach accompanied by co-ordinated capacity building and support is especially notable.

A complex and complicated set of institutional arrangements has evolved in a bid to manage the sector-wide approach. The impact of the IGRF Act, 2005 on these arrangements remains to be seen. Ideally, some degree of streamlining is needed without losing the dedicated focus on the water services sector.

Specific challenges in this sector that need to be considered in other sectors include:

- The need for an ‘apex’ IGR structure where political decision-makers in the sector can engage
- Strengthening alignment of policy, planning and budgeting when these responsibilities are diffused across organisations and spheres of government
- The role of non-government stakeholders including communities and users of services, as well as donor organisations
The role of provincial government in aligning national plans with local needs
The role of provincial or regional offices of national sector departments in the IGR system
The value of harmonised reporting systems and common sets of performance indicators in promoting intergovernmental alignment.

Many lessons can be learned for the Masibambane programme and initiative about changing the way collaboration is approached to create a sector identity, common ownership and united voice.

Both national and local government play an important part in decision making through formal structures. However, it is also important to recognise the role of other informal forums which bring in other stakeholders to agree on common goals, strategies and to improve co-ordination and integration. Transformation and decentralisation imply that these structures will be dynamic and evolve depending on the need.

Co-ordination also takes place at a horizontal level. For national government this is done through the Social Cluster. Instrumental in co-ordination between different spheres of government are the MinMec (political representation) and the MinTech (official representation). Developing a formal ‘whole of government’ co-ordination structure is proving to be challenging for the water services. DWAF engages with local government through the Local Government MinMec and the Municipal Infrastructure Task Team (MITT). A national sanitation task team (NSTT) has been set up with the main of co-ordinating sanitation initiatives in the sector.

At provincial level many structures exist to facilitate co-ordination. However, in the context of the water sector, the primary one is the Provincial Liaison Committees (PLCs) which provide a forum for liaison between DWAF and other provincial departments.

To drive key programmes, such as the national sanitation programme, the free basic water policy and strategy process at national programme level, various joint structures have been established.

The Water Services Sector Leadership Group is tasked to guide the water services sector, to facilitate the building of a well informed and organised sector and to promote sector collaboration and effective co-ordination of water services.

The National Water Advisory Council is tasked to advise the Minister on both water resources and services issues and has an important role to play in strengthening the voice of civil society at national level.
At provincial level, because of the central role played by WSAs in sector forums, various task teams have been established which are responsible for implementation and are accountable to the sector forum. Provincial strategies can assist the water services sector to take responsibility for planning, implementation and monitoring of the water services component of the municipal infrastructure grant.

The sector-wide approach, the allocation of resources, expertise and support must be geared towards these common sets of objectives and targets within the local, provincial and national spheres. This requires the following:

1. A consolidated budget
2. A consolidated five-year national water sector plan which is developed and reviewed on an annual basis. This plan supports the implementation of the Local Government Strategic Agenda (LGSA) and is informed by nine provincial water sector plans which are built on the WSDPs and IDPs of WSAs.
3. The sector has committed its resources to facilitate the co-ordination and alignment of support. Municipal support plans inform provincial water sector support implementation plans which are then fed into this five-year local government water sector support plan.
4. Annual reviews of provincial and national plans to inform learning and where necessary course correction and adaptation.
5. The sector-wide approach requires structures to ensure co-ordination.

A National Joint Response Team (NJRT) was set up to respond directly and quickly to the needs of municipalities in respect of fulfilling their responsibilities in the provision of basic water and sanitation services. In particular, the NJRT assists with issues arising from Section 78 assessments and the establishment of Water Services Authorities such as the transfers of staff and assets, compliance with waters legislation and regulation, and institutional matters.

The NJRT comprises representatives from DWAF, dplg, NT and SALGA.

The team reports to the Section 78 Working Committee chaired by the dplg as well as the Interdepartmental Transfers Committee chaired by DWAF.

The NJRT has facilitated the establishment of Provincial Joint Response Teams to allow interaction with Water Services Authorities.

The NJRT provided a single interface for local government officials and politicians with national and provincial counterparts thus facilitating a more co-ordinated, sector-wide approach and reducing confusion for municipalities that were often receiving different advice from different departments.
This case study examined the role of Intergovernmental Relations in facilitating effective service delivery through a sector-wide approach in the water sector. Various institutional arrangements were designed and implemented to promote co-ordinated planning and integrated actions. This process was underpinned by a considerable investment in capacity strengthening and support by the lead national department. These are two critical success factors for effective Intergovernmental Relations in other sectors.
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‘The office of the Premier and the Provincial Governments must ensure that all existing Intergovernmental Forums place the matter of the former cross-boundary municipalities on their respective agendas for deliberations.’

The dpig progress report on the former cross-boundary municipalities to the Cabinet Lekgotla, 24-27 July 2007
An Intergovernmental Perspective ...

Case study 3

Improving service delivery in the former cross-boundary municipalities
introduction

This case study is about the improvements in service delivery in the former cross-boundary municipalities brought about through intergovernmental cooperation and action.

The case study includes an analysis of the Intergovernmental Relations elements applied during the abolition of the cross-boundary municipalities. These elements include the transitional arrangements that were agreed, the subsequent improvements in service delivery and the remaining challenges for the municipalities and provinces involved.

Cross-boundary municipalities, designed with the best of intentions, ultimately proved unworkable in practice generating a range of problems that impeded service delivery.

The Constitution, 1996 had established 284 municipalities with 16 cross-boundary municipalities (hereafter referred to as CBMs) affecting five provinces. At the time of this demarcation cross-boundary municipalities were set up in some areas to ensure viable, integrated and effective local government without shifting the existing provincial boundaries.
### List of former cross-boundary municipalities and current status

<table>
<thead>
<tr>
<th>Affected municipality</th>
<th>Decision</th>
<th>Receiving province</th>
</tr>
</thead>
<tbody>
<tr>
<td>Umzimkhulu LM</td>
<td>As part of newly configured Sisonke DM</td>
<td>KZN</td>
</tr>
<tr>
<td>Matatiele LM</td>
<td>As part of newly configured Alfred Nzo DM</td>
<td>Eastern Cape</td>
</tr>
<tr>
<td>Tshwane MM</td>
<td>Municipality incorporated into Gauteng Province</td>
<td>Gauteng</td>
</tr>
<tr>
<td>Ekurhuleni MM</td>
<td>Municipality incorporated into Gauteng Province</td>
<td>Gauteng</td>
</tr>
<tr>
<td>West Rand DM</td>
<td>Newly constituted District (Mogale City, Randfontein and Westonaria LM's) incorporated into Gauteng Province</td>
<td>Gauteng</td>
</tr>
<tr>
<td>Merafong City LM</td>
<td>Excluded from the municipal area of the West Rand DM and included in the municipal area of the Southern DM. A decision to reincorporate this LM back to Gauteng was recently taken</td>
<td>North-West</td>
</tr>
<tr>
<td>Metsweding DM</td>
<td>Entire District incorporated into Gauteng Province – includes the Kungwini and Nokeng Ts’a Taemane LM's</td>
<td>Gauteng</td>
</tr>
<tr>
<td>Kungwini LM</td>
<td>Incorporated into Gauteng Province as part of Metsweding DM</td>
<td>Gauteng</td>
</tr>
<tr>
<td>Sekhukune DM</td>
<td>Entire District incorporated into Limpopo Province</td>
<td>Limpopo</td>
</tr>
<tr>
<td>Greater Marble Hall LM</td>
<td>Incorporated into Limpopo as part of Sekhukune DM</td>
<td>Limpopo</td>
</tr>
<tr>
<td>Greater Groblersdal LM</td>
<td>Incorporated into Limpopo as part of Sekhukune DM</td>
<td>Limpopo</td>
</tr>
<tr>
<td>Greater Tubatse LM</td>
<td>Incorporated into Limpopo Province as part of Sekhukune DM</td>
<td>Limpopo</td>
</tr>
<tr>
<td>Frances Baard DM</td>
<td>Entire DM incorporated into the Northern Cape Province</td>
<td>Northern Cape</td>
</tr>
<tr>
<td>Phokwane LM</td>
<td>Incorporated into Northern Cape Province as part of Frances Baard DM</td>
<td>Northern Cape</td>
</tr>
<tr>
<td>Maruleng LM</td>
<td>The Limpopo Province is the receiving province from the Mpumalanga Province for Maruleng LM. Now part of Mopani DM</td>
<td>Limpopo</td>
</tr>
<tr>
<td>Bushbuckridge LM</td>
<td>Incorporated into Mpumalanga Province as part of Ehlanzeni DM</td>
<td>Mpumalanga</td>
</tr>
<tr>
<td>Kgalagadi DM</td>
<td>Entire District incorporated into Northern Cape Province – includes the Moshwaweng, Ga-Segonyana and Gamagara LM's.</td>
<td>Northern Cape</td>
</tr>
<tr>
<td>Ga-Segonyana LM</td>
<td>Municipality incorporated into Northern Cape Province as part of Kgalagadi DM</td>
<td>Northern Cape</td>
</tr>
</tbody>
</table>

Annexure 4 to “Former Cross Boundary Municipalities, Service Delivery and Development in Re-aligned Municipalities progress report to the cabinet lekgotla” 24 – 27 July 2007, dplg
cross-boundary municipalities: the challenges

Managing the former cross-boundary municipalities

Two approaches to managing cross-boundary municipalities were possible in terms of the relevant legislative frameworks.

a. The relevant provinces could enter into an agreement to exercise joint authority in terms of the Municipal Structures Act, 1998 and in relation only to local government legislation. Other provincial sector departments such as health and education would continue to work separately in the municipality and the different provincial legislation would apply to the separate provincial segments of the cross-boundary area. This approach resulted in confusion and a lack of clarity about accountability, delivery and funding.

b. An agreement could be made to defer to one of the provinces in which the cross-boundary municipality fell. That province would exercise executive authority in the entire municipality on an agency or delegation basis. The legislation of only that province would apply to the municipality. This approach also generated problems. For example, the province that assumed authority would also have to assume full financial responsibility for that municipality. It also required the other province to relinquish power and authority within that cross-boundary area.

Both approaches were characterised by complex Intergovernmental Relations that were extremely difficult to manage in practice.

One municipality – two provinces: differing legislation, regulation and policies

Within the scope of their constitutional powers and functions, provincial governments enacted legislation tailored to the needs and circumstances of their provinces. Examples include legislation dealing with traffic which differed between provinces. For example, permission to erect road signs had to be sought from two provincial authorities; different vehicle registration number systems existed; traffic fines were dealt with by two different magistrate courts depending on where the offence took place; and traffic officers employed in the municipality reported to two provinces with different traffic systems. This not only caused confusion but also resulted in duplications.
A CBM needed both provinces to approve its municipal Integrated Development Plan (IDP). The integrated planning of programmes and budgets of two different provinces into a single IDP proved extremely difficult where IDP priorities and progress differed from province to province. The co-ordinating role of a district in terms of spatial planning for regional integration purposes was also hard to apply in such areas.

Differing standards also had the added effect of inconsistent monitoring and evaluation of the performance of local government. Furthermore, progress reports in the different formats had to be provided and two different sets of expenditure had to be monitored.

**Complex financial management**

Grants and funding for provincial functions in CBMs created duplicated financial systems or complicated financial accounting systems that had to ‘ring fence’ funds received from each province. Questions also arose as to which province would fund which projects in a cross-boundary municipality further complicating the Provincial Growth and Development Strategies (PGDSs) and the alignment of the IDP and Local Economic Development plans with these strategies, as the policy of spatial co-ordination in planning intends.

**Co-ordination of delivery**

Co-ordination of service delivery was also rendered more complex by the straddling of two provincial administrations. Questions arose as to which province’s service delivery norms and standards should be followed. Different provinces delegated different powers and functions to municipalities so that a cross-boundary municipality might have authority to perform a function from one of the provinces it straddled but not from the other. Management of service delivery was challenging as different provinces would have different IT systems, different project management systems, and different capacities to provide support to the municipality.

In Gauteng Province, the Gauteng District Health Services Act, 2000 (Act No. 8 of 2000) provides that district municipalities are responsible for the District Health System, and that the local municipalities will undertake most of the implementation. This approach was chosen because of the adequate capacity available in local government in Gauteng. However, the North West Province stipulates that funds will not be channelled directly to the district municipality, because of a relative lack of adequate capacity in the districts in that province. Hence, the possible confusion in a cross-border municipality like Khutsong.
These challenges combined to impede service delivery in the CBMs.

“In its profile of municipal performance, the dplg found that a number of cross-boundary municipalities were among those whose performance was found to be ‘sub-optimal’, discharging less than a third of their assigned powers and functions ... A cross-boundary municipality needs both Provinces to approve its IDP. The co-ordination and integration of programmes and budgets of two different Provinces into a single IDP may be extremely difficult where priorities for, and progress with, IDPs differ from Province to Province.”

ANC Today, Vol 5, Number 35, September 2005
the decision to realign CBMs

Given the level of service delivery problems experienced in the former cross boundary municipalities, former Minister of Provincial and Local Government, Mr Sydney Mufamadi, stated in February 2006 that:

“Government, the national and provincial legislatures, as well as the elected local government leadership of our country decided to roll back the spatial barriers which stand in the way of the national drive for a more even pattern of socio-economic development in our view, tackling the challenges posed by the geographical asymmetries of wealth and poverty makes the abolition of cross-boundary municipalities … a compelling necessity.”

On 1 November 2002, the Presidential Co-ordinating Council (PCC) resolved that the notion of cross-boundary municipalities be abolished; and that provincial boundaries be reviewed so that no municipality straddles two or more provincial boundaries.

Government decided that provincial boundaries would need to be redrawn to allow effective governance in former cross-boundary areas guided by the most sustainable administrative arrangement for the effective delivery of local services – whichever province the new municipality was allocated to.

The most senior IGR structure in terms of the IGRF Act, 2005, the PCC, resolved to ensure that all former CBMs would be better off than before, that service delivery would improve and that the affected communities would benefit from the transition. National and provincial government resources would be mobilised to bring about a smooth transition and accelerate service delivery.

The necessary legislation to effect this decision was passed by Parliament in 2005¹. The Constitution Twelfth Amendment Bill, 2007, and the Cross-Boundary Municipalities Laws Repeal and Related Matters Bill, 2007, were adopted by Cabinet in May 2007.

¹ Two of the affected municipalities, Matatiele and Khutsong, challenged their provincial allocation in the Constitutional Court in 2006. The Constitutional Court judgment on 18 August 2006 declared those provisions of the Constitutional Twelfth Amendment Act transferring Matatiele invalid. The Constitutional Court ruled that the KwaZulu-Natal provincial government had failed to facilitate public participation and gave them 18 months to correct this defect. The CBM Repeal and Related Matters Act re-affirmed the CBM arrangements. In November 2008, a process began to review the realignment of Matatiele, Khutsong and Moutse.
managing the transition into new provinces

Managing the integration of the CBMs into their new provinces involved using several IGR instruments and processes.

Implementation protocols and service level agreements

The IGR Framework Act, 2005 has been key, because the Act introduced a new IGR instrument to manage co-operative governance, namely the Implementation Protocols. These protocols provide for clear lines of responsibility and accountability between the spheres of government for a specific project, programme or function.

Section 5 of the Cross-Boundary Municipalities Laws Repeal and Related Matters Act, 2005 provided that the relevant provincial governments could sign an Implementation Protocol for transitional arrangements regarding the transfer of provincial functions, assets and liabilities. It also provided that when agreement could not be reached (after 1 March 2006 when the reconfigured boundaries of the Provinces took effect) then the matter had to be referred to the National Council of Provinces (NCOP).

The NCOP had to assist the relevant provincial governments in any way necessary in order to reach agreement within two months after 1 March 2006. If this failed, then any function exercised or service delivered by the provincial government of the releasing province in the area in question had to be exercised or delivered by the provincial government of the receiving province, and any asset, right, obligation, duty or liability associated or connected with the exercise of such function or the delivery of such service vested in the provincial government of the receiving province. The aim was to prevent disruptions in service delivery.

The Act also provided that the PCC would be responsible for co-ordinating the implementation of the protocols, and it was therefore expected that the Minister for Provincial and Local Government and the Provincial Premiers report to the PCC on the status of progress with the Implementation Protocols.

In September 2006 the Minister for Provincial and Local Government met with Premiers and MECs for Local Government. It was resolved that Premiers should develop a Programme of Action and Schedule for interactions with local councils and communities to sensitise communities and identify gaps in specific service delivery issues. Premiers should also submit reports to the dplg on the capacity required
to manage the transition and improve service delivery in the CBMs. In addition, Premiers should submit monthly progress reports on the resolution of resource allocation issues.

The speedy finalisation of the Implementation Protocols was critical to avoid interruptions in service delivery to communities during the transitional period.

Regular meetings between the relevant provinces and dplg were convened as part of the ongoing monitoring of the transition, and a comprehensive report was submitted to Cabinet in July 2007.

**North West – Northern Cape Implementation Protocol**

An example of a successful Implementation Protocol implemented in a former CBM was the arrangement made between the North West and Northern Cape Provinces in the area of transport, roads and community safety. According to the Implementation Protocol between the North West and Northern Cape Provinces signed on 28 February 2006 by the Premiers of North West and Northern Cape Premiers:

All staff associated or connected with the delivery of services within the affected areas shall be transferred from North West to Northern Cape with effect April 01, 2007. The new demarcation of the provincial boundaries of Northern Cape and North West has affected personnel and assets of the Department of Transport, Roads and Community Safety which will be transferred to two different departments in Northern Cape. These are: Department of Transport, Roads and Public Works and the Department of Safety and Liaison … to ensure a smooth transition … all personal files and assets have been handed over to the Northern Cape.

**Mpumalanga – Limpopo**

Joint collaboration by the respective Premiers allowed for progress to be made with respect to roles and responsibilities in the provision of education including staff transfers, budgets, and the reallocation of funds. Outstanding issues included the transfer of teachers to Limpopo, contractual obligations in respect of building of schools in Limpopo, and infrastructure in Greater Groblersdal and Marble Hall Municipalities.
The provincial governments are responsible for ensuring that the various Implementation Protocols are signed and executed.

The process was carefully monitored by the PCC. The Governance and Administration (G&A) Cabinet Cluster also plays an oversight and co-ordinating role. At the provincial sphere, the matter has been placed on the agenda of all Intergovernmental Relations structures. There have also been structures established by provinces to manage the transition of the specific municipalities straddling their boundaries.

**Guidance, support and capacity-building for the former Institutional arrangements to manage the transition**

In March 2005, Gauteng and North West Provinces set up a joint political committee to explore the implications of the abolition of cross-boundary municipalities. This committee was co-chaired by the MECs for Local Government and included the MECs of Finance, Housing, Health and Education, as well as the mayors of the affected municipalities.

Tshwane Metropolitan Municipality and Merafong Local Council were the cross-boundary municipalities straddling both Gauteng and North West provinces.

**CBMs**

The dplg, National Treasury, SALGA, as well as provincial and national sector departments have all been involved in supporting efforts for service provision during the transition. The objectives were to improve municipal governance, performance and accountability, especially in tackling the challenges CBMs had previously experienced in the areas of health, housing, roads, transport and traffic and in general terms of powers and functions.

The support of dplg focused on strengthening and monitoring, the regulatory and fiscal environment of former CBMs. The dplg’s programmes were supported by Project Consolidate (skills deployment) as well as programmes implemented by the UK-DFID’s Consolidated Municipal Transformation Programme (CMTP).

Capacity-building focused on integrated development planning, filling Section 57 managerial posts, and performance agreements for senior managers. Local economic development was another priority area and dplg engaged the Department of Trade and Industry to establish pilot projects to boost economic activity. The dplg also prioritised financial management, visiting each of the 16 municipalities to assess the necessary system interventions.
Support provided by National Government to a former Cross-Boundary Municipality

The dplg worked through Project Consolidate to support Matatiele, now in the Eastern Cape. This included technical support in infrastructure management, development planning and institutional support for functionality; Matatiele was assisted to fill its positions for Municipal Manager and the CFO. New Councillors received training through the Municipal Leadership and Development Programme whilst the Provincial Department deployed 15 Community Development Workers to help build social cohesion.

Support provided by the Eastern Cape Provincial Government to Matatiele Municipality

<table>
<thead>
<tr>
<th>No.</th>
<th>Capacity Building Projects</th>
<th>Allocation</th>
<th>Progress as at July 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ICT</td>
<td>R1 000 000</td>
<td>Project 60% complete</td>
</tr>
<tr>
<td>2</td>
<td>Financial Statements</td>
<td>R200 000</td>
<td>Annual financial statements completed and submitted to Auditor General</td>
</tr>
<tr>
<td>3</td>
<td>Policies</td>
<td>R100 000</td>
<td>Still in the tendering process</td>
</tr>
<tr>
<td>4</td>
<td>Asset Register</td>
<td>R250 000</td>
<td>Project on the way and to be completed in August 2007</td>
</tr>
<tr>
<td>5</td>
<td>Establishment of Ward Committees</td>
<td>R50 000</td>
<td>Project completed</td>
</tr>
<tr>
<td>6</td>
<td>Institutional PMS (Section 38 PMS)</td>
<td>R70 000</td>
<td>Service provider appointed for development of PMS</td>
</tr>
<tr>
<td>7</td>
<td>Free Basic Services</td>
<td>R60 0000</td>
<td>R20 000 utilised for data collection on indigent households. R40 000 utilised for payment of employees collecting data</td>
</tr>
</tbody>
</table>
The abolition of the CBMs required financial realignment. The dplg, National Treasury, and Salga focused on resource mobilisation in the former CBMs including donor funding, increases in the allocations from the Local Government Equitable Share (LGES), and the establishment of a transitional fund to augment the finances of these municipalities.

The Local Government Equitable Share was adjusted in the 2007/2008 Medium-Term Expenditure Framework (MTEF) with the affected provinces receiving increased allocations to absorb the municipalities and to take responsibility for functions and the provision of services therein. Financial allocation formulae were also updated to take into account population changes, changes in the number of poor households and the number of councillors in the affected municipalities.

Analysis of the budgets of all 16 realigned municipalities shows an aggregated average growth in revenue of 7% from 2005/6 to 2006/7. R548.9 million was allocated to the CBMs in March 2007 for the implementation of infrastructure projects, supported by the DBSA’s Siyenza Manje programme to deploy skills to the CBM areas.

Some 81 Municipal Infrastructure Grant (MIG) projects were located in former CBMs. Support provided by dplg included the secondment of staff to municipalities, convening working sessions for municipalities with provinces, and monthly meetings with provinces to discuss remedial measures. This approach included weekly monitoring of MIG projects in these municipalities and the establishment of a task team to support priority projects such as the eradication of the bucket system.
Increase in the Local Government Equitable Share to assist with the incorporation of Matatiele into the Eastern Cape Province

<table>
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<tr>
<td>R4 035 245</td>
<td>R4 645 000</td>
<td>R18 597 576</td>
<td>R34 706 474</td>
</tr>
</tbody>
</table>

Matatiele LM’s equitable share allocations for 2006/07 (the year following the re-demarcations), increased when compared to the indicative allocations reflected in the division of revenue, and was shielded from any negative impacts of the adjustments to population, powers and functions that were effected to the equitable share formula in making allocations for 2006/07.

The conclusion from the analysis is that there is a huge increase in the Equitable Share allocation averaging 112 percent when comparing the 2005/06 (R4 155) and 2006/07 (R18 598) financial years in the municipality.

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signs of improvements and remaining challenges

Since the disestablishment of the cross-boundary municipalities there has been close monitoring of the performance of the affected municipalities against various performance indicators. There are signs that service delivery is improving in these municipalities.
Service Delivery in Former Cross-Boundary Municipalities

Some remaining Challenges in Former Cross-Boundary Municipalities

Matatiele Local Municipality
Challenges remain in the areas of staff transfers, rural allowances for nurses, the verification of health assets, and housing programmes in the Umzimkulu area.

Kgalagadi District Municipality
Challenges remain in the areas of the consistent application of the child nutrition programme, insufficient clinics in the Phokwane area, and the need for 32 727 housing units.

Sector-specific challenges to be address by national and provincial departments
- Housing
- Sanitation
- Roads
- Clinics
- Verification of assets
- Local economic development

Conclusion

This case study describes the gradual improvements in service delivery in the former cross-boundary municipalities brought about through co-ordinated intergovernmental co-operation. There are lessons learned as to how this was achieved. Significant is the importance of clarity within the IGR system, especially with regard to the allocation and funding of powers and functions. Achieving co-operation in this area was advanced by the use of Implementation Protocols to guide co-ordination of intergovernmental functions.

Partnerships were also prioritised – with existing government programmes such as Project Consolidate and Siyenza Manje – and with donor support through international technical co-operation agreements.

The importance of applying the Constitutional provision for provincial support and oversight of local government, particularly during periods characterised by uncertainty and an interplay of complex environmental factors. Strong leadership and intergovernmental coalitions at national level, have been critical, and have guided and supported the complex transitional process of the former cross-boundary municipalities to date.
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Legislation

‘In the housing-related Grootboom Constitutional Court case, the Court stated in relation to the right of access to housing: “a reasonable programme therefore must clearly allocate responsibilities and tasks to the different spheres of government and ensure that the appropriate financial and human resources are available.”’

Planning and delivery of sustainable human settlements
This case study examines the role of Intergovernmental Relations (IGR) in the delivery of housing and the creation of sustainable human settlements in South Africa and how the three spheres of government collaborate to uphold the right to access adequate housing that is enshrined in the Constitution, 1996. Specifically it considers the policy, legislative and regulatory environment and how powers and functions in respect of housing are allocated between national, provincial and local government spheres, as well as the institutional arrangements that have been established to manage co-ordination between the different role players.

Since 1994, South Africa has made massive progress in the delivery of housing. More than 3.6 million houses have been built and transferred to poor South Africans. The state of housing delivery in South Africa since 1994 is largely one of remarkable achievement in the international context. Nevertheless, there is still a large backlog.

The national Sustainable Human Settlement Strategy, known as ‘Breaking New Ground’, is government’s overarching housing strategy (introduced in 2004) to improve responsiveness in housing delivery within a strategic framework for sustainable human settlements. It outlines an integrated approach to housing encompassing the alignment of spatial planning, infrastructure investment, and housing delivery. The policy addresses the progressive eradication of informal settlements, promoting densification and social integration. Sustainable Human Settlements is an inherently integrated policy matter. It involves the co-ordinated efforts of many different actors with different roles and responsibilities, powers and functions.

Schedule 4A of the Constitution, 1996 provides for housing to be the concurrent responsibility of national and provincial government. The Breaking New Ground policy recognised that Local Government could also fulfil a more direct role in the delivery of housing, and mechanisms were introduced to facilitate this. As such, this sector provides a useful case study of Intergovernmental Relations and co-operative governance.
policy, legislative & regulatory framework for planning & delivery of housing

Housing is a concurrent responsibility of National and Provincial Government and the broad legislative framework for the planning and delivery of housing is set out in the Constitution, 1996.

The Constitution does not assign any direct responsibilities for housing to local government, although it does provide for functions to be allocated to local government under certain conditions. However, many communities are of the opinion that municipalities are responsible for housing delivery.¹

Roles and responsibilities in planning and delivery of housing

National Government

The primary function of the National Department of Housing is to “establish and facilitate a sustainable housing development process”, after consultation with the provinces and local government.

The department’s functions include the following:

- Policy formulation
- Managing housing-related legislation and regulation
- Funding frameworks and financing
- Co-ordination, integration and alignment of implementation
- Communication
- Managing housing agencies

¹ Municipalities are being unfairly blamed for a lack of housing delivery; a responsibility that has so far (2005) belonged to National Government and Provincial Government. (Executive Mayor Amos Maseko, SALGA Chairperson).

The reality is that communities are only interested in the delivery of housing, and not which sphere of government is responsible for it. (Minister Lindiwe Sisulu, Municipal Housing Indaba, Nov. 2005).
Engaging with all housing stakeholders and role players

Monitoring and evaluation.

Other responsibilities include providing support for provincial and local government in the execution of their respective powers and functions.

**Provincial Government**

Each provincial government has a housing function, usually contained within a department for local government and housing. Provinces are reviewing this and considering establishing a separate Department of Housing in order to dedicate more resources to the housing function. Gauteng and KwaZulu-Natal have led in this regard and established Departments of Housing in their provinces at an early stage.

The provincial housing function includes:

- Determining provincial policy in respect of housing development
- Strengthening the capacity of local governments to effectively perform their duties and responsibilities in respect of housing development
- Co-ordinating housing and related activities in the province
- Approving housing subsidies
- Approving housing projects.

**Local Government**

Through its integrated development planning, a municipality must, within the framework of national and provincial housing legislation and policy, take steps to ensure that residents have access to housing on a progressive basis.

Municipalities are required to:

- Involve and inform appropriate stakeholders in Integrated Development Planning (IDP) processes
- Identify a housing champion or ‘voice’ in consultation with the province
- Compile a housing chapter in their IDP
- Provide IDP priorities to the Provincial Housing Department for incorporation into multi-year provincial housing plans.

Municipalities initiate, plan, co-ordinate and facilitate appropriate housing and sustainable human settlement developments within their boundaries and area of jurisdiction.
Breaking New Ground: A more direct role for Local Government

In practice, the local government sphere already has an important role to play in the planning and delivery of housing. Housing cannot practically be separated from land use, town planning, infrastructure development, provision of water, sanitation, transportation, and electricity services. Many of these issues fall under local government. An integrated approach to sustainable human settlements therefore requires the close involvement of local governments.

This was recognised in the Breaking New Ground policy, which argued that housing supply needed to respond to local demand and that this relationship was best mediated in the local government sphere.

In its assessment, National Treasury suggested that a greater role for municipalities in housing delivery would expedite delivery. For this to happen, housing planning needed to occur at the local level which would allow for better and more localised needs analysis, improved land identification, zoning and procurement, improved planning and procurement of public facilities and provision of bulk infrastructure. It would also encourage greater accountability at local level.2

The rationale for giving a more direct role to local government included:

- Municipalities are the logical site for the effective alignment of inter-departmental and intergovernmental funding streams
- Improvements on the rate of delivery
- Constitutional provisions providing for the assignment and delegation of functions to local government
- Analysis of provincial expenditure trends.

Consequently, housing legislation and regulation was revised to provide for local government to take a much greater role in the planning and delivery of housing. The National Housing Code provides two options for a municipality to contribute to housing delivery. One option is to act as a developer in respect of planning and execution of a housing development project. This role is based on a project-by-project assessment according to the municipality’s capacity. In terms of the code, municipalities should only be developers if they have the requisite capacity.

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2 National Treasury, Provincial Budgets and Expenditure Review 2003/4 – 2009/10, Chapter 5
The other option is where a municipality is accredited to perform certain housing functions. A Municipal Accreditation Framework was adopted to regulate the specific powers and functions of municipalities in respect of housing delivery (see below).

The importance of clarity in the distribution of roles and responsibilities

The role of intergovernmental co-operation in housing delivery was moved to the forefront in 2005 when the National Department of Housing convened a National Municipal Housing Indaba with the aim of “Building an intergovernmental compact for sustainable human settlements development”. The purpose of this was to reach intergovernmental consensus on roles and responsibilities, capacity development, municipal accreditation, integrated planning for sustainable human settlements, as well as to reflect on co-operative governance in the housing sector.

The National Housing Code aims to clarify the roles and responsibilities of the three spheres of government in the housing sector and is binding on all three spheres. This is a critical element of the regulatory environment for housing as the absence of such clarity was identified as a major obstacle to effective delivery. In the housing-related Grootboom Constitutional Court case, the Court stated in relation to the right of access to housing: “a reasonable programme therefore must clearly allocate responsibilities and tasks to the different spheres of government and ensure that the appropriate financial and human resources are available.”

National Treasury highlighted as a key challenge for the housing sector “resolving some of the contradictions in the comprehensive plan at the intergovernmental interface when assessing provincial expenditure trends. This includes the need to clarify funding responsibilities between the different spheres. It will also be necessary to synthesis conflicting objectives, such as the municipal intention to formalise existing informal settlements on one hand, and the national policy objective of developing functional housing markets on the other.”

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3 A critical assessment of land redistribution policy in the light of the Grootboom judgment, E Lahiff, Senior Lecturer, Programme for Land and Agrarian Studies, University of the Western Cape; and S Rugege, Associate Professor, Faculty of Law, University of the Western Cape. Government of the Republic of South Africa and Others v Grootboom and Others 2001 (1) SA 46 (CC), 2000 (11) BCLR 1169 (CC)
“The role of municipalities has increased while that of the provinces has become regulatory and chiefly focused on resource allocation. This raises concerns regarding who should have the authority function for housing and the lack of co-ordination between the spheres and between various local municipality departments ...”

The need for robust IGR

The distribution of powers and functions in relation to housing and sustainable settlements across the three spheres of government presents challenges of co-ordination, integration and alignment of plans and implementation. This in turn requires ongoing communication and consultation between the role players. The effective management of concurrency makes strong IGR essential. Clear procedures, planning processes and robust Intergovernmental Relations forums need to be established and maintained.
The institutional arrangements for planning and implementing sustainable human settlements are complex. Hence the importance of a range of co-ordinating or IGR structures to manage co-ordination, integration and alignment, as well as an institutional framework for the allocation of housing functions to local government.

Municipal Accreditation Framework

There are generally three methods in which powers and functions can be allocated to another sphere of government: assignment, delegation and agency. It is not the purpose of this case study to examine each of these in detail. Rather this study confines itself to how these methods are used within the housing sector.

The Housing Act provides for the accreditation of municipalities to administer national housing programmes. A Municipal Accreditation Framework was established to allow municipalities to manage the full range of housing instruments in line with Breaking New Ground.

This framework sets out the principles underpinning accreditation:

- A logical application of roles and functional assignments
- Authority and accountability must accompany responsibility
- Accreditation follows capacity
- Funding arrangements must be consistent and certain
- Funding follows function
- Efficiency
- Co-operative governance

Accreditation is not quite the same as the assignment of the powers as envisioned in Section 156(4) of the Constitution, 1996.

Section 156(4) requires national and provincial governments to assign powers and functions to municipalities if that function could be administered effectively at the
local level. The Constitution allows the assignment of such powers via national and provincial legislation. In an analysis of intergovernmental budgeting, the Fiscal and Financial Commission (FFC) suggested that accreditation is not the same as assignment since accreditation is not permanent and does involve the assignment of the entire housing function (and associated budget) to a municipality.

Through the Municipal Accreditation Framework in the National Housing Act, 1997 the allocation of responsibility is only partial as accreditation is only permitted in respect of the administration of certain instruments of the housing subsidy scheme.

The Division of Revenue Act (DoRA) defines the minimum responsibilities for accredited municipalities as having:

- The authority to administer housing programmes, including administering all housing subsidy applications
- The authority to grant subsidies and approve projects in line with provincial and national criteria for prioritising and targeting expenditure on projects
- An obligation to comply with the capacity and system requirements prescribed by the province
- An obligation to provide monthly reports on housing delivery.

Accredited municipalities can administer any national housing programme in their area of jurisdiction. Accredited municipalities assume powers and functions similar to provinces in that they receive, evaluate, approve or reject applications for subsidies in line with the local housing strategy and delivery goals.

Once accredited, the municipality oversees the National Housing Programme responsibilities and administration. According to the National Department of Housing’s Annual Report, 2006-2007, municipal accreditation was facilitated in 18 priority municipalities. Level 1 accreditation was achieved in 16 of 18 priority municipalities. The number of accredited municipalities is still relatively low because of several factors including capacity constraints. The FFC has also suggested that there are municipalities that are reluctant to become accredited due to the inadequate allocation of additional resources for the administrative requirements involved.
Intergovernmental Forums for co-ordination, integration and alignment

There are several forums that have been established to manage IGR in the housing sector. The most important of these is the Housing MinMec. A Special Task Team on Finance was initiated in 2006 as an ad-hoc subcommittee of MinMec to investigate housing delivery models and funding arrangements.

There are other intergovernmental forums that provide an opportunity for co-ordination in the housing sector. However, these are not dedicated just to housing but also to a range of other matters. These structures include the President’s Co-ordinating Council.

Managing Intergovernmental Tensions – N2 Gateway

The N2 Gateway project based in the City of Cape Town is a national pilot project for municipal accreditation and housing delivery. The project has suffered from delays, some of which were the consequence of intergovernmental tensions.

The City of Cape Town was originally responsible for exploring intergovernmental arrangements and testing the applicability of the Breaking New Ground policy on a pilot basis. The aim of the national pilot project of the N2 Gateway was in part to build the capacity of the municipality for the purposes of accreditation and then to roll out the model to the rest of the country. The pilot received financial commitments from the provincial budget.

In 2004 and 2005 the Joe Slovo Phase1 flats were built by a partnership between the City, the Western Cape Provincial Government and the National Department of Housing. The first phase of the project delivered 750 apartment style units.

In June 2007 the City of Cape Town declared a formal intergovernmental dispute with the province over its perceived reluctance to grant the City first phase accreditation. The provincial department was concerned about the City’s capacity to manage the building of houses in terms of the pilot project, whether its plans would be in line with national housing strategy, and whether accreditation would address the City’s backlog of more than 350 000 homes.

The intervention of the Minister of Provincial and Local Government led to the resolution of the intergovernmental dispute in accordance with the Constitutional principle of co-operative governance.
intergovernmental planning
and fiscal relations in the housing sector

Housing and Integrated Development Planning

The Municipal Systems Act, 2000 requires all municipalities to compile Integrated Development Plans (IDPs) which attempt to capture all of the plans, programmes and projects of all three spheres of government within a municipal boundary. Housing is an integral element of the IDP.

The Housing Act, 1997 compels all three spheres of government to ensure that housing development is based on and forms part of an integrated development planning process.

The National Department of Housing has provided clear and comprehensive guidelines for integrating housing priorities into IDPs as well as for aligning housing planning between provincial and local governments. In terms of these guidelines, a housing sector plan must be developed and included as a chapter in a municipality’s IDP. This should not be a separate plan but rather an integral part of the IDP and the planning process. The need for a housing ‘champion’ within municipalities is an important element in ensuring this integration occurs. The guidelines include both process and content in planning for housing delivery.

The guidelines require municipalities to undertake rigorous analysis of the current situation with respect to human settlements and housing options within the municipal area and then to identify the appropriate housing instruments for the communities in each ward.

The National and Provincial Departments of Housing are required to mobilise other relevant sector departments, such as Land, Water and Energy and Minerals etc. to participate in the IDP processes to ensure integration. In practice, however, the role of sector departments in integrated development planning can be further improved for greater degree of alignment.

A Memorandum of Understanding can be concluded between a Mayor of a municipality and the Provincial MEC for Housing once a municipality has agreed on priority issues and housing projects have been identified in the IDP. This agreement governs the funding of the projects from the applicable provincial housing programmes. Housing
projects that are not included in the IDP are no longer funded from the National Housing Programme.

**Funding the housing programme**

The distribution of powers and functions for providing sustainable human settlements requires properly co-ordinated funding streams between the different spheres of government. Improved alignment of the housing subsidies, municipal infrastructure grants and the national electricity programme, would expedite integrated planning and delivery for example.

The Medium-Term Expenditure Framework (MTEF) for Housing is a multi-year budget based on housing plans prepared by provincial governments. The allocations of funds to provinces are determined on the basis of an agreed formula which takes into account the housing needs in each province. This important formula is discussed and agreed upon by the Housing MinMec and then approved by Cabinet.

Improved alignment between the housing subsidy, the municipal infrastructure grant and the integrated national electricity programme would remove some of the obstacles in providing integrated planning and delivery for sustainable human settlements.

"The normative approach to the devolution of functions to local government should be by assignment and not delegation to ensure transfer of responsibility from the national fiscus. Sectoral legislation must not be used to create additional responsibilities for local government without proper assignment taking place". IDASA, Budget Brief No. 153. Local Government Responsibilities, March 2005.

The national housing subsidy budget is allocated equitably to provinces within the three-year MTEF. Accredited municipalities may now also receive transfers from the national budget. However, these funds will be held by the provincial departments and disbursed to accredited municipalities based on performance. Funding will be made available to provinces as a conditional grant, regulated through the Division of Revenue Act.
guidance, support and capacity-building

Many municipalities lack the capacity to administer housing programmes and subsidies. In such instances, the Constitution, 1996 again provides the point of departure, for Section 154(1) states that national and provincial government must support and strengthen the capacity of municipalities.

Capacity has become critical as national housing policy shifted towards municipalities as the preferred housing developers. The National Housing Code revised the role of provincial government such that a municipality should be the first option developer and that provinces should assist and build capacity to ensure the municipality can play this role.

With regard to accreditation, support is provided to assist municipalities. This support includes a capacity audit of the municipality’s housing department or unit, including the capacity needed to assist the municipality to draft an accreditation plan, as well as the provision of funding by the province for the municipality to procure the capacity required to implement its plan. Ongoing accreditation support is provided by newly established provincial accreditation units. These units also play a monitoring and oversight role. The national department has also established an accreditation unit to provide funding and advisory support.

North West Provincial Department of Housing

The North West Province works with municipalities for housing delivery by identifying and zoning sustainable land, installing services, allocating housing and dealing with budget and expenditure plans. In the North West Department of Housing, dedicated units include, for instance, a Directorate for Housing Planning and Research, housing capacity audits, data gathering and information sharing.

The province takes full responsibility for all new housing projects, including quality guarantees, and bears the risk as individual local governments embark on their own learning curves. The province also enforces minimum standards for housing supply, and alignment with national policy and vision.

The result has been the delivery of 29 000 houses in 2006/2007, the highest ever to be recorded by the North West Department of Housing within a single financial year.
KwaZulu-Natal Provincial Department of Housing

In KwaZulu-Natal (KZN) many municipalities do not have a dedicated housing component. Some of the practical problems include lack of office space to accommodate the provision of a service to housing beneficiaries, insufficient staff and skills to render a service, inadequate information technology systems and operating budgets too small to fund the administrative costs of housing delivery.

The KZN Provincial Housing Department provides support to municipalities in the form of project management, capacity building, provincial housing policies, information sessions, secondment of staff and participation in IDP processes to strengthen their capacity to deliver.

conclusion

Success in the delivery of housing and the development of sustainable human settlement in South Africa strongly depends on effective Intergovernmental Relations. The housing sector provides an illustration of how various elements of Intergovernmental Relations can work together to facilitate service delivery in an integrated manner. These elements include a clear allocation of roles and responsibilities to the appropriate spheres of government; robust institutional arrangements for co-ordination, integration and alignment; the alignment of accountability, powers and functions and financial flows; as well as national and provincial support to local government. All of these elements need to be in place in order for integrated governance to work within a specific sector such as housing.
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Idasa (2005) Budget Brief No. 153 Local Government Responsibilities
The stated objective of the ISRDP programme is “working together with communities and other partners, to alleviate poverty and improve the quality of life in rural areas through improved co-ordination and viable institutions, that address social, economic, environmental and governance needs, in an integrated manner.”
An Intergovernmental Perspective...

The URP & ISRDP under the spotlight

Case study 5
The Urban Renewal Programme (URP) and the Integrated Sustainable Rural Development Programme (ISRDP) were introduced as national and presidential priority programmes in 2001. Former President Thabo Mbeki in his State of the Nation address announced that the aim of URP and ISRDP was “to conduct a sustained campaign against rural and urban poverty and underdevelopment, bringing in the resources of all three spheres of government in a co-ordinated manner”.

Some ten million South Africans live in the 21 nodes identified in the two programmes: eight urban renewal nodes and thirteen rural development nodes.

The Department of Provincial and Local Government (dplg) was mandated by Cabinet to co-ordinate the intergovernmental efforts.

This case study demonstrates the role that is played by constructive Intergovernmental Relations in the integrated development of specific areas. It specifically highlights the value of robust institutional arrangements for the alignment and co-ordination of planning, budgeting and implementation between sector departments and across the three spheres – national, provincial, local – of government; as well as the need for this alignment and co-ordination to be scaled down to specific cities, towns and settlements.

The former Minister of Provincial and Local Government, Mr Sydney Mufamadi, stated that the implementation of these programmes in the last five years has shown that a deliberate all-of-government approach and area-based focus on poverty produces encouraging results.

The programmes have tested new forms of intergovernmental co-operation and co-ordination for achieving shared developmental outcomes.
urban renewal and rural development

inherently intergovernmental

The need for an integrated approach

Initial experience with projects to eradicate poverty resulted in government adopting a nodal and area-based approach to development. The idea was that if entire settlements were targeted by all spheres and sectors of government, the private sector, international partners and also beneficiary communities, a real impact would be made in alleviating underdevelopment. The URP and ISRDP are implemented across various spheres, sectors and departments. The cross-sectoral and cross-sphere nature of the programmes was intended to break down the silos which characterise government.

“Central to the success of the programme is the need to integrate, co-operate and co-ordinate the investments made by departments, thus achieving the establishment of permeable government, a phenomenon which is distinctly against convention. Existing practice is that resources to local government are unco-ordinated, especially in terms of sequencing, scheduling and alignment of national and provincial priorities with local priorities, emanating from the IDP process. This results in disjointed service delivery and hampers any attempts at realising a holistic approach to development.”

Roles and Responsibilities of URP Members Discussion Document, the dplg
Objectives of the programmes

The ISRDP and URP programmes both have a ten-year life span and seek to address poverty eradication and underdevelopment; to achieve increased equity; to attain social cohesion and to enhance local government capacity to deliver.

Selection of the nodes

The rationale for the selection of the nodes was that these areas represent the greatest concentrations of urban and rural poverty.

The Urban Nodes

The urban nodes are those with fast growing population rates due largely to rural-urban migration, housing shortages informal townships and the emergence of new, smaller household formations. They are complex areas, broadly characterised by high poverty and unemployment levels. There may be poor access to services, second economy opportunities, land markets or housing resulting in increasing social and economic marginalization. Social problems frequently arise due to declining social cohesion and the fragmentation of community and family networks.

The focus on the urban nodes is a programme-based attempt to challenge the legacy of apartheid spatial distortions. These distortions include increasing urban sprawl in the form of mushooming informal settlements, located on the urban periphery or emerging within already disadvantaged spatially divided city areas. Overcoming this legacy of physical, social and economic exclusion is one of South Africa’s greatest long-term challenges.
Example of an Urban Renewal Node – Galeshewe, Northern Cape

Galeshewe falls within the Sol Plaatjie Local Municipality in the Northern Cape Province and was once a thriving diamond mining centre. However, since the decline of the industry, the major employer is the public sector. The area has a population of approximately 120,000 with 70 percent thereof under the age of twenty and 63 percent thereof earning less than R1,500 per month. Unemployment is estimated at 65 percent. Galeshewe lacks social, economic and infrastructure resources. Like many former townships, high levels of unemployment, poverty, infrastructure backlogs, environmental degradation, drug abuse, inadequate recreational and community facilities are features of Galeshewe. A major challenge is its poor economic base.

The strategic thrust of the Galeshewe URP is local economic development, human settlement development and environmental management.

Some of the anchor projects in this node are:
- Conservation of 170 houses
- Construction of a business centre
- Construction of informal trade facilities
- Construction of a multipurpose cultural village
- Private sector led commercial development

The Rural Nodes

Recognising that rural poverty is also deeply embedded across South Africa, in 2001 the government initiated a ten year programme designed to focus on the development of some of the poorest rural areas in the country.

The Integrated and Sustainable Rural Development Strategy (ISRDS) of the dplg is designed to realise a vision that will “attain socially cohesive and stable rural communities with viable institutions, sustainable economies and universal access to social amenities, able to attract and retain skilled and knowledgeable people, who are equipped to contribute to growth and development.”

The approach outlined in the strategy was to be applicable for the entire country, and looked towards a horizon of 2010. It was to be implemented initially in selected areas of concentration, or pilot areas, and subsequently expanded.

The implementation of the ISRDS was premised upon the use of existing institutional, planning, management and funding mechanisms. This was in order to focus the expenditure of government in the three spheres of government to more effectively and efficiently respond to needs and opportunities.

1 The Integrated Sustainable Rural Development Strategy (ISRDS), the dplg
Location of the URP and ISRDP nodes

Role players in urban and rural development

Nodal programmes reflect an attempt to adopt a whole-of-government approach to the development of specific areas of the country. No single sphere, department, or agency has total responsibility for the success of the programmes. Neither can any single sphere, department or agency working by itself develop a node. Instead, roles and responsibilities are distributed across a range of departments and agencies in the national, provincial and local spheres of government. Funding for development programmes and projects in the nodes is similarly distributed across government (see below).

### Rural development nodes:
- Sekhukune cross-boundary (former), Limpopo/Mpumalanga
- Bohlabelo, Mpumalanga
- Kgalagadi, North West
- Thabo Mofutsanyane, Free State
- Zululand, KwaZulu-Natal
- Umkhandakude, KwaZulu-Natal
- Umzinyathi, KwaZulu-Natal
- Ugu, Eastern Cape
- Alfred Nzo, Eastern Cape
- OR Tambo, Eastern Cape
- Ukahlamba, Eastern Cape
- Chris Hani, Eastern Cape
- Central Karoo, Western Cape

### Urban development nodes:
- Alexandra, Gauteng
- Galeshewe, Northern Cape
- Inanda & KwaMashu (INK), KwaZulu-Natal
- Mdantsane, Eastern Cape
- Motherwell, Eastern Cape
- Khayelitsha & Mitchell’s Plain, Western Cape
The multiplicity of role players involved includes:

- Beneficiary communities
- **dplg**
- The Presidency
- National Treasury
- National government sector departments
- The private sector
- Government agencies and SOEs
- Offices of the Premiers
- Provincial Departments of Local Government and Housing
- Provincial Offices of the Premiers
- Provincial government sector departments
- Municipalities
- SALGA

**Allocation of roles and responsibilities for nodal development**

**Department of Provincial and Local Government**

The **dplg** is the overall overseer for the URP and ISRDP. It is responsible for coordination as well as for monitoring progress and reporting to the Cabinet Social Cluster, Cabinet and the President’s Co-ordinating Council.

**National Treasury**

National Treasury oversees government’s budgeting processes and ensures that direct allocations to the nodal municipalities are included in the Division of Revenue Act.

**The Presidency**

The President is the political champion of the URP and ISRDP.

**National and Provincial Sector Departments**

Sector departments are required to ensure that they take into account in their programmes and budgets the requirements of the urban and rural nodes. Sector departments must appoint a senior departmental representative able to take decisions on the department’s contributions to the programmes. Provincial sector departments have an especially important responsibility for the implementation of nodal projects. The responsibility of the national departmental technical champion is to engage the provincial counterpart at planning stages.
**Provincial Departments of Local Government**

Provincial departments of local government are responsible for nodal co-ordination. The MECs for Local Government are the provincial political champions of the rural nodes. The provincial technical champions help promote inter-sectoral and inter-sphere planning as well.

**Provincial Premiers**

Premiers are the provincial political champions for the urban nodes.

**Municipalities**

Nodal municipalities play a central role in co-ordinating and implementing nodal programmes. Executive Mayors are local political champions and municipal managers are often the local technical champions. Municipal line departments also have responsibilities for the implementation of nodal interventions.

**Government Agencies and State-Owned Enterprises**

Government agencies and state-owned enterprises play several roles in the URP and ISRDP. Some agencies provide funding and technical support (e.g. the DBSA). Eskom plays a role in infrastructure investment and delivery of services.

**Private Sector**

The private sector is encouraged to invest in the nodes in partnership with government.

The diffusion of roles and responsibilities across so many role players creates challenges for successful implementation. Accountability can be blurred. This confusion can occur across the programme as well as within specific nodes. For example, the authority of a project manager who has responsibility for a specific area might, for instance, overlap with the responsibility of a road engineer with projects in that area. These overlaps raise issues of territoriality amongst role players, as an evaluation of the programmes shows.

The management of this diffusion of responsibility is achieved through appropriate institutional arrangements based on the principles of co-operative governance.
institutional arrangements
for co-ordination, integration
and alignment

URP and ISRDP: IGR in practice

The implementation of the URP and the ISRDP saw the introduction of a variety of institutional arrangements to promote greater co-ordination, integration and alignment between the plans, budgets and activities of all the role players - IGR in practice.

Establishment of dedicated co-ordinating structures

Several structures have been established for the specific purposes of co-ordinating activities around the URP and ISRDP. These structures are both programme wide and node specific. The general aim is to bring together representatives of the relevant role players to share information, identify and remove blockages, and monitor and evaluate progress. Evaluations suggest a strong link between successful outcomes and effective co-ordinating structures.

Nodal Co-ordination Structures

INK set up the following structures:

**INK JGTF (Joint Government Technical Forum)**

This was established to attain integration between role players and provide a platform for interaction. The aim is to maintain an effective channel of communication to alleviate the duplication of work and the wastage of resources. It is attended by eThekwini Municipality, KZN Provincial Government, and National Departments. The forum meets monthly to direct the co-ordination of projects, share information, communication, establishing and maintaining multi-sphere relationships, and reporting and evaluation. Through the JGTF other departments have offered their support and partnership to fund projects.

**INK Councillors Forum**

The 18 INK ward councillors in this forum meet monthly. The purpose is to share progress, knowledge and information about projects and programmes that are implemented by all three spheres of government and other stakeholders.
Project Offices for intergovernmental projects

Many nodes have established dedicated Project Offices to oversee and co-ordinate the implementation of the various development projects in that specific node.

Value of a Project Office – Alexandra Urban Renewal Project

The establishment of a Project Office assisted with the institutionalisation of co-ordination. This office is adjacent to Alexandra. Both provincial and municipal officials working on projects in the area are based here and all must report to the overall Programme Manager. This includes housing, engineering, planning, LED, finance and communications personnel from the City, as well as a dedicated official from various City agencies such as City Power, Joburg Water, Pikitup, and Johannesburg Roads Agency. Officials from the provincial departments of housing and social development are also based at the Project Office too.
Political champions

Each of the 21 nodes was allocated a political champion from within the three spheres of government. At the national level political champions were drawn from the Ministers of the line departments. At the provincial level, the Premiers are the champions and in turn delegate MECs to lead specific nodes. At the local government level, the Executive Mayors are the local political champions.

The concept of political championship is a way in which Ministers and Deputy Ministers can contribute to the realisation of the programme objectives with a mandate to promote the programmes as well as to remove blockages or impediments to successful implementation. Their role is to unlock and influence the high-level strategic challenges at a political level that prevent nodal development priorities being achieved. Effective political championship also helps the achievement of inter-sphere and inter-sectoral co-operation in area-based development.

In practice, the support of political champions has varied from intense to intermittent and sporadic. Often this is due to work pressures faced by ministers and deputy ministers. In other cases, champions have been inadequately briefed on developments in their assigned nodes.

The championship model gives the programmes vital support in terms of communications and co-operation. This also made it impossible for subordinates to neglect URP/ISRDP priorities. An official involved in the INK Urban Renewal Node states that “The political champions keep us on our toes. They create a sense that what we are doing is important.”

Memorandum of Understanding

The use of a Memorandum of Understanding (MoU) between role players to clarify roles and responsibilities, accountability and financing arrangements is an important instrument for improved intergovernmental co-ordination. Some of the nodes have negotiated such agreements to improve co-ordination using the Implementation Protocols provided for in the Intergovernmental Relations Framework Act (IGRF Act), 2005.
Technical champions

Technical champions were also appointed to identify and remove administrative and technical obstacles to project implementation.

Use of existing IGR structures

The Presidential Nodal Programmes have sought to embed themselves within existing governmental structures and processes and to avoid the need for additional structures and institutions. Even where there was a need in the early stages of the programme to establish new structures dedicated to the programmes, a number of provinces (e.g. Limpopo) are now integrating them and the monitoring of the programmes into their formal IGR structures such as the Premier’s Intergovernmental Forum. This mainstreaming of the URP and ISRDP will lessen the demands on the senior officials and politicians involved.

Identification of overall sponsor and coordinator of the programmes as well as investment in co-ordination capacity

The dplg also has a dedicated URP unit responsible for a range of issues relating to programme sponsorship, unblocking problems arising from policy misalignment, capacity challenges, and weak intergovernmental co-operation, monitoring and evaluation.

Provision of guidelines and handbooks for role-players

A variety of handbooks, toolkits and implementation frameworks have been produced and developed for various role players. These include Toolkit for Programme Managers and URP and ISRDP Guidelines for Political Champions.

Value of an MoU – Alexandra Renewal Project

Initially there was no Memorandum of Understanding signed between Provincial Gauteng and the City of Johannesburg regarding the roles and responsibilities for the urban renewal project in Alexandra. The MOU was only signed in mid-2005.

According to the National Urban Renewal Programme: Lessons Learnt an official related a story of how a contractor who was upgrading a road in Alexandra was instructed to stop by another official. A call was made to the MEC who gave the necessary instructions to resume the upgrading of the road. Previously, this situation would have led to great delays because of unclear institutional lines of authority.
Co-ordinating frameworks

A central element of an enabling environment for accelerated and co-ordinated development within a node is the co-ordination and integration of development interventions in space and time. Too often the potential for spatial integration and synergies between development projects is lost through the failure of the spatial development management systems within a node.

Implementation requires that spatial synergies are assured through effective spatial co-ordination. Spatial Development Frameworks operate as tools of both vertical and horizontal integration. The objectives of spatial co-ordination are to ensure that physical delivery combines the programmatic inputs of these various actors successfully and that overall spatial manifestation of implementation is integrated and complies with a framework to ensure that sustainable human settlements are created. A strong spatial framework provides the means to ensure co-ordination across sectors.

Observations

The formalising and enhancement of IGR around the nodes has started to establish a set of practices worth following in future. Establishing intergovernmental partnerships allows for the co-ordination of both vertical and horizontal government inputs into the urban renewal and rural development process. Success requires high levels of goodwill, strong political support, and commitment by all government departments.

Integration is pursued in order to achieve enhanced developmental impact. The achievement of integration is time and resource-intensive and includes; higher levels of management complexity or the loss of benefits of standardisation; increased risk due to the introduction of other institutional players; and the dilution of credit accruing from success. Nevertheless the costs of weak integration are duplications, gaps, waste of limited resources, and limited impact.
intergovernmental fiscal relations
and nodal development

A significant feature of the URP and ISRDP is that no special extra funds have been made available. Instead, programmes and projects are funded from a range of existing sources. This presents a challenge for programme managers because the availability of funding for development projects depends on the prioritisation of such projects by sector departments in provincial and national spheres. Co-ordinated and aligned budgeting and planning processes are vital if funding is to be secured.

Funding sources include the Local Government Equitable Share, conditional grants such as Municipal Systems Improvement Grant and Municipal Infrastructure Grant. Sector specific funding allocations such as the MTEF strategic plan for support to nodes developed by the Department of Environmental Affairs and Tourism (DEAT).

In addition, programme and project managers are expected to leverage funding from the donor community and the private sector.

In January 2005, Cabinet approved that work on the nodes should be integral to the departmental strategic plans and annual reports; that each national department must increase its technical support to the nodes; and that national clusters should develop work on their proposed areas of focus in the nodes.

Following the nodal audits by all national departments, the dplg was assisted in drawing up cluster-based nodal intervention strategies in the medium term. Further work was also done to finalise the contribution that each cluster will be required to make in the nodes, culminating in the National Financing Protocol.

National departments and clusters supporting the implementation of the programmes in the nodes have to indicate in their Departmental Strategic Plans (2005-09) and Departmental Budget Votes, how they intend to support the nodes, translated into clear annual operational business plans.

This approach to the funding of the URP and ISRDP was introduced with the specific intent of adapting the intergovernmental fiscal system in a way that enables resources to flow to the implementing agency as quickly as possible.
The National Financing Protocol for the ISRDP and URP is a funding, planning and performance-based mechanism that is intended to measure progress in the nodes through the achievement of clear outputs, to be set before the start of each MTEF. This Protocol is a commitment by government to plan and fund the two programmes in a specific way. The protocol requires connecting nodal plans and programmes with planning and budgeting processes of sector departments, government agencies and state-owned enterprises. Nodal municipalities are struggling to successfully integrating the budgeting cycles and timetables of sector departments across the spheres of government with projects being inserted too early or too late in the planning cycle. However, there are instances where intergovernmental planning processes have been introduced to improve budget integration.

Khayelitsha

The provincial department of Social Services and Poverty Alleviation in partnership with the City of Cape Town municipality, supported sustainable community poverty reduction projects in 2006 with R6,5 million over the MTEF period. As a way of scaling up support to community poverty-reduction projects, while facilitating access to markets and the transportation of goods and services, the department is negotiating the procurement of vehicles to benefit BEE programmes such as Nomzamo Brick Making in Matzikama and Phakamani Brick Making in Khayelitsha.
communication and stakeholder engagement

Just as the URP and ISRDP encourage integrated planning and implementation, they also encourage integrated communication about the programmes. Keeping stakeholders informed is a vital factor in the success of the programme. Communicating and engaging with beneficiaries is also critical to obtaining community support as well as managing expectations about the nature and timetable for the implementation of projects. A variety of mechanisms have been introduced for these purposes.

Izimbizo and rallies

Presidential Izimbizo and Mayoral Rallies have been held in many of the nodes.

Imbizo is a style of interactive governance that has been adopted to promote increased dialogue between the government and people without mediation. Imbizo promotes active involvement and participation of the public in the implementation of government programmes. The implementation of Imbizo is ongoing, but there are periods of intensified public participation involving Cabinet members, premiers, mayors and other senior government officials coming into face-to-face contact with different sectors of society. These periods are the Imbizo Focus Weeks.

Community Awareness Days and Roadshows

A community awareness day or roadshow is an event where representatives of departments visit communities to explain to the public about services their departments render and how they can access them. The objective is the same as that of an Imbizo. There is an exhibition where departments are able to distribute their publications and promotional material. Usually more than one department participates in an awareness day and representatives spend the whole day in the community. Public addresses are short and most of the time is dedicated to the public consulting with representatives of the departments according to their individual needs. This approach encourages the public to participate in government programmes.

In 2006, a workshop was held to improve communication about the URP and ISRDP. The workshop recommendations included departments budgeting for communication
in nodes; local municipalities taking ownership of communications issues; and offices of premiers playing a leadership role in mobilising provincial sector departments to align their strategies to those of the nodal communication strategies. Departments were also encouraged to make use of IGR forums to co-ordinate communication.

Stakeholder networks have been identified as a critical success factor in a review of the URP. It was found that informal stakeholder networks helped expedite project implementation. These networks often comprised individuals deeply committed to the success of project and included officials in different units, departments and agencies, as well as external stakeholders such as community-leaders, investors and consultants.

**Mitchell’s Plain**

The renewal of the Mitchell’s Plain CBD was identified as an important project that would improve the lives of residents in Mitchell’s Plan and neighbouring areas. The success of the project required the involvement of stakeholders including taxi associations, property developers, retailers, informal traders, Metrorail and the SA Rail Commuter Corporation. A variety of stakeholder forums were established to engage different groups, such as a Taxi Task Team and a Traders Task Team. This investment secured the commitment of these stakeholders to the project and contributed to the successful completion of the project within a tight timetable.
conclusion

This case study is about the role that IGR plays in facilitating the achievement of shared developmental outcomes within a specific geographic area. The case study describes the URP and ISRDP and the various IGR practices that have contributed to the success of projects in various nodes. It considers institutional arrangements that facilitate integrated planning, budgeting and implementation of development projects. These arrangements include co-ordinating structures, political champions, financing protocols, monitoring systems and project offices.

In many instances, these arrangements have been introduced specifically to manage the two programmes. In others, existing IGR mechanisms have been utilised. These institutional arrangements exist within each sphere and also link together the three spheres. Many of the intergovernmental institutional arrangements adopted to facilitate nodal development can be adopted for other intergovernmental endeavours.
bibliography

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‘Changes to integrated development planning are based on understanding new contexts, including the Intergovernmental Relations Framework Act, emerging coherence around IDP from Cabinet level and more broadly, better understanding of how the three spheres can work more coherently’

Mr Yusuf Patel, Deputy Director-General, the dplg
Report on IDP in the Next Term of Local Government, the dplg, 2006
Towards integrated governance and seamless delivery
This case study examines the importance of Intergovernmental Relations for effective planning across government. Institutional arrangements and the links between planning and budgeting are explored. The case study demonstrates that each sphere of government has an integral role to play in ensuring that the outcomes from planning activities are aligned to the Vision 2014.

Intergovernmental planning is a critical component of the development and service delivery process. For a Developmental State the achievement of the national development objectives through intergovernmental planning and other related efforts must ensure a more coherent and focused approach to investment, a shared sense of direction in planning in government and a greater synergy in infrastructure investment and development spending within and across all three spheres of government. Integrated governance and seamless delivery are the epitome of effective IGR.

"Intergovernmental planning is a critical component of the delivery process and in order to achieve intergovernmental prioritization, resource allocation and implementation requires all role-players across government to integrate their actions for improved service delivery."

Ms Lindiwe Msengana-Ndlela, Director-General, the dplg
the national planning framework

Introduction

The intergovernmental planning system has evolved over a period of time to suit the needs of a developmental state seeking to bring about a better life for all. It is a complex system with many role-players and interlinking processes that are informed by various policies, laws and regulations. The intergovernmental planning system is not managed by any single government department. It is a system that is partly legislated and regulated, and partly based on emerging practices. Government has introduced a National Planning Framework that sets out this planning system and how the various elements of the system fit together. Good Intergovernmental Relations practices undertaken in the spirit of co-operative governance lubricates this system.

The Department of Provincial and Local Government and the Presidency are primarily responsible for developing and putting in place a system of intergovernmental development planning and to strengthen the role that development planning plays across the three spheres of government.

The National Planning Framework

A National Planning Framework (NPF) was approved by Cabinet in July 2001 for implementation across the three spheres of government. The NPF defines the cycles of policy strategising, programme development, budgeting, monitoring and evaluation, and public communication of the issues. The NPF was introduced to avoid a situation where “…the planning cycle of a single department may skew policy formulation and/or implementation.”

The NPF comprises of a set of activities undertaken by departments and municipalities across the three spheres of government in a sequential manner producing sets of planning instruments that are aligned and co-ordinated. According to the Presidency, the Medium-Term Strategic Framework and the Medium Term Expenditure Framework (MTEF) are the planning documents central to the NPF.

The planning framework has several advantages, which include facilitating the development of relevant and aligned implementation plans, and the assessment of capacity requirements to implement the plans. The framework is intended to enhance service delivery by creating linkages between the different priorities of the three spheres of government.

The planning cycle

The Planning Cycle represents a continuous process of planning, implementation and review. This relates to medium-term priorities as well as immediate programmes, one flowing sequentially into the other. Immediate detailed plans and some of the future medium-term priorities are processed at the same time. Planning and review by local government is meant to feed into that of provinces; while that of provinces is meant to feed into planning and review at national level.

Planning in government has to take into account the reality of different cycles. Key amongst these is the five-yearly electoral cycle at the heart of which is the national elections when political parties campaign for a new electoral mandate. The annual budgeting cycle that has to take into account the electoral mandate starts on 1 April and ends on 31 March. In order to create greater certainty in budgets and introduce multi-year planning the National Treasury introduced the MTEF as a three-year rolling budget that was reviewed annually.

Parliament also has its own cycle following the annual calendar.
<table>
<thead>
<tr>
<th>Month</th>
<th>Activity</th>
<th>Purpose</th>
<th>Implementing Agents(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>National Cabinet Lekgotla</td>
<td>PoA for the year; Broad medium-term issues</td>
<td>Cabinet, Premiers, Deputy Ministers, DGs</td>
</tr>
<tr>
<td></td>
<td>Provincial ExCo Makgotla</td>
<td>Programme for the year; Broad medium-term issues</td>
<td>Premiers, Metro / District Mayors, HoDs</td>
</tr>
<tr>
<td></td>
<td>Treasury compiles allocations to LG</td>
<td>Support municipal budgeting</td>
<td>National Treasury, Provincial Treasuries</td>
</tr>
<tr>
<td>February</td>
<td>State of the Nation Address</td>
<td>Report to Parliament and public</td>
<td>President</td>
</tr>
<tr>
<td></td>
<td>State of the Province Addresses</td>
<td>Report to Provincial Legislatures and public</td>
<td>Premiers</td>
</tr>
<tr>
<td></td>
<td>Budget Speech</td>
<td>Public communication</td>
<td>National Treasury</td>
</tr>
<tr>
<td></td>
<td>PoA placed on govt. Website</td>
<td>Public communication</td>
<td>GCIS</td>
</tr>
<tr>
<td>March</td>
<td>Provincial budget speeches</td>
<td>Public communication</td>
<td>Provincial Treasuries</td>
</tr>
<tr>
<td></td>
<td>Municipal budgets tabled</td>
<td>Commence budget approval process</td>
<td>Mayors</td>
</tr>
<tr>
<td>April</td>
<td>Report to Cabinet on PoA</td>
<td>M&amp;E and public communication</td>
<td>Clusters and Cabinet</td>
</tr>
<tr>
<td></td>
<td>Local Government Makgotla</td>
<td>Programme for the financial year</td>
<td>Municipal Ex Cos, Managers</td>
</tr>
<tr>
<td></td>
<td>NT makes indicative allocations to departments/ provinces</td>
<td>Enable MTEF submissions</td>
<td>National Treasury</td>
</tr>
<tr>
<td>May</td>
<td>FOSAD MANCO discusses draft MTSF</td>
<td>Discuss and process document for submission to July Cabinet Lekgotla</td>
<td>FOSAD</td>
</tr>
<tr>
<td>June</td>
<td>Approval of LG IDPs</td>
<td>Finalise IDPs</td>
<td>Mayors, Councils</td>
</tr>
<tr>
<td></td>
<td>State of LG Addresses and budgets</td>
<td>Finalise budget approval process</td>
<td>Mayors</td>
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<td></td>
<td></td>
<td>Public communication</td>
<td></td>
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<tr>
<td></td>
<td>FOSAD workshop</td>
<td>Prepare for July Cabinet Lekgotla</td>
<td>FOSAD, incl. Prov DGs and HoDs</td>
</tr>
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<td></td>
<td>Report to Cabinet on PoA</td>
<td>M&amp;E and public communication</td>
<td>Clusters and Cabinet</td>
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<tr>
<td>Month</td>
<td>Event Description</td>
<td>Description</td>
<td>Participants</td>
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<tr>
<td>July</td>
<td>National Cabinet Lekgotla</td>
<td>Review of implementation of PoA; Adopts MTSF</td>
<td>Cabinet, Premiers, Deputy Ministers, DGs</td>
</tr>
<tr>
<td>August</td>
<td>Departments and Provinces submit strategic priorities to National Treasury on basis of MTSF</td>
<td>Assist Mincombud and National Treasury to start planning for allocation of resources</td>
<td>Departments, Mincombud, National Treasury, Provinces</td>
</tr>
<tr>
<td></td>
<td>Report to Cabinet on PoA</td>
<td>M&amp;E and public communication</td>
<td>Clusters and Cabinet</td>
</tr>
<tr>
<td>September</td>
<td>MTEC hearings</td>
<td>Oral discussions on budgetary submissions</td>
<td>Departments, National Treasury, Provinces, Cluster Chairs</td>
</tr>
<tr>
<td>October</td>
<td>Report to Cabinet on PoA</td>
<td>M&amp;E and public communication</td>
<td>Clusters and Cabinet</td>
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<tr>
<td></td>
<td>MTBPS</td>
<td>Communicate medium-term spending plans</td>
<td>National Treasury</td>
</tr>
<tr>
<td>November</td>
<td>Yearly reports to the Presidency from Departments and Provinces</td>
<td>Annual review and/or focus on specific issues</td>
<td>Departments, Provinces, the Presidency</td>
</tr>
<tr>
<td></td>
<td>Local Government Makgotla</td>
<td>Medium-Term plans for 06/09</td>
<td>Municipal ExCos, Managers</td>
</tr>
<tr>
<td>December</td>
<td>FOSAD workshop</td>
<td>Prepare for January Cabinet Lekgotla</td>
<td>FOSAD, incl. Provincial DGs and HoDs</td>
</tr>
<tr>
<td></td>
<td>Update of some PoA issues on government website</td>
<td>Public communication</td>
<td>Clusters, the Presidency, GCIS</td>
</tr>
</tbody>
</table>
Legislative and Regulatory Framework for Intergovernmental Planning

The Constitution states that the three spheres of government cannot function in isolation as they are “distinctive”, “interdependent” and “interrelated”. The manner in which planning is approached by each sphere of government directly impacts the other spheres’ ability to exercise distinctiveness, interdependence and interrelatedness.

The **Public Finance Management Act, 1999** governs strategic planning by national and provincial departments. Treasury Regulations issued in terms of the PFMA provide that government departments and public entities must prepare strategic plans or medium-term strategy frameworks to accompany their MTEF. The regulations stipulate that these plans must cover a three-year period; be consistent with the three-year budget of the department; include output deliverables for all legislative and policy mandates of the department; include measurable objectives, expected outcomes, programme outputs, performance indicators and targets; and include details of Service Delivery Improvement Programmes. These plans must form the basis for the annual reports that departments must publish in terms of the PFMA.

The **Municipal Finance Management Act, 2003** regulates the budgeting processes of municipalities and is an important aspect of the intergovernmental planning regulatory framework.

The **Municipal System Act, 2000** legislates planning in the local sphere of government through Chapter Five of the Act. Chapter Five deals with integrated development planning and sets out the components of an Integrated Development Plan (IDP), the process of compiling and reviewing IDPs, as well as the legal status of an IDP. The MSA and its regulations provide detailed planning prescriptions for municipalities which do not exist in any similar form for the national and provincial spheres of government. The **Local Government: Municipal Planning and Performance Management Regulations, 2001** regulate on details of the integrated development

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2 The Municipal Systems Act, 2000, stipulates that municipalities must undertake developmentally-orientated planning and must develop and adopt an inclusive and strategic plan for the development of the municipality that:

- Links, integrated and co-ordinates plans and takes into account proposals for the development of the municipality
- Aligns the resources and capacity of the municipality with the implementation of the plan
- Forms the policy framework and general basis on which annual budgets must be prepared
- Is compatible with national and provincial development plans and planning requirements binding on the municipality.
plan and focus specifically on the detail required in the financial plan and spatial development framework reflected in the IDP.

Planning is also regulated in sector-specific legislation such as the National Water Act which deals with water services development plans.

The IGRF Act, 2005 does not specifically regulate intergovernmental planning. However, it does provide an architecture for intergovernmental planning by outlining the formal consultative structures required in each sphere of government and by outlining how relations between the three spheres should be conducted.
role-players in the intergovernmental planning system

Each national and provincial department and every municipality has a role to play in the planning system. Each one needs to engage in its own process to develop its own plan and budget; each one also needs to work towards ensuring that its own plans are aligned to those of every other entity. The constitutional interdependence of the three spheres means that none of the spheres can conduct its planning in isolation from the other spheres. Further, there are powers and functions that need to be planned that are the shared or concurrent responsibilities of more than one sphere of government. It is all of these factors that generate complexity in the intergovernmental planning system.

Role-players

<p>| The Presidency | Within the Presidency resides the Policy Co-ordinating Advisory Service (PCAS), which is the most senior policy co-ordination office in government. The PCAS, as part of its policy co-ordination, implementation and monitoring work, works closely with the Fosad Clusters, and undertakes work relating to medium to long-term planning, including the National Spatial Development Perspective (NSDP) and the guidelines for the Provincial Growth and Development Programmes (PGDS). |
| The dplg | The dplg oversees the integrated developing planning process in municipalities as part of its mandate. It is also the custodian of the Intergovernmental Relations system. It serves as the secretariat of the PCC, convenes the Local Government MinMec, and plays a leading role in the Governance and Administration Cluster. |
| National Treasury (NT) | NT is the custodian of government’s budgeting process as well as of the intergovernmental fiscal relations system. |
| Sector Departments | PFMA regulations provide that all national and provincial departments must produce medium-term strategic plans on an annual basis and that such plans must be aligned to their budgets. |</p>
<table>
<thead>
<tr>
<th>Offices of the Premiers (OTP)</th>
<th>Provincial Premiers are responsible for leading the planning process in each province. Premiers participate in critical planning structures such as National and Provincial Cabinet Makgotla, and the PCC.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provincial Departments of Local Government (DLGs)</td>
<td>Provincial DLGs co-ordinate and support integrated development planning in the municipalities in the province. These departments can serve as a link between provincial sector departments and municipalities in a bid to promote alignment of plans.</td>
</tr>
<tr>
<td>Provincial Treasuries</td>
<td>Provincial Treasuries play a similar role to NT in provincial planning processes.</td>
</tr>
<tr>
<td>Municipalities</td>
<td>Municipalities play a critical role in the intergovernmental planning system. Planning in the local sphere is conducted through the Integrated Development Planning instrument.</td>
</tr>
</tbody>
</table>
IGR structures
for intergovernmental planning

The IGRF Act provides for the establishment of a range of formal structures for IGR consultation and dialogue across the spheres of government (and across the two-tiers of the local government sphere). There are also a set of structures that facilitate engagement across departments within the national and provincial spheres of government.

Intergovernmental Structures used for Intergovernmental Planning

Cabinet and Cabinet Clusters

The Cabinet Clusters are key planning and monitoring forums in specific areas: Governance and Administration, Economic, Social, International Relations, Peace and Security, Justice, Crime Prevention and Safety, Information Society and Development.

In order to give effect to the objective of integrated governance, the programmes of government’s thirty-nine departments are grouped in cluster committees dealing with similar sectoral challenges. Oversight of the clustered activities is provided by the Ministers who constitute the six Cabinet Clusters. These clusters are:

- Social
- Economic, Investment and Employment
- International Relations, Peace and Security
- Justice, Crime Prevention and Security
- Governance and Administration
- Information Society and Development

These clusters are in turn supported by corresponding clusters of Directors-General (DG) who work closely with the Policy Co-ordination and Advisory Services in the Presidency.

The cluster approach has also been replicated in provincial government as a means to foster integration of planning and delivery.
| President’s Co-ordinating Council | The President’s Co-ordinating Council (PCC) was formed in October 1999 and consists of the President as chairperson, the Deputy President, the nine provincial Premiers and the Minister and Deputy Minister for Provincial and Local Government. It provided the opportunity for the Presidency to emphasise the strategic leadership role it attached to the Premiers and their significance in the system of co-operative government, together with their respective provincial Executive Councils. The PCC is also promoting co-operation between the national executive authority and the provincial executive authority on national development priorities and provincial development programs, and other matters of a high level policy nature, common to both spheres of government. |
| MinMECs | MinMECs are committees of Ministers and Members of the Provincial Executive Councils (MECs) and (sometimes) SALGA. They emerged in the face of the need to oversee areas of joint concurrent competency between spheres as contained in Schedule 4 of the Constitution, especially provincial and national government. MinMECs are responsible for alignment and co-ordination within specific sectors such as tourism, trade and industry or agriculture. MinMECs are a consultative forum; they have no executive powers on development, implementation, and co-ordination of national policy and legislation. |
| FOSAD | The Forum of South African Directors-General (FOSAD) brings the hands-on experience of all the Directors-General collectively to bear on IGR and other policy issues. FOSAD incorporates the provincial and national spheres. Essentially, it is a DGs’ Forum that facilitates dialogue and ensures feedback improving the co-ordination of policy-making and implementation across government. FOSAD also preempts duplications of efforts. |
| Provincial Inter-governmental Forums | These pay specific attention to the alignment of provincial and municipal strategic plans. They consist of the Premier, the MEC for local government, other members of the Provincial Executive designated by the Premier, mayors of district and metropolitan municipalities and a representative of the relevant provincial chapter of SALGA. They discuss the implementation of national policy and legislation that affects local government. Matters affecting local government that arose in the President’s Co-ordinating Council or in a MinMEC are also discussed. |
### District Intergovernmental Forums

In each district, District Intergovernmental Forums (DIFs) exist to facilitate IGR between the district municipality and the local municipalities in the district. The DIF plays a crucial role in the co-ordination of planning in the district and to translate this into action with the IDPs. It must discuss the co-ordination of district and local IDPs so that coherent planning in the district is facilitated to ensure service delivery. At meetings of the DIF, the municipalities can discuss the implementation of national policy and legislation that will affect the district.

### Inter-governmental Technical Support

Each IGR forum may establish technical support structures, consisting of officials representing the organs of state that are in the political structure. In terms of the development of the local government IDPs, technical support structures can play a key advisory role in the planning process. To address a key issue such as infrastructure development in a province a technical support structure may be established to provide advice, knowledge and input into priorities for roads, sanitation and water infrastructure, and assist local government to translate these into appropriate projects within their respective IDPs.

### Budget Council and Budget Forum

The Intergovernmental Fiscal Relations Act established the Budget Council and the Budget Forum. The Budget Council consists of the national Minister of Finance and the nine MECs responsible for finance in the provinces. The Budget Forum consists of the members of the Budget Council and representatives of organised local government. The function of both bodies is to facilitate co-operation and consultation in the budget process.

### Provincial Executive Committee Clusters

The cluster approach has also been replicated in provincial government as a means to foster integration of planning and delivery. While provinces differ in the specific way in which clusters are delineated, most provinces have the following:

- Economic Cluster
- Social Cluster
- Infrastructure Cluster
- Governance and Administration Cluster

### MuniMecs

These sector-based IGR structures have been established in most provinces to provide an opportunity for intergovernmental dialogue between provincial and local government. The structures typically comprise the relevant MEC, mayors and portfolio councillors.
There are examples of forums that have been established for the specific purpose of facilitating intergovernmental planning in a particular area. An example is an area-based management programme in the urban renewal node of Inanda-Ntuzuma-KwaMashu in KwaZulu-Natal. A Joint Government Technical Forum co-ordinates the plans and activities of a range of government departments, across the spheres, within the area. The forum is led by the Municipal Manager and championed by the Executive Mayor. Through this forum an integrated service delivery charter was adopted.
Intergovernmental planning finds its expression in various planning instruments produced by departments and municipalities. The National Planning Framework envisages these planning instruments as the product of an intergovernmental dialogue and as such the plans should display a high degree of co-ordination, integration and alignment.

<table>
<thead>
<tr>
<th>Planning instruments</th>
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</thead>
<tbody>
<tr>
<td><strong>Government Medium-Term Strategy Framework (MTSF)</strong></td>
</tr>
<tr>
<td>The MTSF operates over the electoral mandate period and is derived from the Constitution and the electoral mandate of the ruling party. The MTSF sets out the priorities of government for the five-year period. It is reviewed and refined annually through FOSAD and Cabinet Makgotla. Each province also prepares a provincial MTSF.</td>
</tr>
<tr>
<td><strong>Departmental Medium-Term Strategy Framework (MTSF)</strong></td>
</tr>
<tr>
<td>Each national and provincial department prepares its own MTSF outlining how it will implement the government-wide five-year strategy. This departmental strategic planning process is governed by the PFMA. The departmental strategies cover a three-year period and are reviewed and refined annually. Sector Master Plans are a new concept introduced to promote a more ‘whole-of-government’ or joined-up approach to planning and implementation within a particular sector. The idea is that a Sector Master Plan will bring together all the role-players in a sector such as water and sanitation, transport or tourism, within and across the three spheres of government in a collaborative and integrative planning process.</td>
</tr>
<tr>
<td><strong>Provincial Growth and Development Strategy (PGDS)</strong></td>
</tr>
<tr>
<td>Although the preparation of a PGDS is not a legislative requirement, a PGDS provides a vital link in intergovernmental planning systems. The PGDS ideally serves as an overarching development strategy for a province over a longer timeframe.</td>
</tr>
</tbody>
</table>
| Integrated Development Plan (IDP) | IDPs are supposed to be ‘whole-of-government’ development plans for a specific municipality. As such they have to become the collective expression of the developmental intentions and proposals of all three spheres of government, which means that they will be harmonised and aligned with the relevant PGDS and sector and strategic plans of line departments in all three spheres of government.

The IDP has three important features. First, it is based on extensive public participation and therefore expresses the local articulation of needs. Second, IDPs must be aligned with the development plans and strategies of other affected municipalities and the national and provincial governments. Third, IDPs must complement and influence the development plans and strategies of other affected municipalities and the national and provincial governments. |
<table>
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<tbody>
<tr>
<td>Government Medium-Term Expenditure Framework (MTEF)</td>
<td>The MTEF is the country’s budget and reflects the expenditure required in order to implement and achieve the priorities contained in the MTSF. The MTEF covers a three-year period and is updated annually. The compilation of the MTEF is led by NT as well as Provincial Treasuries in the respective provinces. Each department has its own MTEF.</td>
</tr>
<tr>
<td>Government Programme of Action</td>
<td>The Government Programme of Action is a select list of annual priorities determined at the January Cabinet Lekgotla. Many of these are announced in the President’s State of the Nation Address.</td>
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| National Spatial Development Perspective (NSDP) | Cabinet adopted the NSDP in January 2003\(^1\) as an indicative tool to guide planning across government and to promote greater alignment and integration of delivery.

The NSDP provides the geographic or spatial foundation of the intergovernmental planning system through an analysis of the spatial distribution of economic activity, infrastructure, natural resources, population distribution, and service delivery. Departments and municipalities are strongly encouraged to use this analysis in their own planning processes as a guide to the location of infrastructure projects and service delivery programmes.

Provincial governments and municipalities are required to develop their own spatial development frameworks based on the NSDP. |

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\(^1\) The NSDP was updated in 2006 and is available from The Presidency website www.thepresidency.gov.za
TOWARDS INTEGRATED GOVERNANCE AND SEAMLESS DELIVERY

IGR and the harmonisation of planning across government

Introduction

IGR underpins intergovernmental planning: arguably, effective IGR can be measured by the extent to which it facilitates the harmonisation and alignment of planning across government, and the extent to which plans, budgets, and actions are co-ordinated and integrated. Ultimately, communities see only ‘government’ and are not concerned as to which sphere or department is responsible for any particular aspect of service delivery or development. IGR is the tool that facilitates co-ordinated planning and budgeting behind the scenes so that seamless delivery is provided to communities.

“The basic principle underpinning government’s approach to integration is that the work of government impacts on the totality of the lives of citizens in an integrated way. Irrespective of how government operates, the impact of its work is understood as being that of one entity called government.”

The Presidency

The harmonisation and alignment challenge

Planning that occurs in a vacuum, without meaningful consultation with other spheres of government, can easily result in duplicated efforts, wasted resources, political tensions, and unsustainable outcomes.

Disharmony can result in wasted resources. Two localised examples of this element are cited here.

Overberg District Municipality had the development of Thusong Centres listed as very high priority in its IDP. Through an intensive community-participation process the District Municipality identified those towns that should receive attention first. The town of Hawston did not appear on this list of priority towns. However, without consulting the District Municipality or the relevant Local Municipality, the Provincial Department of Community Services and Poverty Alleviation identified Hawston as the town where it was going to build a centre and gazetted R5m in the provincial DORA. According to the District Municipality, there is a much greater need in the adjacent town of Botrivier, where available buildings could have been utilised at a far lower cost.
Capricorn District Municipality discovered that a local municipality in the district and the provincial Department of Local Government and Housing had both embarked on programmes to provide sanitation. Unfortunately, due to a lack of effective IGR, the programmes were planned and implemented in an unco-ordinated manner. One ground level result was two VIP toilets being erected next to each other in a single household.

Challenges that are typically experienced in managing intergovernmental planning include:\(^3\):

- A lack of a shared focus on key national strategic priorities
- Insufficient sharing of information
- Lack of emphasis on cross-cutting issues
- Irregular participation in co-ordination structures
- Managing different planning cycles
- Unfunded mandates and fiscal dumping.

Joint planning and effective co-ordination between provincial sector departments and municipalities has been a challenge. The lack of sector department participation in municipal planning processes has been repeatedly cited as a challenge in intergovernmental planning.

For example, the Eastern Cape’s IGR Strategy (2008) states that

“Weaknesses in intergovernmental planning remain a primary concern. In particular the effective participation of provincial sector departments in the IDP processes of municipalities needs to be addressed as a priority. In instances where sector department participation has occurred, it has not always been effective, or consistent. Numerous resolutions urging departments to prioritise the sharing of their line function plans with municipalities in the context of the local IGR structures have been taken at various levels in the Province, including the EXCO Makgotla and in IDP engagements. However, significant improvements have not been evidenced resulting in misalignment of plans and to IDPs that often / can lack credibility, contrary to the principles of the National Spatial Development Perspective and the prescriptions of the Municipal Systems Act.”

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\(^3\) These challenges were identified in workshops conducted by the dpig in several District Municipalities in the second-half of 2008 on Intergovernmental Planning. The workshops were attended by politicians and managers from the local and provincial spheres of government.
In some provinces, provincial sector departments that have district offices have not always aligned their service delivery boundaries with municipal boundaries. There also needs to be improved clarity around which sphere or sector is responsible for what in terms of planning and co-ordination. This is critical in respect of how powers and functions are allocated to the two spheres of local government and how these functions are monitored and supported by provinces.

Since 1994 provincial governments have been engaging with provincial planning. It is especially over the last four years that significant progress with the preparation of PGDSs has been made in most provinces. Irrespective of the progress made there are a number of generic problems and challenges that face these strategies. The most common of these are,:

- The contents of the PGDSs and district/metro IDPs are not well aligned with each other, or with the MTSF
- The PGDSs have as yet not acquired the same status as coordinators in the provincial sphere as the IDPs have done in the local sphere
- The alignment of the contents of IDPs, PGDSs and national and provincial sector and departmental plans and budgets has not yet taken place and alignment between sector plans is not evident, especially in the provincial and national spheres
- Alignment of plans within provinces between the various sector departments and agencies
- The IGR System needs to be used to clarify powers and functions across spheres.

Provincial and local government priorities are often not adequately reflected in national government priorities, and in part this is a consequence of gaps in the intergovernmental system across all the spheres of government, because the role of IGR forums is not yet optimally harnessed to ensure integration and alignment of planning processes at different levels of government.

**Using good IGR practices to harmonise planning**

There are initiatives underway aimed at harmonising intergovernmental planning. These initiatives focus on different aspects of the national planning framework. At the centre of many of the initiatives is better IGR, including:

- Making better use of existing IGR technical structures as forums for intergovernmental planning
• Improving the functionality of Provincial and District Intergovernmental Forums to strategically co-ordinate developmental outcomes
• Using Implementation Protocols to clarify powers and functions
• Promoting an intergovernmental mindset and attitude
• Improving information-sharing.

Communication and networking

A critical component of intergovernmental planning is communication: the timely sharing of information about plans, intentions, budgets and priority projects is vital if alignment is to be achieved. Yet all too often, such communication does not take place despite all of the intergovernmental forums and planning structures that have been established.

Various initiatives are underway to address intergovernmental communication. One example is a web-based planning portal introduced by a District Municipality in the Eastern Cape. Cacadu District Municipality has set up an IDP Planning Portal to facilitate improved and co-ordinated planning by the local municipalities in the district. The portal is accessed through the municipality’s website at www.idpcacadu.co.za.

The portal will act as a conduit of information with respect to advice, frequently asked questions and guidelines (like an interactive classroom) which will be updated by the CDM on a fortnightly basis. Local municipalities may submit questions, etc, thereby enabling all local municipalities to share experiences and knowledge. This approach is seen as beneficial as often the extent of the advice required is applicable to all municipalities thereby eliminating the need to visit each local municipality and repeat the same information. It is envisaged that fortnightly e-mails will also be sent to the applicable persons within the local municipalities informing them of planning developments and requirements within the district.

The pursuit of a greater degree of alignment as a way to achieve shared developmental outcomes is not purely a mechanical or technical exercise that proceeds in a step-by-step fashion. Rather it is a never-ending series of discussions, consultations and negotiations within and between the three spheres of government facilitated through the practice of good Intergovernmental Relations.

A well functioning IGR System can facilitate improved intergovernmental planning, in other words, planning that results in co-ordinated, integrated and aligned planning documents and budgets. Such plans and budgets will be credible and achievable and will contribute to integrated service delivery and development.
This case study has examined the complexity of the intergovernmental planning system. It has shown that failures in intergovernmental planning can have serious consequences for development. Finding ways to manage this complex system is imperative. Good Intergovernmental Relations conducted according to the constitutional principle of co-operative governance offers a way through the complexity. Communication, consultation and collaboration are vital. The National Planning Framework provides structured opportunities throughout the planning cycle for intergovernmental consultation and collaboration to take place. Nevertheless, challenges remain, especially with regard to aligning integrated development plans, provincial growth and development plans, sector plans, as well as national policy priorities. Considerable efforts are being expended in the pursuit of greater alignment, not for its own sake, but for the achievement of integrated governance and seamless delivery, for the achievement of a better life for all.
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The IGR system in South Africa is constantly evolving; it is being shaped by the practice of IGR around the country every single day. The six case studies in this report have provided useful insights into this evolution and practice of IGR. Ultimately, IGR is about forging coherent government – bringing integrated services, sustainable development and a better life for all. IGR is simply a tool, albeit a crucial tool, to facilitate service delivery and development.
The six case studies have succeeded in addressing the whole array of elements which constitute the concept of Intergovernmental Relations. From these studies of the practice of co-operative governance and IGR within different contexts, it becomes apparent that IGR comprises a set of interconnected elements or dimensions. These combined elements make up the IGR System. It is the effective functioning of this system which largely determines whether or not the practice of IGR does indeed facilitate co-operative governance and enable integrated service delivery and development.

Elements of the IGR System that have emerged from these case studies are:

**Legislative and regulatory frameworks**

A conclusive policy and legislative framework regulates and guides co-operative governance and IGR. This framework includes the Constitution, 1996 and the Intergovernmental Relations Framework Act, 2005 as well as specific legislation for a particular sphere of government such as the Municipal Structures Act, 1998 and the Municipal Systems Act, 2000. Various sector laws and policies are also elements of the IGR System as it applies to a specific sector. For example the Water Services Act, 1997 the National Housing Act, 1997 and the Urban Renewal and Integrated Sustainable Rural Development Strategies. These frameworks allocate powers and functions to each sphere of government, provide for accountability and reporting, planning, funding responsibilities and other institutional arrangements. Clarity in the allocation of powers and functions to each sphere of government and the subsequent funding and accountability allocations have emerged as essential ingredients in co-operative governance.

**Institutional arrangements for co-ordination and consultation**

A significant element of the IGR system is the institutional structures that have been established to facilitate intergovernmental dialogue, consultation and co-ordination. The structures exist at political and technical levels and have become perhaps the most visible aspect of the IGR system for many practitioners. The case studies
demonstrated the web of IGR structures that have been established to bring together representatives from the three spheres of government. What remains worthy of further study is the functionality of these structures as strategic elements of the IGR System. Models for support of intergovernmental forums and guidelines on the co-ordination of government policy will need to be developed. This will be essential given the centrality and multifaceted nature of their role in building predictable and cohesive government.

**Intergovernmental planning and budgeting**

Intergovernmental planning is of such importance to the achievement of integrated service delivery and development that it warranted its own case study. Issues of intergovernmental planning and budgeting also emerged in the other five case studies indicating that these elements of the IGR System are paramount. Intergovernmental planning and budgeting can be viewed as one of the key elements of the overall IGR system. The pursuit of greater co-ordination of activities at the site of impact begins with effective intergovernmental planning and is given practical realisation through the appropriate allocation of resources to the appropriate sphere.

**Communication**

Communication can be considered the lifeline of the IGR system. Whether formal or informal, the exchange of information between the spheres of government is a vital element of the IGR System.

**Capacity strengthening and support**

The case studies reveal that considerable capacity at national, provincial and local level is required for effective participation in the IGR system. Furthermore, national and provincial departments have a role to play in strengthening the capacity of local government to fulfil its constitutional responsibilities.
The case studies suggest some key lessons for IGR practitioners:

a. The importance of **clarity in the allocation of powers and functions** across the three spheres of government and a keen understanding of specific roles and responsibilities within specific service delivery sectors.

b. Effective IGR structures provide meaningful opportunities for strategic engagement and decision-making. A **strategic approach needs to be adopted towards the establishment of IGR structures** as in certain cases dedicated, issue-specific structures can be advantageous whereas in other cases the use of general co-ordinating structures can be more useful.

c. The IGR system is characterised by a high degree of **complexity** and IGR practitioners will need to seek ways of managing this complexity.

d. The IGR system appears to function more effectively when the role-players share a very **specific objective** that needs to be achieved within a non-negotiable period of time.

e. Government departments and municipalities require a certain **minimum capacity** to be able to effectively engage in IGR activities.

f. **Planning and intergovernmental fiscal relations** are a critical aspect of the IGR system; clearly allocated powers and functions and effective intergovernmental planning are inextricably linked to questions of funding and accountability. Harmonised reporting systems and common Key Performance Areas also support co-operative governance.

**Challenges remain** in moving beyond co-operative governance to integrated governance. Financing and implementation protocols provide a useful tool for managing the move towards greater integration of planning, financing and execution of joint projects.
The distribution of powers and functions, capacity and resources, across the three spheres of government presents challenges of co-ordination, integration and alignment of plans for implementation. This, in turn, requires ongoing communication and consultation between the role-players. The effective management of concurrency makes strong Intergovernmental Relations essential. Clear procedures, planning processes and robust Intergovernmental Relations forums need to be established and maintained.

The various elements of Intergovernmental Relations need to work together to facilitate service delivery in an integrated manner. These elements include clear allocation of roles and responsibilities to the appropriate spheres of government; robust institutional arrangements for co-ordination, integration and alignment; the alignment of accountability, powers and functions and financial flows; as well as national and provincial support to local government. All of these elements need to be in place in order for co-operative governance to work and for integrated service delivery to be achieved.

The IGR system in South Africa is constantly evolving; it is being shaped by the practice of IGR around the country every single day. The six case studies in this report have provided useful insights into this evolution and practice of IGR. Ultimately, IGR is about forging coherent government – bringing integrated services, sustainable development and a better life for all. IGR is simply a tool, albeit a crucial tool, to facilitate service delivery and development.

“IGR is not an end in itself but a means to an end. IGR is therefore a means towards accelerated service delivery and development.”

Ms Lindiwe Msengana-Ndlela, Director-General, the dplg