

NATIONAL CAPACITY BUILDING FRAMEWORK FOR LOCAL GOVERNMENT

In Support of the Five Year
Local Government Strategic Agenda
(2008 - 2011)

THE DPLG IN PARTNERSHIP WITH SALGA



the dplg

Department:
Provincial and Local Government
REPUBLIC OF SOUTH AFRICA





foreword

BY THE MINISTER



The adoption of the Five Year Local Government Strategic Agenda 2006-2011 by the Extended Cabinet Lekgotla in 2006, heralded a turning point for that critical sphere of our government tasked with delivering services to our people. It committed government as a whole to support and strengthen local government. The Five Year Local Government Strategic Agenda, made it possible for capacity building initiatives such as the hands-on support aimed at improving municipal governance, performance and accountability to be mainstreamed. It put in place a prism through which local government could be monitored and provided a space to strengthen a regulatory and fiscal environment for local government. This did not come without challenge.

This publication, the National Capacity Building Framework (NCBF), responds to that challenge. It clearly defines the role of stakeholders to accelerate the provision of integrated and targeted support to local government. It also provides an implementation strategy for building capacity in municipalities. Appropriately utilised, this framework will strengthen the institutional arrangements necessary to proactively coordinate planning, implementing and monitoring of capacity building in local government.

The National Capacity Building Framework publication will offer a useful source of reference for local government practitioners who continue to contribute towards moving local government to a more sustainable future.

Fholisani.S Mufamadi
Minister for Provincial and Local Government.

statement

BY THE DEPUTY MINISTER



In 2006, as we entered the second term of local government system being aware of both the achievements and challenges facing municipalities, government took stock of the achievements and lessons learned during the first term of local government. Certainly, while recognising the progress made to achieve the vision of a developmental local government we were also mindful of the fact that capacity building and equity and development issues remain the critical challenges that cut across municipalities

The department in fulfilling its responsibility to provide leadership and supporting municipalities, identified the need to develop the National Capacity Building Framework as an overarching strategy for coordinating the efforts of different departments and agencies so that all efforts to support local government are appropriately targeted and focused. The development of this National Capacity Building Framework was informed by the Five Year Local Government Strategic Agenda and the lessons learned from Project Consolidate. Furthermore, this framework not only reminds us about the transformation trajectory but also enables us as government to honestly acknowledge the challenges relating to service delivery along the way. Issues of equity and development as well as empowerment of vulnerable groups are cross cutting in the municipalities. The mainstreaming of these issues within capacity building and in planning and development programmes becomes very critical.

Incorporated in this framework is multilingualism, which has a profound impact in local government. It enables citizens to access services in the languages they understand and also strengthens community participation by giving voice to the marginalised groups. In directing our efforts to capacity building in a focused manner this framework outlines five programme areas, which are, Strengthening Leadership and Professionalisation in local government; Strengthening hands-on support; Programme-based and short-term support; Strengthening the environment for municipalities to deliver; and Strengthening capacity to coordinate and develop capacity for municipalities. We trust that if all of us collaborate and utilise this framework, we will succeed in assisting municipalities to effectively perform their powers and functions and deliver services to the community.

Ms Nomatyala E Hangana
Deputy Minister for Provincial and Local Government.

overview

BY THE DIRECTOR GENERAL



In 2006, our department facilitated a process reviewing the lessons from Project Consolidate, and assessed the progress that has been made towards establishing developmental local government. A strategic agenda for strengthening local government, known as the Five Year Local Government Strategic Agenda (2006 - 2011), was developed.

The Local Government Strategic Agenda commits government as a whole to strengthening local government over a five-year period by:

- Mainstreaming hands-on support to local government to improve municipal governance, performance and accountability
- Addressing the structure and governance arrangements of the State in order to better strengthen, support and monitor local government
- Refining and strengthening the policy, regulatory and fiscal environment for local government and giving greater attention to the enforcement measures.

Flowing from this commitment to strengthening local government, a decision was taken to revise the National Capacity Building Framework (NCBF) for local government, which was first published in 2004. The revised NCBF seeks to improve our approach in two areas, namely the presentation of an implementation strategy and clear role definition in capacity building.

The NCBF is informed by recent experiences from Project Consolidate and seeks to support the objective of “mainstreaming hands-on support to local government”. It therefore provides a framework for coordinating the efforts of different departments and agencies, so that all efforts to support and build the capacity of local government are appropriately targeted and focused on realising the same development agenda.

In summary, the NCBF aims to:

- Provide a set of overarching goals
- Build on the foundation of ongoing appropriate capacity building
- Provide a framework for a package of support based on government-wide and local priorities
- Manage and ensure a more enabling environment for capacity support

Finally, we would like to express our appreciation to Minister Sydney Mufamadi and Deputy Minister Nomatyala Hangana for their unwavering support, the substantive inputs from the senior management of the dplg, under the leadership of the Director-General, Ms Lindiwe Msengana-Ndlela. We would also like to thank our key partners and stakeholders for their inputs, inclusive of the donor he community. We have confidence that we can trust on their continued support and cooperation during the implementation phase.

Ms Lindiwe Msengana-Ndlela
Director-General



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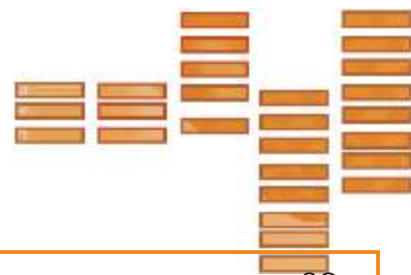
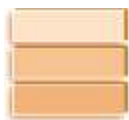
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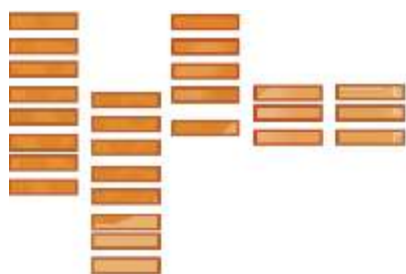
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executive summary

NATIONAL CAPACITY BUILDING FRAMEWORK

1. INTRODUCTION TO THE NATIONAL CAPACITY BUILDING FRAMEWORK

In 2006, government took stock of lessons from Project Consolidate, and assessed the progress that has been made towards establishing sustainable developmental local government. A strategic agenda for strengthening local government, known as the Five Year Local Government Strategic Agenda (2006-2011), was developed and adopted at the Extended Cabinet Lekgotla in January 2006.

The Five Year Local Government Strategic Agenda commits government as a whole to strengthening local government over a five-year period by:

- Mainstreaming hands-on support to local government to improve municipal governance, performance and accountability;
- Addressing the structure and governance arrangements of the State in order to better strengthen, support and monitor local government; and
- Refining and strengthening the policy, regulatory and fiscal environment for local government and giving greater attention to the enforcement measures.

Flowing from this commitment to strengthening local government, a decision was taken to revise the National Capacity Building Framework (NCBF) for local government, which was first published in 2004. The revised NCBF remedies the two key weaknesses of the 2004 NCBF, namely the lack of an implementation strategy and failure to clearly define the roles of stakeholders in capacity building.

The revised NCBF also ensures that the approach to building capacity is informed by current information and experience, and is supportive of the Five Year Local Government Strategic Agenda (2006 -2011). In line with the Five Year Local Government Strategic Agenda's objective of "mainstreaming hands-on support to local government", the revised NCBF provides a framework for coordinating the efforts of different departments and agencies, so that all efforts to support and build the capacity of local government are appropriately targeted and focused on realising the same development agenda.

The intention of the revised National Capacity Building Framework is to define the impact that must be made on the capacity of municipalities by 2011, and to indicate what needs to be done in respect of capacity building for the current term of local government. This will be achieved through the establishment of an integrated capacity building framework and guidelines, which will steer all capacity building strategies towards enabling municipalities to fulfil their constitutional duties, and to perform their powers and functions, as developmental local government entities.



The NCBF aims to:

- Provide a set of overarching goals for local government capacity building
- Build on the foundation of ongoing appropriate capacity building
- Provide a framework for a package of support based on government-wide and local priorities
- Manage and ensure a more enabling environment for capacity support

2. UNDERSTANDING CAPACITY BUILDING IN LOCAL GOVERNMENT

The term 'capacity' is interpreted in many different ways. It is therefore important for the NCBF to provide a shared definition of capacity, to enable a meaningful interaction between stakeholders involved in thinking about, planning for, and implementing capacity building interventions.

In its simplest form, capacity can be regarded as the potential for something to happen. The NCBF uses a multifaceted definition of capacity, which takes into account the factors that 'make things happen' on the environmental, institutional and individual levels:

- *Individual Capacity* is the potential and competency, or lack thereof, found within a person, normally reflected through his or her specific technical and generic skills, knowledge, attitudes and behaviour, accumulated through forms of education, training, experience, networks and values
- *Institutional Capacity* is the potential and competency, or lack thereof, found within organisations. It includes human resource (collective individual capacities), strategic leadership, organisational purpose, orientation, institutional memory, internal confidence, partnerships, inter-governmental relations, powers and functions, resources and support systems, infrastructure and financial abilities, structures, processes, culture and by-laws
- *Environmental Capacity* is the potential and competency, or lack thereof, found outside of municipalities' formal structures. They are elements that, as a municipality, one has little or no influence or direct impact upon, but that may be needed by the municipality. These are external conditions that the municipality may be able to harness. Environmental capacity includes the socio-economic (e.g. tax base) and demographic composition; the political, legislative, and social capital within communities; the ecological, geographical and non-municipal infrastructure; and the natural, mineral and environmental resources available.

3. THE LOCAL GOVERNMENT TRANSFORMATION

It is useful to have a context for understanding how the specific capacity challenges faced by municipalities in South Africa today developed. Apartheid local government was severely distorted and under-capacitated, in that it did not provide an adequate tax-base or adequate institutional ability to deliver basic services to all local communities. Historically, local government was also not equipped to play a strong role in the social and economic development of the local community.

The different phases of the transformation from apartheid to democratic local government have each been characterised by specific capacity challenges, and responses to these challenges.

Transition Phase (1993-2000)

The transition phase focused on creating capacity for improved delivery at local level through:

- The re-demarcation of municipal boundaries, to replace racially fragmented and financially unviable municipal areas
- Introducing new categories of municipalities
- Introducing a comprehensive legal and functional framework for local government
- Creating a framework for sound financial management and improving revenue-generation.

Between 1993, when the Local Government Transition Act was published, and 2000, when the new system of government was implemented, the number of municipalities was reduced from 834 to 284. The myriad of different forms of racially-defined local authorities was replaced by three categories of municipalities, namely Category A (metropolitan municipalities), Category B (local municipalities), and Category C (district municipalities). The establishment of 284 new municipalities was logistically complicated, and involved the transfer of staff, assets and liabilities to new municipal structures.

An intensive policy process was conducted in the transition phase, with a view to establishing a new legal framework for developmental local government. The new legal framework provides a robust framework for democratic governance and administrative and financial accountability.

Final Phase (Post-2000)

The final phase began when democratic and non-racial municipal councils were elected in 2000. This present final phase has three linked components and stages: establishment; consolidation; and sustainability. The establishment stage involved:

- The creation of municipal institutions corresponding to newly demarcated boundaries

- The completion of a legislative framework to support the newly established municipalities, and improve democratic, institutional and financial accountability.

The second stage was characterised by consolidating the newly established local government system and the core systems of individual municipalities. During this stage Project Consolidate, was launched which was aimed at providing extra-ordinary hands-on support to local government. The lessons learned during the consolidation stage, notably during the implementation of Project Consolidate, have directly fed into the development of the revised NCBF. This second stage is meant to lay the foundation for the last leg of nurturing and supporting the overall sustainability of developmental local government.

4. THE POLICY AND REGULATORY FRAMEWORK FOR LOCAL GOVERNMENT

As part of the establishment of democratic developmental local government, a set of policy and legislative instruments were developed to govern local government. The legislation has progressively changed to inform the way in which local government plans and delivers its services. Moving from a conventional approach of the delivery of basic services, there has been a shift towards local government as an active agent of local development and local governance within a broader developmental state.

The key pieces of legislation governing local government include:

- The Constitution of 1996
- The White Paper on Local Government of 1998
- Local Government: Municipal Demarcation Act of 1998
- Local Government: The Municipal Structures Act of 1998
- Local Government: The Municipal Systems Act of 2000
- The Municipal Finance Management Act of 2003
- Local Government: The Municipal Property Rates Act of 2004
- Cross-boundary Municipalities Laws Repeal and Related Matters Act of 2005
- Intergovernmental Relations Framework Act of 2005.

5. A DEVELOPMENTAL APPROACH TO LOCAL GOVERNANCE

The legal framework is only one part of the development context in which local government operates. Several other factors contribute to this environment. It is important to note that:

- *Local government is one sphere of government within the overall system of government. Developmental local government was*

conceived to perform its optimal role within an intergovernmental system, also comprising of provincial and national government

The South African Government is consciously positioning itself as and building core capabilities associated with a developmental state. This includes improved information and monitoring systems, coupled with a process of regular reflection on the lessons learned from implementation.

Various government policies have contributed to an understanding of a developmental state as:

- A state that excels in public administration and intervenes strategically in the economy to promote social development
- A state concerned with integrating the dual economy by addressing the socio-economic needs of its entire population, especially the poor, the marginalised and the historically disadvantaged
- A well-managed and democratic state, that builds its legitimacy on its capacity to simultaneously foster productive economic activities and economic growth, qualitatively improve the living conditions of its people and reduce poverty
- A state that is partnership-based and globally connected. Its ability to promote and sustain development is understood as the combination of steady and high rates of economic growth and structural change in the productive system, both domestically and in its relationship with the international economy.

In the context of the South African Constitution, a developmental state implies that municipalities assume a greater role in economic and social development. A range of government initiatives aim to situate local government as a key contributor to socio-economic development, including the National Spatial Development Perspective (NSDP), the Accelerated and Shared Growth Initiative for South Africa (AsgiSA), Provincial Growth and Development Strategies (PGDS), and Industrial Policy and Local Economic Development.

Developmental local government must respond to the key development challenges in the municipal area, and contribute to addressing national development challenges.

Some of the key issues that a developmental state must address are:

- a. Reducing poverty and unemployment (spatial, race, gender dimensions)
- b. Social exclusion and integration of society
- c. Dealing with issues of crime and insecurity
- d. Acquiring an adequate supply of relevant skills required by public and private sector and dealing with issues of brain-drain
- e. Small and under-developed local and regional markets
- f. Industrialisation and diversification
- g. Public sector reform and service delivery to both the first and second economy

- h.** Weak infrastructure.

The establishment of developmental local government must be informed by experiences in recent years, and the lessons learnt to date.

Project Consolidate, launched in 2004, is the largest programme of support to local government implemented in recent years. It provides valuable lessons on how to provide effective support to municipalities in the future, including:

- a.** The need to institutionalise hands-on support to local government, and improve inter- and intra-governmental cooperation in the provision of support to local government
 - b.** Strengthening the platform for collective development planning across the three spheres of government created by Project Consolidate. This includes a focus on alignment between municipal action plans, Izimbizo programmes of action, IDPs, Provincial Growth and Development Strategies (PGDS) and the National Spatial Development Perspective (NSDP)
 - c.** The critical role of provinces in facilitating, supporting and monitoring development, service delivery and good governance at municipal level. Lack of capacity at provincial level may seriously undermine the achievement of national priorities and constrain local service delivery.
- *The Five Year Local Government Strategic Agenda (2006 - 2011) provides a framework for moving rapidly to sustainable, developmental local government:*
The Five Year Local Government Strategic Agenda focuses the efforts of government on the three main priorities:
 - a.** Mainstreaming hands-on support to local government to improve municipal governance, performance and accountability
 - b.** Addressing the structure and governance arrangements of the State in order to better strengthen, support and monitor local government
 - c.** Refining and strengthening the policy, regulatory and fiscal environment for local government and giving greater attention to the enforcement measures.

6. LINKAGES WITH NATIONAL TARGETS AND PROGRAMMES

Local government contributes to the realisation of national targets for service delivery and development. Key national priorities and programmes that the NCBF is mindful of include the following:

- a.** The Millennium Development Goals
- b.** Vision 2014 and meeting government's service delivery targets: e.g. universal access to potable water by 2008 and decent sanitation by 2010;



- c. The Accelerated and Shared Growth Initiative for South Africa (AsgiSA)
- d. Joint Initiative on Priority Skills Acquisition (JIPSA)
- e. Provincial Growth and Development Strategies
- f. National Spatial Development Perspective
- g. Local Economic Development
- h. Multilingualism at local government level
- i. Equity and Vulnerable Groups Considerations.

7. GREATER ALIGNMENT BETWEEN SPHERES OF GOVERNMENT

Improved intergovernmental coordination is critical for the realisation of the country's development agenda and accelerating service delivery. National government cannot realise its development and delivery targets without the contribution of provincial and local government. Similarly, while local government must contribute to national targets, it requires a supportive environment and national framework in which to promote the socio-economic development of its local area.

Some current initiatives aimed at enhancing intergovernmental coordination and alignment are:

- *Intergovernmental Relations*: - The Intergovernmental Relations Act (2005) provides for defined responsibilities and institutional structures to support closer co-operation between spheres of government. It is clearly understood that, for municipalities to succeed in developmental planning and delivery, proactive cooperation between all spheres of government is required. This applies to planning, prioritising, resources allocation and delivery management.
- *Single Public Service*: The Public Service Amendment Bill went before parliament in 2007. This Bill is the next step in an ongoing process aimed at achieving a single public service with standardisation of employment structuring, and the creation of greater opportunities of movement of staff between different spheres of government.
- *Increasing the Financial Stability and Control of Municipalities* - mainly through the introduction of the Municipal Finance Management Act (2004) and the Municipal Property Rates Act (2004), which provide municipalities with guidelines for effective systems to maximise their revenue potential and the effective and transparent management of their finances.
- *Municipal Performance Management Regulations* - published in 2006, these regulations provide a uniform framework for the employment and performance management of senior managers in local government.
- *Local Government Anti Corruption Strategy (2006)*- which aims to prevent corruption in local government and to increase good governance, transparency and accountability of municipalities.



- *The abolition of cross boundary municipalities* prior to the elections in 2006 was directed at removing any significant anomaly in the municipal environment. This was done with the intention of making lines of responsibility and accountability clearer, and reducing the bureaucratic confusion faced by such municipalities.
- *Improving Governance and Communication*, through, for example, the establishment of ward committees; the deployment of Community Development Workers; and the introduction of municipal Izimbizos.

All of above intergovernmental initiatives have a direct impact on and role to play in strengthening the capacity of local government. Greater alignment between the spheres of government is therefore not an end itself, but must be seen as a necessary condition to effect appropriate national and provincial government support to local government.

8. CAPACITY CHALLENGES RELATED TO LOCAL GOVERNMENT

There are a number of studies and surveys on municipal performance, which, read together, provide an indication of municipal levels of capacity to perform specific municipal functions. The findings of these studies show that:

- a. *Carrying out of municipal functions:* Over 50% municipalities perform priority 1 functions. Over the past four years there has been a slight decrease in the number of municipalities performing 50% of priority 1 functions: Districts (76% - 74%), Locals (54% - 48%). Smaller municipalities have made greater progress albeit from a lower base.
- b. *Staffing levels:* Staffing levels of municipalities have remained static over the period, despite increased responsibilities and growing capital budgets.
- c. *Staff experience:* Concerns have been raised about the experience of key municipal staff. There are large numbers of management staff in acting positions. 30% of managers have less than 5 years experience in local government. There is a shortage of personnel in particular occupational areas, including engineering; municipal planning; environmental health; emergency and disaster management. Significant skills gaps also exist in the areas of strategic management and planning project and contract management, financial management and basic financial systems, administration, human resources, and basic literacy and numeracy.
- d. *Staff qualifications:* Skills upgrading is required in several areas, notably municipal management, municipal finance, corporate services, technical services, and strategic and development planning.
- e. *Performance Management:* The gazetting of the Municipal Performance Regulations in 2006 did not have the full desired impact on the number of Municipal Managers that have signed performance agreements. At the end of 2007, only 58% had signed performance agreements. By March 2008 this had improved to 74%.

- f. *Provision of Basic Services* is improving, with 77% of households receiving free basic water; and 69% receiving free basic electricity. The bucket eradication backlog decreased from 252 254 in February 2005 to 49 010 in December 2007 (G&A Cluster Report: 2008).
- g. *Quality of Integrated Development Plans:* The national adoption of IDPs has increased to 100% for 2008/09 across the country. 64% of these IDPs have medium credibility, 24% are in the high credibility category.
- h. *Izimbizo:* 31 Presidential Izimbizo were held between 2005 and 2007. However, only 33% of the issues identified during Izimbizo in 2005 and 2006 were resolved.
- i. *LED Alignment and Summits:* In the 2006/07 financial year, all 46 districts and 6 metros were able to host Growth and Development Summits with the full participation of community representatives and other important stakeholders.
- j. *Size and Expenditure on municipal budgets:* The share of national revenue going to local government is increasing: Division of Revenue allocations to municipalities amounted to R20 675 620 in 2007/08, rising to projected figures of R23 774 767 and R29 444 144 in 2008/09 and 2009/10 respectively. Municipal budgets and expenditure of both capital and operational budgets have also increased substantially. The aggregate size of municipal budgets has nearly doubled over the past nine years, driven largely by capital expenditure. The increases are greatest in the smaller municipalities rising by 39% in year 2005/2006 2006/2007.
- k. *Councillor capacity:* In the 2006 municipal elections over 50% elected councillors were new. This points to the need for a bold capacity building programme to ensure that they are able to handle the complexities of municipal leadership.
- l. *Skills shortages:* There has been an increase in the demand for skills, mainly due to upgraded service delivery methods linked to the restructuring of internal work environments. This has caused new job requirements and legislative and constitutional changes. There is now a mismatch between organograms, incumbents, job descriptions and qualifications. Several skills shortages have been identified, particularly in the areas of artisans, engineering, financial management, planning, economic development, and environmental health.

National and provincial government, and SALGA together with key agencies outside of government have important complementary roles to play in addressing these capacity challenges.

9. AN ANALYSIS OF RECENT CAPACITY BUILDING INITIATIVES

There is a range of recent capacity building programmes for local government. Where possible, cognisance must be taken of these programmes and lessons learned during their implementation.

These include:

- Project Consolidate
- Local Government Leadership Academy (LOGOLA) and its Municipal Leadership Development Programme (MDLP)
- Performance Management Regulations
- Learnership and Skills Programmes
- Municipal finance management support programme
- Training linked with the Urban Renewal Programme (URP)
- Training linked with the Integrated Sustainable Programme for Rural Development (ISRDP)
- Accelerated and Shared Growth Initiative for South Africa (AsgiSA)
- Joint Initiative on Priority Skills Acquisition (Jipsa)
- Siyenza Manje
- ENERGYS
- Training and information sessions on various national policies, strategies and Acts e.g. IGR, LED, Property Rates Act, Anti Corruption Strategy
- Thusong Service Centres formerly called Multi-Purpose Community Centres
- Implementation of municipal revenue enhancement programmes
- Deployment of Community Development Workers
- NSDP District Application Project
- System of accreditation for training service providers
- Sector Skills Plans

A number of important lessons have emerged from the above programmes; these include -

- a. The direct, institutionalised, hands-on approach is favoured;
- b. It is important to prepare the 'capacity building environment';
- c. There must be better integration and coordination of different initiatives within each and across programme areas;
- d. Government is playing a larger role as strategist, enabler, coordinator and deliverer, while also developing synergy with other stakeholders involved in capacity building;
- e. Monitoring of processes and outputs of capacity building initiatives is taking place, but there is very little evaluation of the impact of these programmes on capacity;



- f. There is an improvement in the linkage of training opportunities being used for capacity building to SAQA standards; this assists in increasing the level of qualified individuals, career progression, setting standards and improving the quality of service provision.

10. STAKEHOLDERS INVOLVED IN CAPACITY BUILDING INITIATIVES

Key stakeholders carry out a number of important functions regarding local government capacity building, including:

- a. Managing the capacity building environment in the national, provincial and local government spheres;
- b. Regulating and evaluating the inputs and progress with capacity building at national, provincial and local levels;
- c. Financing capacity building;
- d. Facilitating the engagement of key stakeholders required to ensure that targeted interventions reach identified recipients; and
- e. Preparing and providing direct capacity building interventions.

Key stakeholders involved in municipal capacity building include: government (national; provincial; and district); statutory and parastatal bodies (SALGA, LGSETA and DBSA); donor agencies; educational institutions (universities, further education and training colleges); municipal institutes and professional bodies; and private sector or non-profit organisations.

11. A STRATEGIC APPROACH TO CAPACITY BUILDING IN LOCAL GOVERNMENT

The design of the NCBF is strongly informed by the lessons learnt during Project Consolidate, and is aligned to the Five Year Local Government Strategic Agenda. While the Five Year Local Government Strategic Agenda indicates what has to be done to support and strengthen local government, the NCBF seeks to identify key strategies (i.e. how) to build the capacity of municipalities in order to achieve the objectives of Five Year Local Government Strategic Agenda.

The dplg in consultation with key stakeholders identified Five Programme Areas for the NCBF to support the implementation of the Five Year Local Government Strategic Agenda. These programme areas are intended to assist with prioritising different types of capacity building interventions, and organising resources in collaboration with stakeholders engaged in similar areas of support.

The five programme areas are:

Programme Area 1: Strengthening Leadership and Professionalisation of Local Government

This area focuses on strengthening the quality of political leadership and municipal management through structured and accredited leadership and municipal management training. It also includes policy and procedures around recruitment and performance management of senior and middle managers in municipalities.

Programme Area 2: Hands-On Support

This area is based on the provision of direct support in the municipal workplace, using Service Delivery Facilitators, professionals, deployees, skilled service providers and a range of capacity modes that target both individual and institutional development. Hands-on support will be provided over an extended period, until the necessary capacity is developed or available to the municipality.

Programme Area 3: Programme-Based and Short-Term Support

This area involves the provision of a range of mostly once-off or interlinked training and capacity building activities and events to strengthen existing skills and introduce new delivery programmes, policies and financing arrangements usually not focussed on the municipal workplace.

Programme Area 4: Strengthening the environment for Municipalities to Deliver

This area includes initiatives that change, refine and enhance the legislative, policy and procedural context in order to strengthen the ability of municipalities to deliver the developmental municipal government expected of them in terms of the Constitution.

Programme Area 5: Strengthening Capacity to Coordinate and Develop Capacity for Municipalities

This area focuses on building the capacity of the individuals and institutions responsible for the coordination of the municipal capacity building environment, especially at a national and provincial level.

12. UNDERSTANDING AND PRIORITISING CAPACITY NEEDS

Assessing municipal capacity

In order to prepare and implement successful capacity building strategies, it is crucial to have a continuous understanding of the capacity levels and needs of municipalities. Presently there are various tools and initiatives that gather and analyse information on capacity in municipalities. These assessment tools include Project Consolidate assessments and evaluations, the Treasury Assessment, the IDP Delivery Assessment Tool, the Capacity Assessment Tool (CAT), the Municipal Demarcation Board (MDB) assessment, Workplace Skills Plans, the LGSETA Sector Skills Plan, and the dplg's Local Government Skills Audit.

Ideally, assessment of capacity is required at two levels, namely:

- Primary - this gives an indication of the overall capacity of a municipality
- Secondary - this indicates capacity to implement specified projects or programmes.

The two levels must be interlinked, and the second needs to be informed by the first. Where there are gaps in the available assessment information the project intervention assessment (secondary) feeds back information to strengthen the overall capacity assessment.

Prioritising Capacity Needs

Assessment processes will indicate capacity needs within municipalities by showing gaps in overall capacity levels in municipalities and ability to implement specific functions, projects and programmes. Not all capacity needs and gaps will be able to be addressed immediately. The prioritisation of capacity building interventions must therefore be informed by national imperatives and targets, as well as by the local need.

Prioritising can be conducted in two ways:

- Institutional prioritising:- this is prioritising needs for 'primary targets' (municipal) and 'secondary targets' (institutions which support municipalities, such as provincial and national sector departments)
- Content prioritising:- this is prioritising needs based on the priority areas identified in the Five Year Local Government Strategic Agenda, and the five NCBF programme areas.

13. INSTITUTIONAL ARRANGEMENTS FOR THE IMPLEMENTATION OF THE NATIONAL CAPACITY BUILDING FRAMEWORK

The implementation of the NCBF requires strong coordination of a range of stakeholders, to ensure that all contribute to its effective implementation.

Institutional arrangements should be developed with the following principles in mind:

- a. Ensuring clarity of roles and responsibilities of all partners and stakeholders
- b. Maximising the opportunity for all key stakeholders to contribute to the form and implementation of the overall capacity building plan
- c. Providing for the involvement of all stakeholders, depending on their functional areas of contribution
- d. Building on existing structures that can provide coherence in helping meet the NCBF's objectives, including the structures developed through the provisions of the IGRA
- e. Giving appropriate regard to the political and administrative arms of government in their respective mandate responsibilities to achieve the objectives
- f. Providing for inputs at national, provincial and local levels with mechanisms for communication between different spheres
- g. Ensuring the effective resourcing of the structure so that it can carry out the required functions to achieve the objectives
- h. Clarifying the relationship between management of the capacity building environment and capacity building implementation.

The following table describes the main capacity building components, and the key stakeholders responsible for their implementation:



Management of the Capacity Building Environment

FUNCTION	ACTIONS	DRIVER
<p>Ensure that the environment is enabling, is properly managed, and can help municipalities to maximise their capacity to deliver their developmental responsibilities.</p>	<p>Coordinating the processes of:</p> <ul style="list-style-type: none"> a. Defining the enabling conditions of the environment; b. Establishing of priority capacity building needs; c. Defining of the key strategies; d. Mobilising, focusing and strengthening of resources to tackle these needs through the strategies; e. Regulating the quality and use of capacity building resources; f. Monitoring and evaluation of capacity levels, and the impact of capacity building environment. 	<p>The dplg</p> <p>Provincial government: departments of LG and premier's offices</p> <p>District municipalities</p> <p>In partnership with SALGA, LGSETA, DBSA and other key stakeholders</p>

Provision of Capacity Building for Municipalities

FUNCTION	ACTIONS	DRIVER
<p>Managing the development, financing and implementation of specific interventions that are intended to strengthen the capacity of municipalities to perform their developmental responsibilities.</p> <p>This should be done through targeting individual, institutional and environmental capacity.</p>	<ul style="list-style-type: none"> a. Identifying key capacity needs b. Identifying and engaging targets for capacity building c. Mobilising and directing resources d. Selecting and preparing appropriate modes/tools for intervention e. Selecting the human resources for intervention f. Managing the implementation of the intervention g. Monitoring and evaluating the rollout, outputs and impacts of the intervention 	<p>Government:</p> <p>The dplg</p> <p>National Sector departments</p> <p>Provincial departments of LG</p> <p>District municipalities</p> <p>Non governmental:</p> <p>SALGA</p> <p>Donors</p> <p>Capacity building institutes</p> <p>DBSA, Siyenza Manje</p> <p>Professional Bodies</p> <p>Associations</p> <p>NGOs</p> <p>Private companies</p>



monitoring, evaluation

CHAPTER 14. MONITORING, EVALUATION AND LOGIC MODELS WITHIN THE NCBF

Performance Monitoring and Evaluation (PME) and Monitoring and Evaluation (M&E) should be appreciated as an important management and monitoring tool for service delivery, especially in the context of local government capacity building.

Approach to PME must recognise that the first priority of municipalities is for them to deliver a tangible service or output. In line with the logic models, municipalities should, after the services and outputs are delivered, shift their emphasis to outcomes and impact, thus from efficiency measurement to effectiveness measurement. They should continuously ask:

- Are we doing the things right? = efficiency = audit and monitoring
- Are we doing the right things? = effectiveness = alternatives & evaluation

After an output or service is delivered, municipalities should ask "SO WHAT?" They need to know whether communities accepted the outputs and services. Communities also need to utilise it, otherwise there can be no long term impact. A logic model or theory of action, underlying M&E, depicts the connections between program inputs, activities and processes (implementation), outputs, immediate outcomes, and long-term impacts.

Building capacity for M&E and for Performance Management Systems (PMS) of local government is crucial to fulfil their constitutional mandate of basic service delivery and socio-economic development in creating prosperous and sustainable communities. Both the Five Year LG Strategic Agenda (5YLGSA) and the revised National Capacity Building Framework (NCBF), with their five Key Performance Areas (KPA) and the five Programme Areas need to be monitored and evaluated in order to keep the activities, outputs, outcome and envisaged impact on track.

During the NCBF implementation, it is crucial that monitoring is institutionalised as continuous assessment of activities especially done during the Activity and Output phases. Monitoring will provide the basis for corrective actions, mainly during the processes and activities. Evaluation should be viewed as an assessment of an ongoing or completed project against stated project objectives, the project goal, and the performance indicators.



concluding comments

The Constitution charges municipalities with a key developmental role:

- Meeting the basic service needs of people, especially the poor and marginalised; and
- Facilitating opportunities for socio-economic development in their areas, and contributing towards economic growth in the local area, region and national economy.

Government is strongly committed to capacitating local government to fulfil this developmental mandate.

A government-wide strategic agenda for strengthening local government, known as the *Five Year Local Government Strategic Agenda (2006-2011)*, has been developed, with three strategic priorities:

- Mainstreaming hands-on support to local government to improve municipal governance, performance and accountability
- Addressing the structure and governance arrangements of the State in order to better strengthen, support and monitor local government
- Refining and strengthening the policy, regulatory and fiscal environment for local government and giving greater attention to the enforcement measures.

In support of this strategic agenda, the NCBF provides a framework for coordinating the capacity-building efforts of different departments and agencies, so that all efforts to support and build the capacity of local government are appropriately targeted and focused on realising the same development agenda.

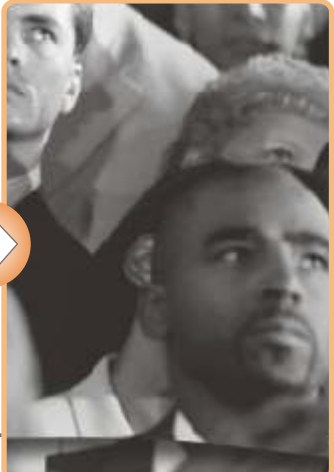
The National Capacity Building Framework contains practical arrangements for the implementation and rollout of a coordinated capacity building programme, aimed at realising the impact put forward by the Five Year Local Government Strategic Agenda (2006 -2011).





... → ... →

capacity levels





mobilise

start
 connection
 deadlines
 deadlines
 deadlines

chapter 1

THE DEVELOPMENT AND CAPACITY-BUILDING CONTEXT

INTRODUCTION TO THE NATIONAL CAPACITY BUILDING FRAMEWORK

1.1 The need for a revised National Capacity Building Framework (NCBF).

The Constitution of the Republic of South Africa (Act 108 of 1996) charges municipalities with:

- Meeting the basic service needs of people, especially the poor and marginalised
- Facilitating opportunities for economic development in their areas, and contributing to economic growth in the local area, region and national economy.

The capacity of local government to deliver on this developmental mandate is critical for the development of prosperous and sustainable local communities in South Africa

This was noted in the Local Government White Paper (1998), which pointed out that, while “municipalities the world over face the challenge of managing viable and environmentally sustainable urban and rural systems South African municipalities face additional challenges” as a result of apartheid. The White Paper listed a range of specific challenges, including a heritage of illegitimate municipal government; geographically and functionally inefficient settlement patterns; extreme inequities in the provision of basic services; massive infrastructure backlogs; and, in most of the country, poorly capacitated municipal structures.

As early as 2001 the Presidential Coordinating Committee (PCC), in a meeting to review the transformation of local government, recognised the capacity challenges facing municipalities. It called for

“... the development of a national capacity building framework which is differentiated to take account of different provincial and local government circumstances, and which would define the role of provinces in resourcing and supporting local government. The framework needs to focus on building strong political and managerial leadership at a local level.”

This led to the development of the first National Capacity Building Framework (NCBF) for local government, which was published in 2004.

Since the publication of the first NCBF, there have been significant shifts in the context in which local government operates. New legislation has been promulgated, and valuable lessons have been learnt from government's experience with providing hands-on support to local government through Project Consolidate.

In 2006, government took stock of the lessons from Project Consolidate, and assessed the progress which has been made towards establishing developmental local government. A strategic agenda for strengthening local government, known as the Five Year Local Government Strategic Agenda (2006 -2011), was developed.

The *Five Year Local Government Strategic Agenda* commits government as a whole to strengthening local government over a 5-year period by:

- Mainstreaming hands-on support to local government to improve municipal governance, performance and accountability
- Addressing the structure and governance arrangements of the State in order to better strengthen, support and monitor local government
- Refining and strengthening the policy, regulatory and fiscal environment for local government and giving greater attention to the enforcement measures.

Flowing from this commitment to strengthening local government, a decision was taken to revise the National Capacity Building Framework (NCBF) for local government. The revised NCBF remedies the two key weaknesses of the 2004 NCBF, namely the lack of an implementation strategy and failure to clearly define the roles of stakeholders in capacity building.

The revised NCBF ensures that the NCBF's approach to building capacity is informed by current information and experience, and supportive of the Local Government Strategic Agenda (2006-2011). In line with the Five Year Local Government Strategic Agenda's objective of "mainstreaming hands-on support to local government", the revised NCBF provides a framework for coordinating the efforts of different departments and agencies, so that all efforts to support and build the capacity of local government are appropriately targeted and focused on realising the same development agenda.

1.2 Aims of the NCBF

The intention of the National Capacity Building Framework is to define the impact that must be made on capacity in municipalities by 2011, and to indicate what needs to be done in respect of capacity building for the current term of local government. This will be achieved through the establishment of an integrated capacity building framework and guidelines, which will steer all capacity building strategies towards enabling municipalities to fulfil their constitutional duties, and to perform their powers and functions, as developmental local government entities.

The NCBF aims to:

- *Provide a set of overarching goals for local government capacity building*
There are numerous viable ways of approaching capacity building, and a variety of methodologies and delivery mechanisms are encouraged. However, if the capacity building activities and resources of different partners are focused on different objectives, there is a risk that overall impact could be lost. The framework therefore provides a set of overarching goals and priorities to ensure a common focus.
- *Build on the foundation of ongoing appropriate capacity building*
Many entities and programmes have supported capacity building in local government,

making considerable impact. The intention of the framework is to lay a basis for the refinement of existing programmes, and build on the foundation established by successful capacity building programmes. The framework will also point to the need for new programmes where appropriate, in support of the implementation of the Five Year Local Government Strategic Agenda.

- *Provide a framework for a package of support based on government-wide and local priorities*

While it affirms current positive capacity building initiatives, the framework also takes the view that the current challenges can only be addressed by a bold, new and comprehensive package of support. This new package of support must clearly and consciously target a prioritised set of capacity building needs, especially those needed to build the developmental capacity of municipalities.

- *Manage and ensure a more enabling environment for capacity support*

The various partners responsible for capacity building need to operate within a common set of assumptions, legislative provisions and standard practices and procedures. If municipal capacity is to continue to improve over the longer term, greater emphasis is needed on the coordination of the capacity building environment to avoid overlaps and to close gaps. The NCBF therefore aims to align the efforts of all entities providing direct assistance to municipalities.

The dplg and SALGA as partners recognise that they have related, but distinct, leadership responsibilities to facilitate and coordinate the local government capacity building environment. They need to work in collaboration with sector departments, both national and provincial, as well as with a range of stakeholders involved in local government. The NCBF seeks to mobilise partners around a common capacity-building agenda.



chapter 2

UNDERSTANDING CAPACITY BUILDING IN LOCAL GOVERNMENT

This chapter of the NCBF provides definitions of the key concepts which are used throughout the rest of the document.

2.1 A definition of capacity

During the implementation of Project Consolidate, it became apparent that stakeholders use the term 'capacity' in a variety of ways. For some people capacity means simply the volume of posts filled, or, more definitively, the number of posts filled by appropriately skilled and oriented people in the institution/sector. For some the term implies technical 'know-how', which may be gained from formal skills training or from experience. Others use the term to refer to change management capability (the capacity to positively transform and improve a system/ institution), or strategic management capability (the capacity to develop a strategic overview, prioritise interventions, and act in areas of maximum leverage). Some people see capacity as an attitude (for example, a commitment to social and economic emancipation, and a willingness to champion interventions in line with this commitment); while others see capacity as way of working (for example, the stamina and tenacity to make steady, even if incremental, progress). Others see capacity as a personal character attribute (for example, a sense of public integrity).

Within this range of interpretations, stakeholders perceive a need for 'balancing', or making trade-offs, between different kinds of capacity. In choosing appropriate personnel, stakeholders felt that, where there are individuals with the correct orientation, these individuals do not always have the appropriate level of technical know-how. Where there is an appropriate level of technical know-how, there is not always a sense of urgency for social and economic emancipation. Where there is courage for change management and transformation, there is not always the level of stamina or tenacity to see it through.

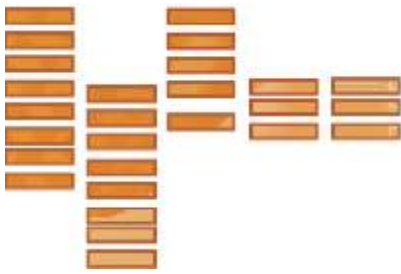
Clearly, 'capacity' is interpreted in many different ways. It is therefore important for the NCBF to provide a shared definition of capacity, to enable a meaningful interaction between stakeholders involved in thinking about, planning for, and implementing, capacity building interventions.

In its simplest form, capacity can be regarded as the potential for something to happen. The NCBF uses a multifaceted definition of capacity, which takes into account the factors that 'make things happen' on the environmental, institutional and individual levels.

(a) *Individual Capacity*

Individual capacity is the potential and competency, or lack thereof, found within a person, normally reflected through his or her specific technical and generic skills, knowledge, attitudes and behaviour, accumulated through forms of education, training, experience, networks and values.





The significance of individual capacity for local government includes:

- Municipalities must appoint the correct person within a suitable post where his or her individual capacity can be utilised to the maximum advantage of the communities served
- A municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and acceptable way (Municipal Systems Act (32 of 2000), Section 68)
- Capacity gaps in an individual can, and must, be filled through training, mentoring, learning networks, etc. For this purpose municipalities must comply with the Skills Development Act, 1998 (Act 97 of 1998) and the Skills Development Levies Act, 1999 (Act 9 of 1999).

(b) *Institutional Capacity*

Individual capacity is harnessed within a specifically created institutional context. This context can have both positive and negative effects on individual capacity.

Institutional capacity is the potential and competency, or lack thereof, found within organisations. It includes human resource (collective individual capacities), strategic leadership, organisational purpose, orientation, institutional memory, internal confidence, partnerships, inter-governmental relations, powers and functions, resources and support systems, infrastructure and financial abilities, structures, processes, culture and by-laws.

The significance of institutional capacity for local government includes:

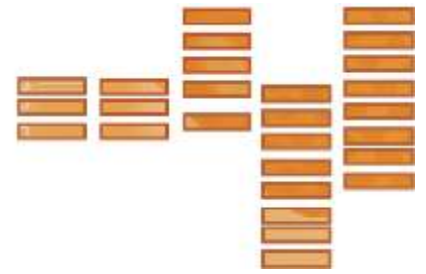
- It is the municipality's responsibility to ensure an optimum institutional context; this includes aspects such as organisational culture, leadership, vision, etc.
- Strategic leadership, orientations, structures, skills, systems and resources all obviously refer to a municipality's internal abilities and its current state of readiness, which is part of operational capacity and part of institutional capacity.

(c) *Environmental Capacity*

Environmental capacity is the potential and competency, or lack thereof, found outside of municipalities' formal structures. There are elements that, as a municipality, one has little or no influence or direct impact upon, but that may be needed by the municipality. There are external conditions that the municipality may be able to harness. Environmental capacity includes the socio-economic (e.g. tax base) and demographic composition; the political, legislative, and social capital within communities; the ecological, geographical and non-municipal infrastructure; and the natural, mineral and environmental resources available.

The significance of environmental capacity for local government lies in the possibility for





municipalities to harness environmental capacity for the benefit of the local community. For example, municipalities may base their LED strategy on natural local features which have tourism potential; or tap into a local political culture to strengthen community governance. Municipalities also need to respond to gaps in their environmental capacity: for example, to develop strategies to increase a weak tax base. While municipalities need to engage with environmental capacity, it must be noted that the success of municipal strategies may be contingent on factors beyond the municipality's control (e.g. population movements, national economic growth, or state-wide social and political stability).

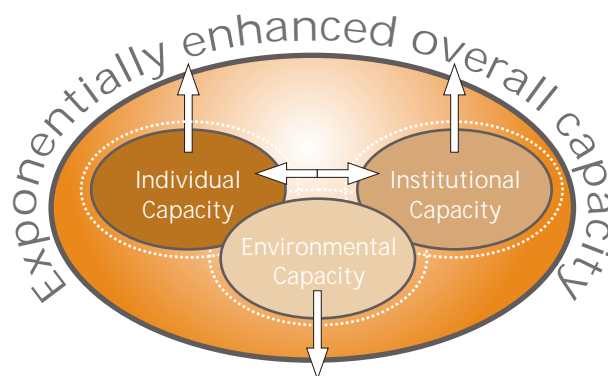
(d) *Integration*

The three types of capacity (individual, institutional and environmental) are all related and integrated. For example, municipalities with a good location and with a good revenue base (environmental capacity) can often attract good management capacity. However, the two forms of capacity cannot be targeted and built in the same way.

The NCBF works from the premise that environmental capacity can be enhanced by building municipal operating capacity, and by ensuring an integration of capacity building strategies. However, it also recognises that strategically planned interventions from outside the individual municipality (e.g. legislation) can improve the environment in which the municipality operates, and have a knock-on positive impact on the municipality's institutional capacity.

The NCBF insists that every effort be made to ensure the integration of the three elements of capacity building, as these serve to strengthen each other exponentially. Capacity building which targets all three areas requires that a range of players be involved in capacity-building, as some players are able to act on the environment, while others are positioned to act on the institutional and individual levels. A shared strategic approach across the range of players involved in local government capacity building is likely to enhance the impact of each player's efforts.

Figure 1:
Integrated and Combined
Effect of Capacity Building



2.2 *Capacity Gap*

The final term, which should be defined here, is 'capacity gap'. This is the difference between the capacity that a municipality has, and the capacity it needs in order to comply with legislation, service delivery and developmental challenges. The gap, once assessed, informs the nature of capacity building programmes to be designed in that specific municipality.

chapter 3

THE LOCAL GOVERNMENT TRANSFORMATION

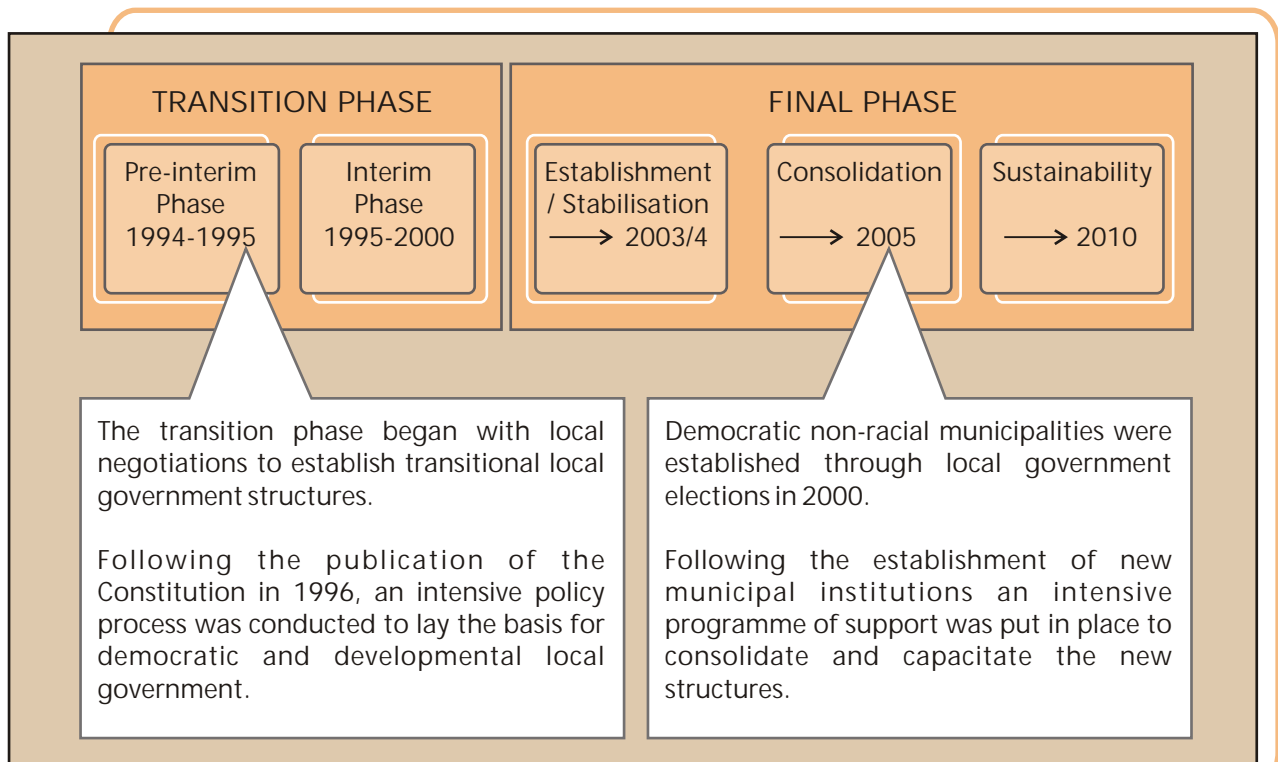
It is useful to have a context for understanding how the specific capacity challenges faced by municipalities in South Africa today developed. Apartheid local government was severely under-capacitated, in that it did not provide an adequate tax-base or adequate institutional ability to deliver basic services to all local communities. Historically, local government was also not equipped to play a strong role in the social and economic development of the local community.

This section of the NCBF provides a summary of the transformation process to date, with a view to highlighting steps taken to improve local government capacity, and capacity challenges, at each phase of the transition.

3.1 Phases of Transformation

The diagram below provides an overview of the phases of the local government transition:

Figure 2: Phases in Local Government Transformation



3.2 Transition Phase (1993 -2000)

The transition phase focused on creating capacity for improved delivery at local level through:

- The re-demarcation of municipal boundaries, to replace racially fragmented and financially unviable municipal areas
- Introducing new Constitutional categories of municipalities



- Introducing a comprehensive legal and functional framework for local government
- Creating a framework for sound financial management and improving revenue-generation.

3.2.1 Rationalising apartheid local government structures

Between 1993, when the Local Government Transition Act was published, and 2000, when the new system of local government was implemented, the number of municipalities was reduced from 834 to 284. The myriad of different forms of racially-defined local authorities was replaced by three categories of municipalities, namely Category A (metropolitan municipalities), Category B (local municipalities), and Category C (district municipalities)

The establishment of 284 new municipalities was logistically complicated, and involved the transfer of staff, assets and liabilities to new municipal structures.

3.2.2 Establishing a legal framework for developmental local government

An intensive policy process was conducted in the transition phase, with a view to establishing a new legal framework for developmental local government. The new legal framework (which is elaborated in Chapter 4) provides a robust framework for democratic governance and administrative and financial accountability.

3.3 Final Phase (Post-2000)

The final phase began when democratic and non-racial municipal councils were elected in 2000. This present final phase has three linked components and stages: establishment; consolidation; and sustainability. The establishment stage involved:

- The creation of municipal institutions corresponding to newly demarcated boundaries
- The completion of a legislative framework to support the newly established municipalities, and improve democratic, institutional and financial accountability.

The second stage was characterised by consolidating the newly established local government system and the core systems of individual municipalities. During this stage Project Consolidate, was launched which was aimed at providing extra-ordinary hands-on support to local government. The lessons learnt during the consolidation stage, notably during the implementation of Project Consolidate, have directly fed into the development of the revised NCBF. This second stage is meant to lay the foundation for the last leg of nurturing and supporting the overall sustainability of developmental local government..

chapter 4

THE LEGAL FRAMEWORK FOR LOCAL GOVERNMENT

As part of the establishment of democratic local government, a set of legislation was developed to govern local government. This legislation has progressively changed the way in which local government plans and delivers its services. Moving from a conventional approach of the delivery of basic services, there has been a shift towards local government as an agent of local development within a developmental state.

This section of the NCBF summarises the key legislation governing local government, in particular:

- The Constitution of 1996
- The White Paper on Local Government of 1998
- Local Government: Municipal Demarcation Act of 1998
- Local Government: The Municipal Structures Act of 1998
- Local Government: The Municipal Systems Act of 2000
- The Municipal Finance Management Act of 2003
- Local Government: The Municipal Property Rates Act of 2004
- Cross-boundary Municipalities Laws Repeal and Related Matters Act of 2005
- Intergovernmental Relations Framework Act of 2005.

4.1 The Constitution, 1996

The Constitution of South Africa outlines a vision for developmental local government, and tasks local government with

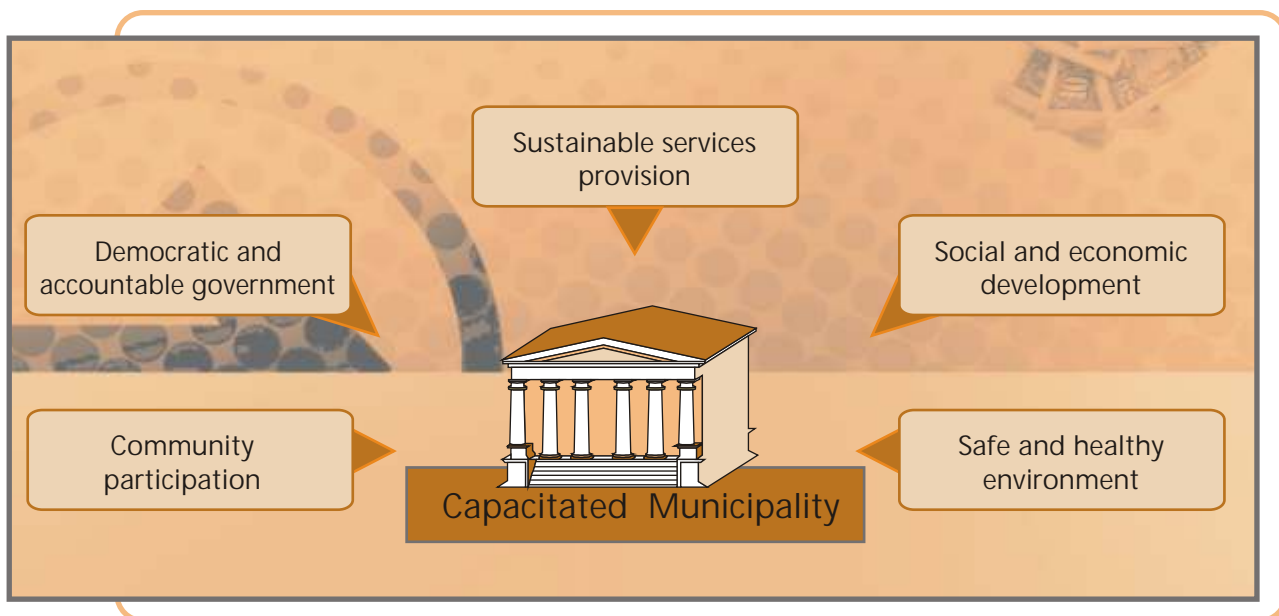
- Meeting the basic service needs of people, especially the poor and marginalised
- Facilitating opportunities for economic development in their areas, and contributing to economic growth in the local area, region and national economy.

The Constitution notes that a municipality must govern its affairs on its own initiative, by demonstrating the financial and administrative capacity to:

- Provide democratic and accountable government for local communities
- Ensure the provision of services to communities in a sustainable manner
- Promote social and economic development
- Promote a safe and healthy environment
- Encourage the involvement of communities and community organisations in the matters of local government.



Figure 3: Section 152(1) of the Constitution



The Constitution, and legislation aimed at realising the vision of developmental local government outlined in the Constitution, includes some clauses specifically related to building the capacity for developmental local government. These are summarised in the table below.

Table 1: Capacity Building Responsibilities related to the Constitution

Legislative Requirement	Relevant Legislation	Responsibility
... support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions".	Constitution, 1996, Section 154 (1)	National and provincial government, by legislative and other measures
"... promote the development of local government capacity to enable municipalities to perform their functions and manage their own affairs".	Constitution, 1996, Section 155(6) b	Provincial government, by legislative and other measures
Build "... the capacity of local municipalities in its area to perform their functions and exercise their powers where such capacity is lacking".	Local Government: Municipal Structures Act, 1998, Section	Each district municipality

<p>"... a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way, and for this purpose must comply with the Skills Development Act, 1998 (Act 81 of 1998), and the Skills Development Levies Act, 1999 (Act 9 of 1999)".</p>	<p>Local Government: Municipal Systems Act, 2000, Section 68</p>	<p>Each district municipality</p>
<p>"All spheres of government and all organs of state within each sphere" must, amongst other things, "secure the well-being of the people of the Republic; provide effective, transparent, accountable and coherent government for the Republic as a whole and co-operate with one another in mutual trust and good faith by fostering friendly relations and ... assisting and supporting one another..."</p>	<p>Constitution, 1996, Section 41</p>	<p>Each municipality</p>
<p>Each "administration in every sphere of government, organs of state, and public enterprises must adhere to the basic values and principles governing public administration".</p>	<p>Constitution, 1996, Section 195</p>	<p>All spheres of government</p>

The Constitution regards developmental municipalities as having capacity to govern local government affairs on their own initiative, but supported through strong inter-governmental relations, by national and provincial government.

Several national and provincial sectoral line departments are responsible for functions that fall within the Constitution's definition of municipal functions (for example, municipal health, economic development, transport and tourism). The Constitutional vision of developmental local government can only be achieved if all spheres of government cooperate strongly in planning, the allocation of resources, and implementation.



4.2 The White Paper on Local Government, 1998

The White Paper on Local Government elaborates on the vision of developmental local government put forward by the Constitution.

The White Paper identifies four inter-related characteristics of local government geared towards development:

- Exercising municipal powers and functions in a manner which maximises their impact on social development and economic growth
- Playing an integrating and coordinating role to ensure alignment between public and private investment within the municipal area
- Democratising development, empowering the poor, and redistributing income and opportunities in favour of the poor
- Building social conditions favourable to development.

The White Paper further urges local government to focus on development outcomes, such as:

- The provision of household infrastructure and services
- The creation of liveable, integrated cities, towns, and rural areas
- The promotion of local economic development
- Community empowerment and redistribution.

The White Paper goes on to identify three approaches to assist municipalities to become more developmental, namely integrated development planning, budgeting and performance monitoring, performance management, and working with citizens and partners.

The White Paper represented a major paradigm shift in terms of how municipalities should democratise development and integrate development planning with community-based goals.

Following the publication of the White Paper in 1998, a set of legislation was enacted give effect to the provisions of the White Paper, and provides a legislative framework for developmental local government.

4.3 Local Government: Municipal Structures Act of 1998

The Municipal Structures Act provided the basis for the establishment of new metropolitan, local and district municipalities. It created an institutional framework for developmental local government.

The establishment of a two-tier system of local government in non-metropolitan areas was adopted as a way of ensuring service delivery in areas where local municipalities lacked the capacity to deliver. The Act charged district municipalities with building “the capacity of local municipalities in their area to perform their functions and exercise their powers where such capacity is lacking”.



4.4 Local Government: Municipal Demarcation Act of 1998

The Local Government: Municipal Demarcation Act enabled a re-demarcation of all municipal boundaries. The re-demarcation process did away with racially based municipal jurisdictions, and reduced the number of municipalities from 834 to 284. (A subsequent amendment resulted in 283 municipalities).

The effect was to create municipal areas which were more financially viable (in terms of their revenue base), and to lay the basis for democratic non-racial governance.

4.5 Local Government: Municipal Systems Act of 2000

The Municipal Systems Act lays a foundation for the mechanisms, systems and processes that give effect to developmental local government:

- It stresses the need for a more accountable, inclusive and participatory approach to governing in the local arena, with strong emphasis on efficient and effective service delivery.
- It highlights the important role of community participation, and goes on to prescribe the content and approach of participation in the system of local governance.

The Act notes that it is the role of the municipality to ensure that an appropriate and skilled workforce is in place to deliver services and manage the development and growth of the municipality.

4.6 Municipal Finance Management Act of 2003

The Municipal Finance Management Act (MFMA) provides the financial management framework for local government. It elaborates the powers and functions of national treasury in relation to municipalities; financial management; approaches to municipal budgets; roles and responsibilities of councillors and municipal officers; financial conduct and the management of misconduct.

Chapter 5, Section 34 of the MFMA indicates that “national and provincial governments must by agreement assist municipalities in building the capacity of municipalities for efficient, effective and transparent financial management.” Furthermore, it notes that “national and provincial governments must support the efforts of municipalities to identify and resolve their financial problems”.

Notably, the MFMA states that efficient and effective systems and service delivery are a shared responsibility between the local and other spheres of government. Technical financial management as well as appropriate systems are crucial if the objectives of the Act are to be realised.

4.7 The Municipal Property Rates Act of 2004

The Municipal Property Rates Act provides a strong legislative frame within which municipalities can enhance their own revenue through the setting and collection of rates on property. This is an important element of institutional capacity.

4.8 Cross Boundary Municipality Laws Repeal and Related matters Act of 2005

This legislation has resulted in the abolition of cross boundary municipalities that were spread across, and accountable to two provinces. The abolition of cross-boundary municipalities has clarified the operational and accountability framework for affected municipalities.

4.9 Intergovernmental Relations Framework Act of 2005

The Intergovernmental Relations Framework Act gives substance to the concept of “cooperative government”.

The Act provides a framework for national, provincial and local governments, and all organs of state, to facilitate coordination in the implementation of policy and legislation, including:

- Coherent government
- Effective provision of services
- Monitoring implementation of policy and legislation
- Realisation of national priorities.

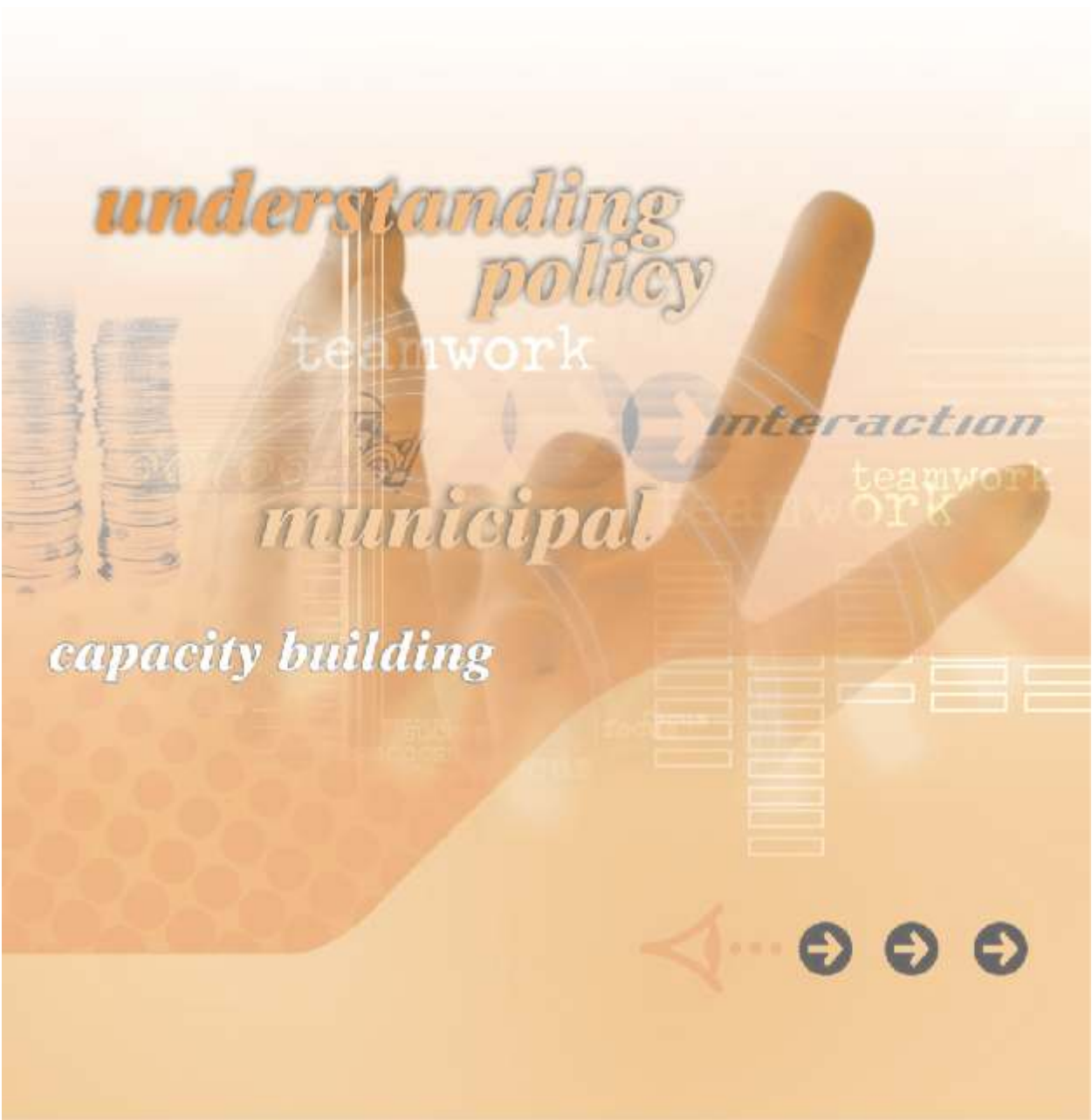
The Act notes that all spheres of government should seek to uphold its objectives by, amongst other things, “taking into account circumstances of other spheres when performing their powers and functions”. This is achieved through consultation; coordinating of actions; avoiding duplication; effective and efficient shared systems and procedures; and participation in inter-governmental structures.

The Act talks directly to local government planning and capacity: it acknowledges that local government’s realm is the shared responsibility of a wide variety of stakeholders in and across government. It creates the legislative platform for joint responsibility for local government (through clusters, committees and other forums). The Act enables a more structured form of coordination and implementation, which will impact on the roles (and corresponding capacity needs) of all three spheres of government.



Finally, the Act calls for a “new way of integrating and doing things”. This implies some level of institutional strengthening to ensure that the objectives and intent of the Act are fully understood and operationalised.

A fundamental objective of capacity building of local government must be to ensure that municipalities have the necessary understanding of their policy and regulatory obligations and also the requisite capabilities to discharge these obligations and responsibilities.



chapter 5

A DEVELOPMENTAL APPROACH TO LOCAL GOVERNANCE

The legal framework is only one part of the development context in which local government operates. This chapter of the NCBF adds to the understanding of the local government environment, by:

- Expanding on government's strategic approach to the establishment of a developmental state
- Reflecting on past experience with local-level support programmes, particularly Project Consolidate
- Providing an overview of the Five Year Local Government Strategic Agenda (2006 - 2011)
- Pointing to linkages between municipal capacity and national targets and programmes
- Outlining measures aimed at promoting greater alignment between spheres of government.

5.1 A strategic approach to the establishment of a developmental state.

Government has significantly enhanced its ability to take a strategic view on the developmental state. Improved information and monitoring systems, coupled with a process of regular reflection on the lessons learned from implementation of programmes/projects have resulted in an increasingly strategic and targeted approach to the establishment of a developmental state.

Since the 'consolidation' phase of the local government transformation, a number of systems and process have been implemented which:

- Enhance municipal viability through an emphasis on good financial management, including revenue collection and financial control
- Acknowledge the dual role of municipalities as services authorities and agents of socio-economic development
- Compel municipalities to contribute to key development targets set by national government, through the implementation of their own municipal development agendas
- Increase the proactive co-operation between the spheres of government, with a view to making effective municipal planning and delivery possible
- Improve the quality of governance and involvement of communities.

Reflecting on the implementation of these initiatives has resulted in a nuanced and detailed understanding of the development challenges faced by local government, the strengths of the local government system, and the issues which hinder delivery and development.

5.1.1 Characteristics of a Developmental State

South Africa is regarded as a developmental state. The following are characteristics of a developmental state:



- A state that excels in public administration and intervenes strategically in the economy to promote social development
- A state concerned with integrating the dual economy by addressing the socio-economic needs of its entire population, especially the poor, the marginalised and the historically disadvantaged
- A well-managed and democratic state, that builds its legitimacy on its capacity to simultaneously foster productive economic activities and economic growth, qualitatively improve the living conditions of its people and reduce poverty
- A state that is partnership-based and globally connected. Its ability to promote and sustain development is understood as the combination of steady and high rates of economic growth and structural change in the productive system, both domestically and in its relationship with the international economy.

In the context of the South African Constitution, a developmental state implies that municipalities assume a greater and very particular role in economic and social development. A range of government initiatives aim to situate local government as a key contributor to socio-economic development, including the National Spatial Development Perspective (NSDP), the Accelerated and Shared Growth Initiative for South Africa (AsgiSA), Provincial Growth and Development Strategies (PGDS), and Industrial Policy and Local Economic Development.

5.1.2 Key Developmental Challenges

The objective of building a developmental state needs to be understood in the context of the country's developmental challenges.

Some of the key issues that the South African Developmental State must address are:

- Reducing poverty and unemployment (spatial, race, gender dimensions)
- Social exclusion and integration of society
- Dealing with issues of crime and insecurity
- Acquiring an adequate supply of relevant skills required by public and private sector and dealing with issues of brain-drain
- Small and under-developed local and regional markets
- Industrialisation and diversification
- Public sector reform and service delivery to both the first and second economy
- Weak infrastructure.

At a local level, many of the national challenges take on a specific local character which were identified in the White Paper on Local Government (1998) and remain ongoing challenges. The White Paper noted that South African municipalities face specific challenges as a result of apartheid, including:

- a. Skewed settlement patterns, which are functionally inefficient and costly
- b. Extreme concentrations of taxable economic resources in formerly white areas, demanding redistribution between and within local areas

- c. Huge backlogs in service infrastructure in historically underdeveloped areas, requiring municipal expenditure far in excess of the revenue currently available within the local government system
- d. Creating viable municipal institutions for dense rural settlement close to the borders of former homeland areas, which have large populations with minimal access to services, and little or no economic base
- e. Great spatial separations and disparities between towns, townships, and urban sprawl, which increase service provision and transport costs enormously. Most urban areas are racially fragmented, with discontinuous land use and settlement patterns. Municipalities in urban areas will need to develop strategies for spatial integration, while managing the continuing consequences of rapid urbanisation and service backlogs
- f. Creating municipal institutions, which recognise the linkages between urban and rural settlements. There is a wide variety of urban settlements, ranging from those which play the role of local or regional service centres (supplying services to rural areas and other towns), to functionally specialised towns (such as the mining towns) and administrative centres (common in former homelands areas). Importantly, almost all towns are functionally linked to rural areas, relying on their hinterlands for productive economic activity and providing critical centres for delivery of social services
- g. Entrenched modes of decision-making, administration and delivery inherited from municipalities geared for the implementation of urban and rural apartheid
- h. Inability to leverage private sector resources for development due to a breakdown in the relationship between the capital markets and municipalities, the lack of municipal bond market and the poor credit worthiness of many municipalities
- i. Substantial variations in capacity, with some municipalities having little or no pre-existing institutional foundations to build on
- j. The need to rebuild relations between municipalities and the local communities they serve. Municipalities should be particularly sensitive to the needs of groups within the community who tend to be marginalised, and responsive to and accessible to people with a disability."

5.2 Project Consolidate: (Strengthening Developmental Local Government Through The Provision of Hands-On Support)

Towards the end of the first term of local government in 2004, the dplg conducted a rapid assessment of municipal capacity to identify municipalities in need of direct support from national government. Project Consolidate was launched in October 2004 in response to this assessment and had two principal objectives:

- a. To provide targeted hands-on support and engagement with municipalities in order to build their capacity
- b. To undertake a complementary process of systematic refinement of policy, fiscal and institutional matters that will enable the consolidation of the local government system in the long term.

This assessment led to the identification of 136 municipalities throughout the country that required extra-ordinary hands-on support. The programme was made up of a number of inter-related interventions, including:

- Building the capacity of municipalities through a hands-on support, deployment of skills and expertise, and building of internal capacity
Conducting a review of various policies, fiscal and institutional matters, to ensure optimum municipal performance. This review process has already led to the development of several policies and guidelines, and will result in further refinements during 2008
- The facilitation and coordination of various initiatives, which ensured the interaction between municipalities and communities, and between municipalities and other partners state owned, private, labour, civil society and other stakeholders
- The roll out of a Presidential Municipal Izimbizo programme, which enabled government to hear the voices of all residents in communities across the country; and provided a platform for communities to raise their concerns and interact with high-level government representatives.

5.2.1 Project Consolidate Results

Project Consolidate had a positive impact on local government capacity. By the end of 2007, a total of 359 Service Delivery Facilitators had been deployed to 105 municipalities, resulting in the following key benefits for the targeted municipalities:

- a. The augmentation of technical, financial, planning, project management and other specialist skills have been beneficial in the short term
- b. Service delivery has been accelerated through the unblocking of blocked projects
- c. Local economic development strategies are being compiled or have been finalised
- d. Financial systems have been established, audit queries addressed and in a number of municipalities revenue has been substantially improved
- e. Key stakeholders are involved in supporting local government in a better-organised manner e.g. DBSA, South African Association of Consulting Engineers (SAACE), Institute of Municipal Finance Officers (IMFO), Old Mutual Group, USAID, DFID, GTZ etc.

Between 2005 and 2007 a total number 31 Presidential Izimbizo were held in all provinces, and resulted in many municipalities being engaged on a wide range of issues. 53 municipalities were engaged through the Ministerial Municipal Izimbizo with the intention of complementing and giving impetus to municipal action plans. Since 2005, Municipal Programmes of Action have been launched in various municipalities where Service Delivery Facilitators were deployed.

Project Consolidate also enabled greater cooperation between the three spheres of government to support local government. It sharpened government's understanding of the problems and challenges in the local government sphere, and has led to the conclusion that government needs to mainstream hands-on support to all municipalities in general over the current term of local government (2006 -2011).

5.2.2 Key Lessons of Project Consolidate

Some of the key lessons drawn from an assessment of Project Consolidate are:

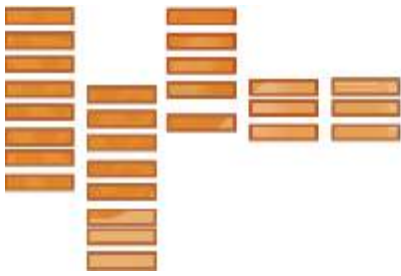
- There is a need to institutionalise and mainstream hands-on support to local government in general, and improve inter- and intra-governmental cooperation in the provision of support to local government
- The platform for collective development planning across the three spheres of government created by Project Consolidate should be strengthened. This includes a focus on alignment between municipal action plans, Izimbizo programmes of action, IDPs, Provincial Growth and Development Strategies (PGDS) and the National Spatial Development Perspective (NSDP)
- The role of provinces is critical in facilitating, supporting and monitoring development, service delivery and good governance at municipal level. A lack of capacity at provincial level may seriously undermine the achievement of national priorities and constrain local service delivery.

5.3 The Five Year Local Government Strategic Agenda (2006 - 2011)

The Five Year Local Government Strategic Agenda was adopted by the Extended Cabinet Lekgotla in January 2006. It is informed by reflections on initiatives implemented in recent years, particularly the lessons learned during the implementation of Project Consolidate. It provides a framework for government and other stakeholders to respond in a more integrated manner to the capacity requirements of municipalities.

The Five Year Local Government Strategic Agenda focuses the efforts of government on the three main priorities:

- Mainstreaming hands-on support to local government to improve municipal governance, performance and accountability



- Addressing the structure and governance arrangements of the State in order to better strengthen, support and monitor local government
- Refining and strengthening the policy, regulatory and fiscal environment for local government and giving greater attention to the enforcement measures.

These priority areas are discussed in more detail below.

5.3.1 Mainstreaming hands-on support to local government

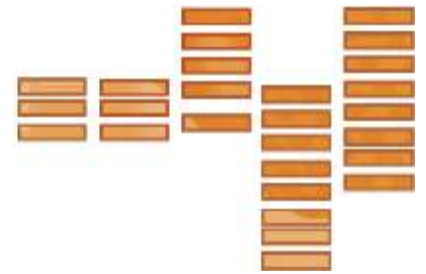
A functional municipality should have certain characteristics and competencies. These competencies provide a framework of functional benchmarks or “Key Performance Areas” (KPAs), against which municipalities will be measured and monitored. The functional benchmarks will also enable the targeting of any support and capacity-building initiatives undertaken by national and provincial departments, and other State Owned Enterprises.

The table below provides a summary of the functional municipality benchmarks which have been identified:

Table 2: Functional Municipality Benchmarks

→ A.	Municipal Transformation and Institutional Development
i.	An IDP that is the expression of state-wide planning as a whole
ii	A balanced infrastructure investment and sustainable economic development programme that is part of the IDP
→ B.	Basic Service Delivery and Infrastructure Investment
i.	A clean, safe and healthy municipality
ii.	Universal access to quality, affordable and reliable municipal services (e.g. water, sanitation, electricity, refuse removal, transportation)
iii	Regular investment in infrastructure and productive equipment
→ C.	Local Economic Development
i.	Thriving and vibrant local economy and neighbourhoods
ii.	Ongoing programme of contributing to the development of an employable, educated and skilled citizenry
iii.	Facilitation of job creation and access to business opportunities
iv.	Continuous and positive interactions with all key economic anchors and actors





- D. Financial Viability and Management
 - i. Sound financial management systems
 - ii. Development of annual and medium term outlook on revenue and expenditure plans and targets
 - iii. Reduced dependency on grant transfers
Timely and accurate accounting of public resources and effective anti-corruption measures
- E. Good Governance and Community Participation
 - i. Functional community participation mechanisms and ward committees
 - ii. Established feedback mechanisms in order to ensure responsiveness to communities
 - iii. Continuous and special attention to historically marginalized and excluded communities
 - iv. Equal, easy and convenient access for the public to the municipality and its services
Effective intergovernmental relations

The Five Year Local Government Strategic Agenda adopted in 2006, outlined a detailed set of priority interventions associated with each of the KPAs. These have subsequently been annually updated to indicate more specific actions to be undertaken by all the partners in and outside of government.

Mainstreaming hands-on support to local government implies that national and provincial governments together with SALGA, will prioritise support through the deployment of experts to assist municipalities in addressing the challenges they are facing in terms of the set of functional benchmarks indicated above.

These functional benchmarks should form the core of the local government performance monitoring system (including reports required by dplg, National Treasury, and various pieces of sectoral legislation).

5.3.2 Addressing the structure and governance arrangements of the State in order to better strengthen, support and monitor local government

Local government's capacity to act is closely linked with the state environment in which it acts. Government has committed itself to creating a supportive environment for local government by:



- Strengthening the inter-governmental relations system
- Reviewing the ability of provincial governments to support and monitor local government
- Building the capacity of national and provincial government to provide effective support to local government.

5.3.3 Refining and strengthening the policy, regulatory and fiscal environment for local government and giving greater attention to the enforcement measures.

Government is currently undertaking a Policy Review Process on the system of provincial and local government.

The Policy Review Process was launched in July 2007. It aims to:

- Assess the effectiveness of the governance framework for provincial and local government in light of the last 14 years of practice
- Make specific and practical proposals to improve the effectiveness of the provincial and local government system in service provision and development. This may require changes to the institutional framework for provincial and local government

The first phase of the Policy Review Process involved soliciting public participation in response to 65 questions about provincial and local government. In addition, research has been conducted around key issues, and a number of consultations have been held with practitioners and stakeholders.

It is expected that the Policy Review Process could have a positive impact on local government capacity by:

- a. Streamlining the policy and legislative environment for provincial and local government
- b. Rationalising the requirements placed on local government
- c. Reviewing the capacity implications of the existing Categories of local government
- d. Streamlining municipal planning processes, and intergovernmental planning processes, to enable greater coordination across national, provincial and local levels
- e. Refining the policy framework to deepen democracy, improve accountability, and enhance participation
- f. Developing a clearer framework for the allocation of powers and functions between spheres of government, and ensuring that powers cannot be assigned to local government without the provision of adequate resources.



skills development



work municipal

interaction

teamwork

vulnerable

groups



chapter 6

LINKAGES WITH NATIONAL DEVELOPMENT TARGETS AND PROGRAMMES

Local government contributes to the realisation of national targets for service delivery and development. This section of the NCBF provides a brief overview of some relevant national programmes which the various capacity building initiatives must take into account.

6.1 The Millennium Development Goals

The South African government signed a declaration committing itself to the eight Millennium Development Goals at the United Nations Millennium Summit held in September 2000.

The Millennium Goals are as follows:

- Eradicate extreme poverty and hunger
- Achieve universal primary education
- Promote gender equality and empower women
- Reduce child mortality
- Improve maternal health
- Combat HIV/AIDS, malaria and other diseases
- Ensure environmental sustainability
- Develop a global partnership.

The above national targets place a major responsibility on municipalities, as the achievement of these goals is reflected at the local level. While some of the goals are not the competencies of local government, municipalities nevertheless have a role to play in their achievement. They can be used as benchmarks of community development. Municipalities must establish formal relations with the executing sector departments to achieve these goals.

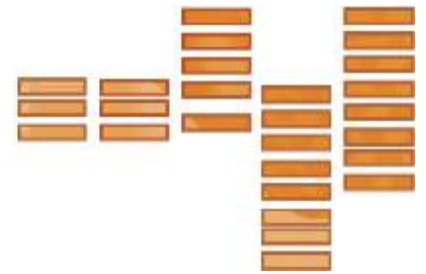
6.2 Vision 2014

Vision 2014 articulates an overall vision for the development of the country. It seeks to promote better life for all through targets and objectives, which aim to ensure that:

- The economy is grown
 - Unemployment is reduced
 - The extent and quality of social services is increased to improve the quality of life especially of those living in poverty
 - Crime is tackled
 - All spheres of government provide a compassionate and responsive service
- South Africa is strategically positioned within the global economy.

In achieving these targets, the intention is to ensure a more labour absorbing economy, and a sharing of the fruits of growth, to move towards the elimination of poverty and reduce inequalities in our society.





6.3 The Accelerated and Shared Growth Initiative for South Africa (AsgiSA)

In July 2005, Deputy President Mlambo-Ngcuka was given the responsibility of driving the Accelerated and Shared Growth Initiative for South Africa (AsgiSA), the key targets of which are to:

- Half poverty and unemployment between 2004 and 2014
- Achieve an average growth rate of 6% over the same period to help make the first possible.

Local government has an important part to play in the key interventions to achieve these objectives, by:

- a. Providing infrastructure through the more effective use of the increasing levels of funding for infrastructure
- b. Creating the conditions for economic growth within the context of economic potential
- c. Benefiting from the education and skills development programmes including importantly the 'hands on' initiative through the deployment of experienced professionals and managers by various agencies
- d. Utilising the Joint Initiative on Priority Skills Acquisition (JIPSA) to assist with the identification and rapid training development of capacity in areas of scarce skills
- e. Eliminating the second economy through creating conditions of support and using increased levels of public expenditure as catalysts
- f. Better budget management within local government and between spheres of government
- g. Improvements in planning and zoning systems to reduce bottlenecks and unnecessary delays.

6.4 Joint Priority Skills Acquisition (JIPSA)

JIPSA was launched in March 2006 to support the government's initiative to accelerate economic growth, Accelerated and Shared Growth Initiative for South Africa (AsgiSA). The purpose of JIPSA is to address scarce and critical skills shortages in order to achieve the objectives of AsgiSa, namely speeding up growth to 6% by 2010, and to halving unemployment by 2014.

JIPSA has identified the following skills shortages as priorities:

- a. High level, world-class engineering and planning skills for the 'network industries' such as transport, communications and energy
- b. City, urban and regional planning and engineering skills
- c. Artisan and technical skills, with priority attention to infrastructure development
- d. Management and planning skills in education and health



- e. Mathematics, science, Information Communication Technology (ICT) and language competence in public education
- f. Skills required by the AsgiSA priority sectors such as Tourism, Business Process Outsourcing (BPO) and Biofuels.
- g. Cross cutting skills in project and financial management and Adult Based Education and Training (ABET).

Since its inception, Jipsa has achieved the following:

- By 2007, the service levels agreements (SLA) signed between the various sector education training authorities (Setas) and the Labour department reflected a total of 18 789 registered artisans, while an additional 20 000 artisans are expected to be registered in the 2008-2009 period
- Jipsa has managed to implement some of the short-term programmes such as matching unemployed graduates and employers, and the creation and coordination of placement opportunities. A total 4700 people were placed in different forms of training
- The safety and security sector had started a pilot to determine the capacity of defence, police and correctional services to train and assess artisans.

6.5 Growth and Development Strategies and the National Spatial Development Perspective

In 2006 and 2007, Growth and Development Summits were convened in all district and metropolitan areas. The aim of these summits was to:

- Focus the economic development potential of municipalities into clearer strategies and programmes to guide their facilitation of local economic development
- Assist municipalities to target and implement spending on infrastructure to ensure stimulation of economic growth while meeting constitutional responsibilities to all citizens
- Assist with the alignment of local and provincial priorities as developed in the Provincial Growth and Development Strategies.

While the content of the strategies developed at each summit are specific to the local area, local economic strategies need to be contextualised in the National Spatial Development Perspective (NSDP). The NSDP highlights the spatial areas of economic potential across the country. This is used to align major infrastructure investment in areas which will grow the economy, while ensuring that basic infrastructure is available to meet the constitutional rights of all citizens to basic services. The perspective further encourages social development investment in the people especially in areas of low potential to assist them to benefit from areas where economic growth is happening.

6.6 Local Economic Development Framework (LED)

In 2006, the dplg released a Local Economic Development Framework to guide municipalities to better understand their role in the facilitation of local economic development. The intention is to support municipalities to move from a project based and direct delivery approach to LED, to one where municipalities play a greater role in facilitating the environment for economic development to be undertaken by other stakeholders.

The LED Framework identified two major policy thrusts. These are: Public Sector Leadership and Governance and Sustainable Community Investment Programs. Four key strategies emanate from these policy thrusts with accompanying main actions, implementation and funding approach. These are: (1) Improving good governance, service delivery, public and market confidence in municipalities, (2) Spatial development planning and exploiting the comparative advantage and competitiveness of Districts and Metros, (3) Enterprise support and business infrastructure development, and (4) Introduce sustainable community investment programs focusing on organizing communities for development and maximising circulation of public spend in local economies.

6.7 Workplace Skills Plan in local government

The Skills Development Act of 1998 and the Skills Development Levies Act of 1999 are the main instruments (along with Employment Equity legislation) assisting with the transformation of the post apartheid workplace. The local government sector is in terms of the Skills Development Act of 1998, served by the LGSETA.

In terms of the Skills Development Acts each workplace is compelled to pay a payroll-based skills development levy equal to 1% of payroll. In addition they are to appoint a Skills Development Facilitator to plan and implement training in the work place, to establish and convene a workplace training committee on a regular basis and to develop a workplace skills plan for submission to the LGSETA on an annual basis. The workplace skills plan is a strategic planning tool that should link training planned and implemented to specific organisational and IDP objectives. The submission of an adequate workplace skills plan to the LGSETA results in the approval of the mandatory skills development grant for that particular municipality. The mandatory grant is the bulk of the funding available for skills development within the sector. The skills development discretionary grant is administered by the LGSETA to assist the sector to achieve its strategic sector skills initiatives. The discretionary grant forms 20% of the total available skills levy funding.

6.8 Multilingualism at local government level

Municipalities are specifically charged with promoting community participation:

- “Municipalities are expected to encourage the involvement of communities and community organisations in matters of local government” (The Constitution, section 152 (1)(e))
- “A municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and for this purpose, encourage and create conditions for, the local community to participate in the affairs of the municipality” (Municipal Systems Act, 2000, Chapter 4).

Municipalities need to take account of multilingualism in their efforts to promote community participation. In other words, they should take account of situations where more than one language is spoken in a local community.

There are eleven languages in South Africa. In order to ensure that communities participate meaningfully in local government matters, municipalities and stakeholders involved in local government must acknowledge the predominantly spoken languages in the locality, and ensure that community members and customers are communicated with in the language they are conversant with. For example, official documents should be prepared in languages understood by local communities; and training courses should be delivered in languages that are familiar to participants.

Municipalities, in seeking to enhance communication and participation, should take account of factors other than language. For example, consideration should be given to communication strategies which target the blind, and the illiterate.

6.9 Equity and Vulnerable Groups Considerations in Capacity Building Initiatives

People should be at the centre of sustainable development. To that effect, one of the aims of the National Capacity Building Framework (NCBF) is to ensure that capacity building initiatives reflect cognisance of designated and often marginalised groups such as children, youth, people with disabilities, women, the elderly and those infected with and affected by HIV and AIDS so that these groups are enabled to enjoy and exercise their rights as enshrined in the Constitution.

Indeed, the promotion of equity and equality derives primarily from the Constitution of the Republic of South Africa (Act 108 of 1996). Government has further demonstrated its commitment to equality through its policies and strategies that relate to each of the designated groups. Among these are the Integrated National Disability Strategy, the National Gender Policy Framework for Women's Empowerment and Gender Equality, the National Strategic Plan for the Control of HIV and AIDS and STI in South Africa and the National Youth Policy. In addition, Government has advanced mainstreaming as the approach to be adopted by all public service institutions in order to ensure that its commitment to tackle the above-mentioned areas finds translation into action by each sector. The Department of Provincial

and Local Government (the dplg) has also developed frameworks on the above-mentioned areas aimed at giving direction regarding mainstreaming these issues within the local government context. Mainstreaming dictates that issues of marginalized groups be moved to the core of all that government does so that they not only inform, but are also routinely included in all policy and programme development, planning (including budgeting) implementation, monitoring, evaluation and reporting. It is, therefore, crucial that capacity development interventions also reflect these commitments.

6.9.1. Incorporating Equity and Vulnerable Groups into Capacity Building Initiatives: Practical Considerations

Issues of equity and equality as well as representation and empowerment of vulnerable and marginalized groups can be addressed at various levels during capacity development processes.

6.9.1.1 Planning

The planning phase is the most critical one in ensuring that equity considerations are factored into capacity building. It is during this phase that factors such as the content or focus area, objectives and outcomes, participants, materials and equipment, delivery approaches or mechanisms and venues are considered and decided on. To the extent possible, issues of vulnerable groups should inform decision making on all the factors mentioned above.

Where applicable, not only should capacity building initiatives facilitate the participation of vulnerable groups in capacity building events and programmes, but they should also ensure that the outcomes of these programmes contribute towards the achievement of government's goal of inclusive service delivery, socio-economic development and empowerment.

The following questions could help guide the planning process to ensure that issues of vulnerable groups are considered and incorporated into a capacity building event or process.

→ Participants

- What proportion of participants is to be women, youth, children, the elderly and people with disabilities?
- How will proposed starting and ending times affect the likelihood of members of vulnerable groups participating?
- If participation depends on selection, what selection criteria can be used to ensure equitable representation of designated groups?

- How can the challenge of resource constraints be eliminated to ensure participation by vulnerable groups?
- How can parenting responsibilities be removed as a barrier to participation?
- Does the Response/RSVP Form require prospective participants to indicate whether they have a disability and the type of accommodation the disability requires if they have a disability?

⇒ Content

- Can members of designated or vulnerable groups relate to the content? If not, what can be done to improve the accessibility and meaningfulness of the content to them?
- Have any aspects of the content that can perpetuate stereotypes and discrimination against vulnerable groups been eliminated?
- Has content that advances the interests of and educates on the rights of vulnerable groups been included (if applicable)?
- If applicable, does the content reflect current social realities, for example, HIV and AIDS, the threat it poses and its implications for development and service delivery?
- Is the content age-appropriate?

⇒ Materials and Equipment

- Are materials to be used accessible to all? For example, is provision made for visually-impaired participants who might require material in Braille?
- Have provisions been made for translation services to ensure that language barriers are eliminated?
- Are materials and equipment age-appropriate and user-friendly for all expected participants?

⇒ Venues

- If people with disabilities and the elderly are to participate, are the venues accessible to them?
- Are ablution facilities easily accessible to expected participants and is their condition such that the dignity of participants will not be compromised?



6.9.1.2 Implementation

While effective planning for a capacity building event or process is undoubtedly important and will eliminate some of the challenges that could present during implementation, the implementation phase requires some attention as well. Assuming that issues of the appropriateness of content, materials, equipment, and so forth, have been addressed during planning, what would be critical for a capacity building practitioner during implementation would be to ensure that the modalities, mechanisms and activities employed are appropriate for members of vulnerable groups and that they do not inadvertently limit their participation and capacity to benefit from the process. Another important factor to consider here would be group dynamics and how they affect the levels of functioning of each member of the group and the extent to which participants contribute to and benefit from group processes during the intervention. Of critical importance during this phase, therefore, would be the extent to which group dynamics are strategically managed in order to maximise the participation and benefits that accrue to members of vulnerable groups. The quality of facilitation will also be a significant factor in determining the success or failure of the implementation phase.

Some of the questions that could guide implementation are outlined in the box below:

- At the beginning
 - Are all the required accommodations for designated groups identified during the planning phase in place for effective implementation? If not, what adjustments may still be made?
- During implementation
 - Are there any un-anticipated challenges or issues that might impede the effective participation of designated groups?
 - What are participation levels of members of designated groups? Are they freely contributing to group discussions and other capacity development activities?
 - Are they raising questions?
 - Generally, are they functioning optimally? If not, are there internal or external attitudinal, cultural, physical or other impediments to their optimal participation that need to be addressed?
 - How can the implementation be enhanced in order to strengthen the positive impact of the capacity building intervention on vulnerable groups?

6.9.1.3 Monitoring and Evaluation

Capacity building initiatives have to be monitored and evaluated for their implications for vulnerable groups. The monitoring and evaluation should focus not only on numerical representation of vulnerable groups in capacity building interventions but on all aspects and phases of the capacity building event or process, including their short-term and long-term outcomes and impacts, particularly as they relate to vulnerable groups. Examples of questions to be asked in this regard appear in the box below:

- How many members of vulnerable groups participated in the capacity building intervention? What is the numerical breakdown by sex and age?
- How many of the participants had a disability? What was the nature of their disability?
- How did the various aspects of the capacity building initiative impact on members of vulnerable groups in the short term and in the long term?
- To what extent did the capacity building initiative contribute towards the achievement of government service delivery and development priorities and imperatives as they relate to vulnerable groups?
- To what extent did the capacity building intervention assist government to deliver on its commitments relating international treaties and conventions to which it is signatory?
- Which members of vulnerable groups stand to benefit from the capacity building initiative first, through their own participation, and second, through the enhanced capacity of those who participated? How exactly do they stand to benefit?

6.9.1.4 Reporting

Reports on capacity building initiatives have to include information pertaining to members of marginalized groups. The information should indicate not only the numbers of participants from vulnerable groups but also the extent to which such participation will benefit them and contribute to the achievement of government's broader development goals. Most of this information would be readily available if a tool was developed earlier on and used to track and



record information on the basis of the questions posed to track the responsiveness of each of the phases of capacity building interventions to the needs of vulnerable groups.

Finally, if applicable, the “Recommendations” component of reports needs to indicate how future capacity building initiatives should address issues of designated groups more effectively to improve their plight and facilitate their enjoyment of their human rights.

6.9.1.5. Conclusion

Issues of the representation, participation and empowerment of vulnerable groups should be routinely considered in all capacity building interventions that are to take place in government. At the outset of interventions, it should be clearly spelt out how women, men, children, youth, the elderly and people with disabilities will be accommodated and empowered through capacity building interventions. Monitoring mechanisms should include variables such as sex, age and disability to help facilitate the monitoring of the extent to which the programmes have been able to reach and improve the lives of women, children, the youth, the elderly and people with disabilities.



chapter 7

GREATER ALIGNMENT BETWEEN SPHERES OF GOVERNMENT

Improved intergovernmental coordination is critical for the realisation of the country's development agenda. National government cannot realise its development and delivery targets without the contribution of provincial and local government. Similarly, while local government must contribute to national targets, it requires a supportive environment and national framework in which to promote the socio-economic development of its local area.

This section of the NCBF points to some current initiatives aimed at enhancing intergovernmental coordination and alignment.

7.1 Intergovernmental Relations

As mentioned above, the Intergovernmental Relations Act (2005) provides for defined responsibilities and institutional structures to support closer co-operation between spheres of government. It is clearly understood that, for municipalities to succeed in developmental planning and delivery, proactive cooperation between all spheres of government is required. This applies to planning, prioritising, resources allocation and delivery management.

7.2 Single Public Service

The Public Service Amendment Bill went before parliament in 2007. This Bill is the next step in an ongoing process aimed at achieving a single public service with standardisation of employment structuring, and the creation of greater opportunities of movement of staff between different spheres of government.

Through the creation of a single public service, it is hoped to ensure enhanced opportunities for developing and retaining skills, as well as for providing conduits for the movement of scarce skills to places of highest priority. Its emphasis on "front office" (service delivery points) and "back office" (support systems and resources) is particularly pertinent to the important role municipalities have to play at the front line of targeted delivery.

7.3 Improving Municipal Good Governance and Viability

Local government needs to be equipped to function effectively within an intergovernmental system. There are a number of current initiatives aimed at improving the viability and sustainability of municipalities, including those are summarised below:-



7.3.1 Increasing the Financial Stability and Control of Municipalities

The introduction of the Municipal Finance Management Act, (2004) and the Municipal Property Rates Act, (2004) were intended to define and provide municipalities with the guidelines for effective systems to maximise their revenue potential and the effective and transparent management of their finances.

For municipalities still struggling with the basics of establishment, this legislation has placed substantial challenges in the development of systems and importantly the capacity in municipalities to undertake their financial management and accounting responsibilities.

7.3.2 Municipal Performance Management Regulations

These regulations, published in August 2006, apply specifically to Municipal Managers and Managers reporting to them (Section 57 Employees). They are intended to provide a uniform framework for the employment and performance management of Senior Managers in local government.

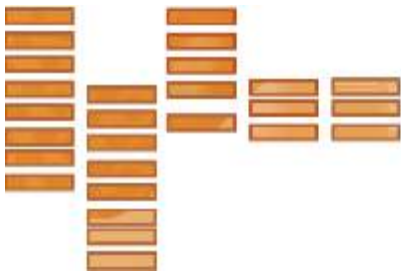
7.3.3 Local Government Anti Corruption Strategy

This national strategy was launched in October 2006. The Strategy is aimed at:

- a. Encouraging a culture within the local sphere of government where all employees, members of the public and other stakeholders continuously behave with and promote integrity in their dealings with, or on behalf of municipalities;
- b. Improving accountability, efficiency and effective administration within municipalities, including decision-making and management conduct which promotes integrity;
- c. Development of anti-corruption capacity within municipalities;
- d. Improving the application of systems, policies, procedures, rules and regulations within municipalities;
- e. Changing aspects within municipalities that undermine institutional integrity reported; and
- f. Encouraging all employees and other stakeholders to strive toward the promotion of integrity and the prevention and detection of unethical conduct, fraud and corruption impacting or having the potential to impact on the local sphere of government.

The Strategy provides the strategic focus to guide programmes and actions that aim to prevent corruption in local government and to increase good governance, transparency and accountability of municipalities. Linked to strategies to be developed on a provincial basis, this will involve a range of projects, towards improvements in amongst others financial management, procurement and communication.





7.3.4 Abolition of Cross Boundary Municipalities

The abolition of cross boundary municipalities prior to the elections in 2006 was directed at removing any significant anomaly in the municipal environment. This was done with the intention of making lines of responsibility and accountability clearer, and reducing the bureaucratic confusion faced by such municipalities. The implementation of this legislation has resulted in significant capacity challenges to the municipalities and their receiving provinces as they grapple with service level agreements.

7.3.5 Improving Governance and Communication

Several initiatives aim to improve governance and communication with citizens at the local level. These include:

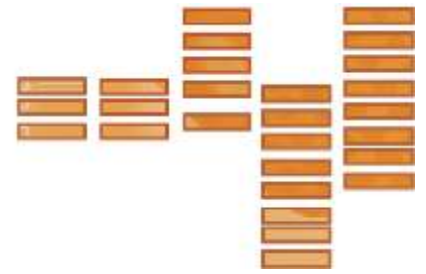
- *Ward Committees*
Ward committees have been established since 2000. In response to feedback from municipalities and stakeholders about the functioning of ward committees, the dplg has gazetted 'Guidelines for the Establishment and Operation of Municipal Ward Committees' (2005). These uniform and simplified guidelines have effectively provided a clearer framework for the formation and functioning of ward committees.

- *Community Development Workers (CDWs)*
This is a Presidential project launched in 2004, after being announced by President Mbeki in his State of the Nation Address in February 2003. It involves the deployment of CDWs in wards within municipalities to assist in the removal of development deadlocks, strengthen the democratic social contract, advocate an organised voice for the poor and improve government community networks.

A further intention of the project was to create employment and strengthen skills available in municipalities. Part of the skills development has occurred through the CDW Learnership coordinated by the Local Government Sector Education and Training Authority (LGSETA).

- *Izimbizo*
The municipal Izimbizo, launched as part of Project Consolidate, provides the opportunity to bring together the different spheres of government, local communities and other key stakeholders at the point of local delivery. Izimbizo have developed as a mechanism to assess the delivery of municipalities against government's mandated programmes of action, while identifying points of blockages and defining ways to tackle these blockages.





7.4 Implications of Intergovernmental Relations for Local Government Capacity Building

Strong coordination and cooperation between key national and provincial sector departments and municipalities is critical for:

- Effective IDP implementation
- The alignment of financing for the delivery of priority projects
- The effective management of integrated delivery.

In the absence of strong coordination between provincial sector departments, national and local government, municipalities will struggle to develop viable plans that can be timeously implemented

Strengthening the capacity of municipalities requires that the capacity of national and provincial sector departments to effectively engage with municipalities be also strengthened. This is particularly urgent in the areas of cooperative planning, service delivery management, and monitoring and evaluation.

There is a need for capacity building initiatives which focus on:

- National and provincial sector departments' awareness of their responsibilities to local government
- Building an understanding of the government's developmental agenda and related functions
- Budget and programme alignment within the MTEF
- Ways of improving coordination to tackle complex issues across departments and spheres
- Monitoring and evaluation systems that properly measure and evaluate the extent and quality of such cooperation
- Incentives that encourage cooperation between national and provincial departments and municipalities.



chapter 8

CAPACITY CHALLENGES RELATED TO LOCAL GOVERNMENT

The chapters above provide the legislative and development context in which local government seeks to fulfil its developmental mandate. This chapter moves to a discussion of the capacity of local government to fulfil its developmental mandate. It provides an overview of the capacity building challenges at local level, and of provincial and national capacity to support local government

8.1 Sources of information on municipal capacity levels

There is no single source of information that enables us to develop a picture of municipal levels of capacity, and key capacity challenges. However, there are a number of studies and surveys of municipal performance, which, read together, provide an indication of municipal levels of capacity to perform specific municipal functions.

This section aims to give an overall picture of current capacity levels and capacity gaps in local government. It draws on the following sources:

- The extensive work which was conducted to prepare for, and implement, Project Consolidate, as well as evaluations of Project Consolidate (the dplg, 2006)
- IDP hearings and municipal Presidential Izimbizo
- The LGSETA Sector Skills Plan, which is updated on an annual basis, and outlines categories and types of capacity needs (LGSETA, 2006)
- Annual assessments of the state of municipalities and their ability to carry out their functions (Municipal Demarcation Board, 2007)
- Capacity needs of Councillors (SALGA-GTZ, 2006)
- Investigations into the shortages of engineering skills and capacity in municipalities and the implications of these to the delivery of infrastructure (SAICE, 2005)
- Reports on budget and expenditure growth over the period 2003–2007. (National Treasury, 2007; SALGA, 2007)
- Reports on a range of different capacity building projects and programmes carried out by government, donor organisations, NGO's, educational and other institutions and organisations.

While these studies provide a wealth of information, the findings of different studies are not systematically synthesised, because there is no system or coordinating structure for this purpose. As a result:

- There is limited sharing of information and learning between players involved in capacity-building
- There is insufficient analysis to inform capacity-building strategies and programmes
- There is minimal identification of gaps in research and/or evaluation, to improve information gathering.

The lack of an integrated information-base on municipal capacity is one of the issues that the NCBF aims to address. An improved information-base will greatly assist in the effective

management of the capacity building environment, and enable each player to target his or her own efforts more sharply.

8.2 Municipal capacity challenges

The table below draws on a range of sources to provide an overall picture of municipal capacity challenges.

Table 3: Analysis of Capacity in Municipalities

Capacity/ Function	Study / Report	Main capacity issues
Carrying out of municipal functions	Municipal Demarcation Board (2007)	<p>The MDB report notes the following with respect to municipalities' ability to perform their functions:</p> <ul style="list-style-type: none"> ■ Over 50% municipalities perform priority 1 functions. ■ Public health, planning and fire fighting are the most under-performed priority 1 functions. Over the past four years there has been a slight decrease in the number of municipalities performing 50% of priority 1 functions: Districts (76% - 74%), ■ Locals (54% - 48%). ■ Smaller municipalities have made greater progress albeit from a lower base. ■ There is a high level of concern about capacity in districts and whether provincial and national government are giving sufficient support to districts to increase their capacity. The MDB report highlights the problems of addressing equity issues when local municipalities continue to perform district functions.
Staffing levels	Municipal Demarcation Board (2007); LGSETA (2006)	Staffing levels of municipalities have remained static over the period, despite increased responsibilities and growing capital budgets.
Staff experience	Municipal Demarcation Board (2007), LGSETA (2006), LGSETA (2007).	<p>Concerns have been raised about the experience of key municipal staff:</p> <ul style="list-style-type: none"> ■ There are large numbers of management staff in acting positions: 10% for managers as a whole and 25% for municipal managers (MDB).

Capacity/ Function	Study / Report	Main capacity issues
Staff experience	Municipal Demarcation Board (2007), LGSETA (2006), LGSETA (2007).	<ul style="list-style-type: none"> ■ There are many managers (30%) with less than 5 years experience in local government (MDB). ■ The LGSETA and MDB studies suggest that the large number of people in acting positions, and the number of managers new to the municipal sector, may have a negative impact on municipality's ability to retain knowledge and build institutional memory. ■ Municipalities have difficulties recording challenges or progress in the delivery of their Constitutional mandate. <p>There is a shortage of personnel in the following occupational areas:</p> <ul style="list-style-type: none"> ■ Engineering: electrical and civil ■ Technicians and artisans: all types ■ Municipal planning: urban planners, development planners (including LED and IDP) ■ Environmental health ■ Emergency and disaster (including fire and rescue) <p>Significant skills gaps exist in the following areas: strategic management and planning (including council), project and contract management (all types), financial management and basic financial systems, administration, human resources, and basic literacy and numeracy. (LGSETA, 2007)</p>
Staff qualifications	LGSETA (2006)	<p>The following statistics point to areas where skills upgrading is required:</p> <ul style="list-style-type: none"> ■ 31% of municipal managers have qualifications other than those related to finance, legal, public administration, planning and development. ■ 28% of Chief Financial Officers do not hold finance related qualifications. ■ 24% of Corporate Services managers have public administration related experience. ■ In Technical Services, 35% of managers are without engineering related qualifications.

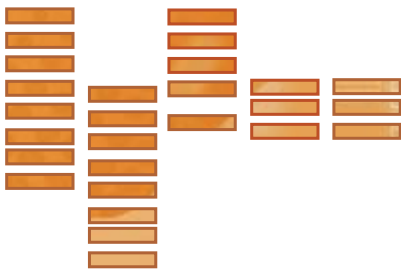


Capacity/ Function	Study / Report	Main capacity issues
Staff qualifications	LGSETA (2006)	<ul style="list-style-type: none"> ■ Only 14% of IDP managers have qualifications in planning. ■ The lack of suitable staff qualifications is exacerbated by the lack of relevance of managers' qualifications for the work they are doing.
Performance Management	G & A Cluster Report (2008)	<p>The gazettement of the Municipal Performance Regulations in 2006 has not had the full desired impact on the number of Municipal Managers that have signed performance agreements. At the end of 2007, only 58% had signed performance agreements.</p> <p>With reference to signing of performance agreements by Section 57 managers, there were varying degrees of progress in different provinces, but in general compliance remains poor.</p>
Provision of Basic Services	G & A Cluster Report (2008)	<p>The delivery of basic services is improving:</p> <ul style="list-style-type: none"> ■ Free Basic water was provided to 77% of households by September 2007. 83% of indigent households are now served by free basic water. ■ Free basic electricity increased to 69% by October 2007. ■ The bucket eradication backlog decreased from 252 254 in February 2005 to 49 010 in December 2007. These figures represent only completed units.
Quality of Integrated Development Plans	G & A Cluster Report (2008)	The national adoption of IDPs has increased to 100% for 2007/08 across the country. 64% of these IDPs have medium credibility, 24% are in the high credibility category.
Izimbizo	G & A Cluster Report (2008)	31 Presidential Izimbizo were held between 2005 and 2007. However, only 33% of the issues identified during Izimbizo in 2005 and 2006 have been resolved
LED Alignment and Summits	The dplg, 2007	In the 2006/07 financial year, there were increased efforts to support provinces, metropolitan and district municipalities to develop Growth and Development Strategies (GDSs). All 46 districts and 6 metros were able to host Growth and Development Summits with the full participation of community representatives and other important stakeholders..



Capacity/ Function	Study / Report	Main capacity issues
Size and Spend on budgets	Treasury (2007), SALGA (2007), the dplg (2006), Government Gazette No.501, 2007 (Division of Revenue Act 2007).	<p>The size of a municipal budget and the level of spend can be indicators of capacity, provided that the targeting and quality of spend is also analysed.</p> <p>The share of national revenue going to local government is increasing: Division of Revenue allocations to municipalities will amount to R20 675 620 in 2007/08, rising to projected figures of R23 774 767 and R29 444 144 in 2008/09 and 2009/10 respectively.</p> <p>Municipal budgets and expenditure of both capital and operational budgets have also increased substantially:</p> <ul style="list-style-type: none"> ■ The aggregate size of municipal budgets has nearly doubled over the past nine years, driven largely by capital expenditure. The increases are greatest in the smaller municipalities rising by 39% in year 2005/2006 2006/2007. However, much of the growth in capital expenditure is funded through national transfer. SALGA therefore cautions that the increase attributable to the equity share grants will not necessarily provide more funding for service delivery, but will improve the cash flow position of especially small to medium municipalities, as it will ensure a stable and predictable income base for free/subsidised services rendered to indigents. ■ According to Treasury, budgeted expenditure of municipalities grew from R64 billion in 2001/02 to R119 billion in 2005/06, a near doubling in just four years. <p>Within municipal budgets, investments in capital show faster growth over this period, rising at an average annual rate of 22% against a 17% growth rate in operating expenditure. If the budgeted expenditure were realised, this would represent a reversal of past trends when operating expenditure grew faster than capital expenditure.</p> <p>With respect to operational budgets:</p> <ul style="list-style-type: none"> ■ At district municipal level the average operating expenditure increased from 2002/03 to 2006/07. However, the operating budgets for repairs and maintenance of infrastructure fall far short of the

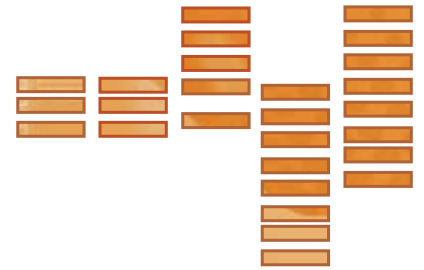
Capacity/ Function	Study / Report	Main capacity issues
Size and Spend on budgets	Treasury (2007), SALGA (2007), the dplg (2006), Government Gazette No.501, 2007 (Division of Revenue Act 2007)	<p>stated norm of 10%. If this must be addressed or it will impact negatively on the quality and sustainability of infrastructure, and therefore on service delivery.</p> <p>With respect to capital budgets:</p> <ul style="list-style-type: none"> ■ Budgeted capital expenditure grew at an average annual rate of 12% between 2001/02 and 2004/05, rising from R12 billion to R17 billion, and peaked at R26 billion in 2005/06. ■ Treasury reports 'sluggish spending' by municipalities on their capital budgets in 2004/05, with most municipalities having under spent. ■ Indications are that figures for 2006/ 2007 show an overall increase in expenditure and proportionately larger part of the budget spent. ■ Six of the nine provinces report MIG expenditure of 75%+ as at March 2007. This is possibly partly a result of the hands-on support programmes directed at municipalities with poor performance on infrastructure spend
Councillor capacity	SALGA (2007).	<p>The following issues were identified with regard to councillor capacity:</p> <ul style="list-style-type: none"> ■ There is inadequate legal support and advice to support council decision making ■ There is an uneven enforcement of the Councillors' Code of Conduct ■ In some cases the roles of councillors are not clearly defined ■ Ward committees are not functioning optimally. Ward committees are often deemed peripheral and marginalised in consultative processes (e.g. IDPs) ■ There is inadequate interaction between ward councillors, ward committees and officials ■ The SALGA study showed that 60% of councillors who responded are first time councillors, and 50% have no tertiary education. This requires strong capacity building inputs to ensure that they are able to handle the complexities of municipal leadership.



Capacity/ Function	Study / Report	Main capacity issues
Skills shortages	LGSETA (2006), SAICE (2005)	<p>There has been an increase in the demand for skills, mainly due to upgraded service delivery methods linked to the restructuring of internal work environments. This has caused new job requirements and legislative and constitutional changes. There is now a mismatch between organograms, incumbents, job descriptions and qualifications.</p> <p>Several skills shortages have been identified:</p> <ul style="list-style-type: none"> Skills gaps are particularly evident in the following areas: artisans, engineering, financial management, planning, economic development, and environmental health. 78 municipalities have no civil engineering professionals (no engineers, technologists or technicians). A further 49 municipalities have only 1 civil technician on their staff. Municipalities report an average 35% vacancy rate among professional staff in technical services (approximately 600 posts). There are also skills shortages in the least skilled categories (22%) and in key financial and administration clerical posts. The latter are often viewed as being 'non-essential', so that salary budgets can be diverted to other occupational categories, particularly senior management level. The LGSETA reports that the human resources manager/director is often the least qualified of managers, often not possessing specific human resource skills at all. This often reduces proactive and strategic management of human resources in municipalities, further exacerbating human skills shortages.

8.3 Provincial Capacity Challenges

Provincial government has important constitutional and legislative responsibilities to support, monitor and regulate municipalities in fulfilling their developmental mandates. In addition, sector departments have responsibilities to co-operate with municipalities to ensure that municipal planning and delivery of services take place.



Provincial Departments of Local Government are primarily responsible for monitoring municipalities, although Offices of the Premiers also play an important part. They monitor capacity building in municipalities and support coordination of capacity building initiatives. An assessment of capacity in Departments of Local Government and Offices of the Premiers indicates that the ability to carry out monitoring as required is poor in most cases, due to inappropriate staffing, unclear mandates and poor resourcing (the dplg, 2006).

To become more effective in their role of supporting local government, Departments of Local Government will need to address a number of issues, including:

- a. Creating organisational structures that are better suited to their mandates
- b. Establishing clear communication channels, and a good understanding of roles and responsibilities between Departments of Local Government and Offices of the Premiers
- c. Ensuring the provision of adequate finance for local government support
- d. Improving communication with the dplg
- e. Improving intergovernmental coordination and role clarity amongst provincial structures
- f. Making extensive use of IGR forums
- g. Developing strong monitoring and evaluation systems, particularly on municipal delivery
- h. Strengthening skills and resources to properly undertake Section 139 interventions.

8.4 National capacity challenges

National government has two critical functional responsibilities with regard to municipal capacity:

- Developing and regulating the environment for capacity building to strengthen municipalities to manage their own affairs, to exercise their powers and to perform their functions. The dplg is primarily responsible for this, although National Treasury also plays an important role with respect to municipal finance, as do various sector departments.
- Strengthening alignment between the spheres of government to assist with planning and delivery in municipalities.

In addition, municipalities are reliant on national government to make important 'environmental' changes; for example, approaches to funding that can strengthen the ability of municipalities to function effectively.

In the early 2000s, national government support to local government tended to be ad hoc, and was often based on reacting to crises. There was insufficient coordination between national departments. As a result, the impact of national efforts to capacitate local government was



not optimal. Since around 2004 (the year Project Consolidate was launched), national capacity building initiatives have been proactive and better targeted. The Five Year Local Government Strategic Agenda, developed in 2006, provides a strategic, proactive and targeted approach, which allows different national departments to collaborate in their efforts to support local government. As a result, planning, resourcing and support to local government have been significantly improved.

To improve its role in enhancing the ability of municipalities to deliver, national government needs to address the following capacity challenges:

- Strengthening the dplg's internal capability to proactively manage the capacity building environment for municipalities
- Strengthening of relevant sector departments' awareness of, and engagement in, positive alignment initiatives with municipalities
- Strengthening national and government-wide monitoring and evaluation mechanisms to track the status and impact of capacity building programmes, and inform planning for further capacity building programmes
- Developing focused and well coordinated instruments to assess capacity building outputs and impact.

chapter 9

AN ANALYSIS OF RECENT CAPACITY BUILDING INITIATIVES

The first step in providing more effective capacity building programmes is to correctly identify the capacity building needs. Thereafter, appropriate capacity building responses can be designed and implemented.

Capacity building responses must target the identified need correctly. For this reason both the supply ('what should be') and demand ('what is') sides must be given careful consideration. An over emphasis on supply side considerations can lead to capacity building initiatives that are irrelevant or inaccessible to the target group. On the other hand, too much emphasis on demand side issues may result in a reactive approach to capacity building.

Given the extent of the need for capacity building interventions, and the limits of available resources, it is clear that needs will have to be prioritised.

National and provincial government play important roles in:

- Ensuring the effective identification of needs
- Facilitating need prioritisation
- Coordinating the linkage between needs and available resources
- Identifying and mobilising the most effective modes of capacity building in response.

Previous capacity building initiatives provide valuable insights about how best to identify and prioritise needs, and provide coordination for the funding and delivery of capacity building responses. This chapter of the NCBF provides an overview of some of the key capacity building initiatives that have been implemented in recent years.

9.1 Recent capacity building programmes

Various capacity building and support initiatives have been initiated by government departments, professional institutes, and donor agencies. Some of these initiatives are described below.

PROGRAMMES	AUSPICES	PURPOSE AND PROGRESS	PRIMARY IMPACT
Project Consolidate	The dplg, in cooperation with other national and provincial government departments	<p>Project Consolidate was a hands-on and targeted support initiative, aimed at weaker municipalities with significant capacity gaps. It involved the placement and provision of expertise in “challenged” municipalities.</p> <p>Perhaps the clearest lesson from Project Consolidate is that hands-on support to municipalities yields positive and measurable results. This is reflected in the Five Year Local Government Strategic Agenda’s commitment to mainstreaming hands-on support.</p> <p>Project Consolidate also created a strong platform for collective development planning across the three spheres of government in the form of municipal action plans, Izimbizo programmes of action, and IDP Reviews (which included a focus on alignment between IDPs, Provincial Growth and Development strategies, and the National Spatial Development Perspective).</p> <p>Finally, Project Consolidate highlighted the critical role that provinces play in facilitating, supporting and monitoring development, service delivery and good governance at municipal level. A lack of capacity at provincial level can seriously undermine achievement of national priorities, and constrain local service delivery.</p>	Environmental, institutional and Individual

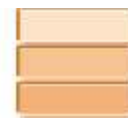
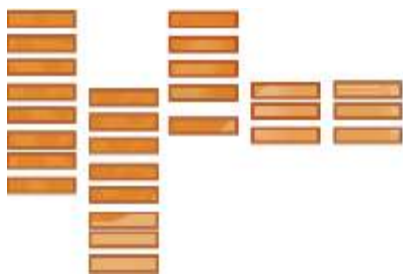
PROGRAMMES	AUSPICES	PURPOSE AND PROGRESS	PRIMARY IMPACT
Local Government Leadership Academy (LOGOLA) and its Municipal Leadership Development Programme (MDLP)	The dplg	LOGOLA is an individually based leadership development programme. It is directed at accelerating and improving service delivery to communities and strengthening the sustainability of local government by enhancing the leadership competencies of elected officials and appointed officials. This is done through structured and tailored leadership skills programmes. By March 2008, 243 females and 183 males had been trained in this programme.	Individual (councillors and senior municipal officials)
Performance Management Regulations	The dplg	New regulations for municipalities that regulate recruitment conditions and contractual arrangements for Municipal Managers and Managers reporting to them.	Institutional (councillors and senior municipal officials)
Learnership and Skills Programmes	LGSETA (using outside training delivery agents)	<ul style="list-style-type: none"> a. LED Learnerships NQF 4, 5 and 6 b. Admin and Finance Learnerships NQF 4, 5 and 6 c. CDW - NQF 5 d. IDP - Learnership NQF 5 and skills programme e. Ward committee skills training f. Councillor skills training 	Individual (councillors, relevant officials, community development workers, ward committees)
Municipal finance management support programme	Treasury with the dplg using contracted outside expertise.	This initiative focuses on enhancing key financial management capacity in selected municipalities. It includes a "hands-on" component, where financial experts are placed in strategic selected municipalities for a period of time. IMFO Technicians deployed in 42 municipalities to assist with compilation of Annual Financial Statements.	Institutional and individual (municipal finance systems and finance officials)



PROGRAMMES	AUSPICES	PURPOSE AND PROGRESS	PRIMARY IMPACT
		The PWC and LGC Consultants were appointed to do GAMAP/GRAP conversion in targeted municipalities	
Urban Renewal Programme (URP)	The dplg	<p>Special projects in 8 spatial areas geared towards coordination of inputs to tackle urban poverty.</p> <p>Induction on the township development strategies with inclusion of specific module of the township economies. The initiative was conducted under the banner of a network between dplg, SACN, National Treasury & DBSA.</p> <p>To enhance planning on economic skills, a tripartite partnership on LED has been established with three nodes, Mdantsane, Motherwell and Galeshewe</p> <p>The extension of the Technical support Facility to service the EC province on the institutional analysis.</p>	Institutional and individual (designated urban renewal nodal municipalities and relevant councillors and officials)
Integrated Sustainable Programme for Rural Development (ISRDP)	The dplg	Specifically targeted financial and technical support to identified rural nodal municipalities. It includes setting up of Performance Management Units (PMUs) to implant necessary technical skills to aid delivery.	Institutional and individual (designated rural development nodal municipalities and relevant councillors and officials)
Joint Initiative on Priority Skills Acquisition (Jipsa)	Office of the Presidency	JIPSA was launched in 2006, and is intended "to create short-term, but sustainable interventions to the skills problems". It is an offshoot of AsgiSA, which contains a series of measures intended to fast-track SA's economic growth from the current average level of 4, 5% to 6% by 2010, whilst also alleviating unemployment and poverty.	Environmental and individual

PROGRAMMES	AUSPICES	PURPOSE AND PROGRESS	PRIMARY IMPACT
Joint Initiative on Priority Skills Acquisition (Jipsa)	Office of the Presidency	<p>The achievement of these objectives required a much wider pool of sufficiently skilled professionals, managers and artisans than is currently available. (AsgiSA - Annual Report, 2006).</p> <p>JIPSA is meant to increase the level of this much-required set of skills. Various sectors of the economy and institutions of governance have been prioritized to benefit from the envisaged expansion of skilled personnel. Municipalities were among the intended chief beneficiaries, as they suffered from a dire need of engineering, planning, artisan, technical and project management skills. These were among the range of skills whose acquisition and cultivation was prioritized by JIPSA.</p>	Environmental and individual
Siyenza Manje	The dplg and DBSA	<p>The Siyenza Manje ("we do it now") initiative recruits qualified retired experts, pairs them with young graduates who can be mentored and deploys them to those local municipalities that require assistance. It was purposefully crafted to support municipal efforts to implement various service-delivery projects, particularly those focusing on infrastructure.</p> <p>As at May 2008, about 296 deployees have been deployed in 89 municipalities, that is 163 experts and 133 young professionals.</p>	Institutional and individual (Project Consolidate and Municipal Infrastructure Grant municipalities and relevant technical officials)
ENERGYS	The dplg DWAF and provincial government with implementers South African Institute of Civil	Programme deploys Senior engineers paired with students and graduates in local authorities to unblock the bottlenecks, offering comprehensive training to both students and graduates.	Institutional and individual (municipalities benefiting from key infrastructure programmes and





PROGRAMMES	AUSPICES	PURPOSE AND PROGRESS	PRIMARY IMPACT
	Engineering (SAICE) and the South African Black & Allied Careers Organization (SABTACO)		relevant technical officials)
Training and information sessions on national policy and Acts e.g. IGR, LED, Property Rates Act, Anti Corruption Strategy	Driven by national government with support from province and external facilitators	To ensure that municipalities and other key stakeholders properly understand new initiatives and the relevance of these to their own organisations and service delivery.	Institutional (various municipalities that are pilots or receiving special focus linked to a national programme or project)
Thusong Service Centres formerly called Multi-Purpose Community Centres	GCIS with involvement of other national and provincial government departments	Provision of such centres for communities to access information about government services	Institutional (targeted municipalities)
Implementation of municipal revenue enhancement programmes	The dplg, 2003.	A programme of action, led by a National Steering Committee and chaired by the Minister of Provincial and Local Government, with the objectives of: <ul style="list-style-type: none"> ■ Improving and sustaining revenue collection ■ Alleviating the causes of municipal service debts ■ Extending services, especially free basic services, through strategically pooled resources ■ Clarifying national government policies pertaining to service delivery 	Institutional (12 targeted municipalities)



PROGRAMMES	AUSPICES	PURPOSE AND PROGRESS	PRIMARY IMPACT
		<p>Introducing the participation of national sector departments and the business sector to develop solutions</p> <p>This initiative has informed various programmatic and legislative interventions, which include the development and promulgation of the MFMA; work relating to KPA 4 of the 5YLGSA; and the deployment of hands-on-support by provinces and various deploying agencies such as Siyenza Manje, South African Institute of Chartered Accounts and IMFO.</p>	
Deployment of Community Development Workers	A Presidency Project in conjunction with the dplg and LGSETA and driven by provincial government	The deployment of Community Development Workers trained through the Learnership to municipalities to improve communication with and engagement of communities in government issues affecting them. 3 305 CDWs were deployed by September 2007.	Institutional (targeted municipalities)
NSDP District Application Project	The Presidency and the dplg using outsourced service provider CSIR	A pilot project focussing on provinces and 13 Districts assisting them to integrate the NSDP approach into their IDP planning	Institutional (targeted municipalities and 13 districts)
System of accreditation for training service providers	The dplg and LGSETA	Aimed at establishing a qualitative and results-driven training environment that addresses capacity needs of municipalities in a comprehensive and standardised way. It includes curriculum development processes and service provider accreditation.	Environmental (targeted training service providers)
Sector Skills Plans	LGSETA	LGSETA must prepare this in terms of the Skills Development Act, which guides its use of Skill Levies. To access skills levy municipalities must complete their own	Environmental (A national sector skills plan for municipalities)

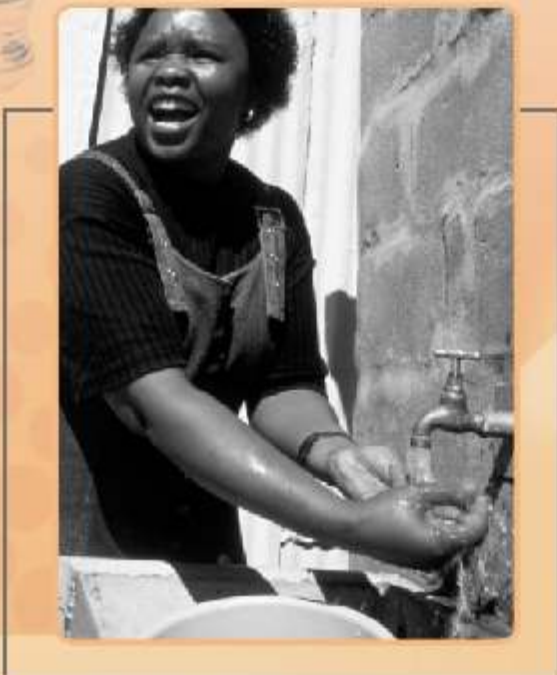
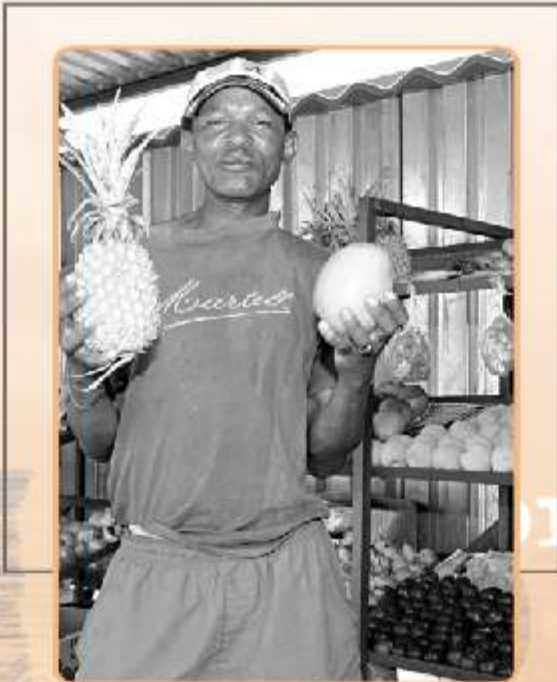


PROGRAMMES	AUSPICES	PURPOSE AND PROGRESS	PRIMARY IMPACT
		<p>Workplace Skills Plans and Workplace Training Reports.</p> <p>According to LGSETA's records, there has been positive compliance in submission of Workplace Skills Plan and Workplace Training Report by municipalities (i.e. Gauteng 100%, Limpopo 100%, Mpumalanga 95%, KwaZulu Natal 82%, Western Cape 90%, North West 96%, Northern Cape 90.63% Free State 88% and Eastern Cape 86.6%.</p>	
Legislation that gives greater framework for Municipalities to Perform	Parliament with primary support from the dplg and Treasury	<p>The following legislation and policy processes have assisted with this:</p> <ul style="list-style-type: none"> ■ MFM Act ■ IGRF Act ■ Municipal Revenue Act. ■ Policy Review on Provincial and ■ Local Government 	Environmental (improved regulation environment for all municipalities)

A number of important considerations have emerged from the above programmes; which must be taken into account when developing strategies that address capacity building needs:

- a. The direct, institutionalised, hands-on approach is favoured, as this provides capacity building more closely linked to work place needs and the state of the municipality
- b. It is important to prepare the 'capacity building environment'. In future endeavours this must be done with a greater degree of central coordination
- c. There must be better integration of different initiatives within each programme area, as this will improve the impact of municipal capacity building. This will also require better coordination across programme areas
- d. Government is playing a larger role as strategist, enabler, coordinator and deliverer, while also developing synergy with other stakeholders involved in capacity building
- e. Monitoring of processes and outputs of capacity building initiatives is taking place, but there is very little evaluation of the impact of these programmes on capacity
- f. There is an improvement in the linkage of training opportunities being used for capacity building to SAQA standards; this assists in increasing the level of qualified individuals, career progression, setting standards and improving the quality of service provision.

hands-on approach



work municipal
interaction

teamwork
evaluation

coordination



chapter 10

STAKEHOLDERS INVOLVED IN CAPACITY BUILDING INITIATIVES

Key stakeholders carry out a number of important functions to ensure capacity building, including:

- a. Managing the capacity building environment in the national, provincial and local government spheres
- b. Regulating and evaluating the inputs and progress with capacity building at national provincial and local levels
- c. Financing capacity building
- d. Facilitating the engagement of key stakeholders required to ensure that targeted interventions reach identified recipients
- e. Preparing and providing direct capacity building interventions.

This chapter describes the roles of key stakeholders in carrying out the functions listed above.

Table 5: Capacity Building Stakeholders

INSTITUTIONS	ROLES
Government	
National Government's role primarily as: regulator, outlining policy priorities, setting national norms and standards, ensuring coordination and monitoring, and managing and implementing key / innovative capacity building initiatives	<p>National government is a critical agent:</p> <ul style="list-style-type: none"> ■ The dplg has primary authority to coordinate and support policy development and implementation, and to provide support to service delivery within and between the spheres and tiers of government ■ Sector departments have a role to support and strengthen the capacity of municipalities to "manage their own affairs, to execute their powers and to perform their functions" ■ The South African Management Development Institute (SAMDI) provides customer driven training and organisational development initiatives that lead to public service transformation and improved service delivery. <p>National government also provides funding to municipalities through various grants, many of which have a direct capacity building component,</p> <ul style="list-style-type: none"> ■ Municipal Systems Improvement Grant (MSIG) ■ Municipal Infrastructure Grant (MIG) ■ The Local Government Equitable Share (LGES)

INSTITUTIONS	ROLES
Government	
	<p>The main source of capacity building is the Municipal Systems Improvement Grant. The total amount of this grant is R200m until 2010. The Local Government Equitable Share and MIG include only small amounts of money for capacity building specifically.</p> <p>Other grants include the Financial Management Grant (FMG), to assist municipalities with capacity to manage their finances according to the MFMA and the Restructuring Grant, used by metropolitan municipalities and towns of economic significance.</p> <p>At a national level there is also funding from some sector departments, such as DWAF and the Department of Housing. Sector departments provide funding to support specific training programmes and technical support at the point of service interaction between the sector department and the municipality.</p>
Provincial Government's role primarily as: setting provincial norms and standards, ensuring coordination and monitoring, and managing and implementing key / innovative capacity building initiatives	Provincial government has a critical role to manage the provincial environment, regulate/evaluate and facilitate. At the moment, provincial governments do not have adequate resources to fulfil this role.
Metropolitan Municipalities have a direct role in managing, implementing and monitoring various capacity building within the municipality	Metropolitan Municipalities have the potential (capacity and resources) to take on a higher level of responsibility for managing and resourcing their own capacity building environment.

INSTITUTIONS	ROLES
District Municipalities have a direct role in managing, coordinating, implementing and monitoring various capacity building within the District and across the local municipalities	District Municipalities have important support and coordination responsibilities with respect to local municipalities in their area of jurisdiction. However, few district councils are proactively building local capacity. The relationship between district and local level is one of the issues flagged for consideration by the Policy Review Process.
Local Municipalities have a direct role in managing, implementing and monitoring various capacity building within the municipality, while working closely with the District	Local Municipalities are, in the main, the recipients of capacity support. Well-resourced and capacitated local municipalities should take a greater responsibility for managing their own local capacity building environment.
Statutory and Parastatal Bodies	
SALGA has key responsibility towards its membership, while working closely with government.	SALGA is the statutory organised voice of municipalities. It has critical responsibilities regarding the provision of support and capacity building for its members. SALGA has an important role to play in the management of the environment, particularly in relation to councillors and traditional authorities.
LGSETA's primary role focuses on regulating standards of local government capacity building.	Amongst the LGSETA's functions, is the management of the environment, financing and facilitating of skills development and is responsible for accreditation. The LGSETA is responsible for developing training opportunities for employees in the local government sector. It supports learnerships, skills programmes and ABET. The funding for these programmes comes from the skills levy paid by all local government employers. However, despite the collection of substantial amounts of money from skills levies, municipalities use relatively small portions of this because they often do not have sufficient capacity to prepare suitable Workplace Skills Plans, implement their Workplace Skills Plan and implement learnerships.

INSTITUTIONS	ROLES
<p>DBSA is a key partner of government in rolling out targeted capacity building and training to municipalities</p>	<p>DBSA plays an important role in financing, facilitating and providing capacity building for local government, primarily around infrastructure development and linked to institutional capacities.</p> <p>The DBSA's has a Development Fund aimed at maximising the impact of development finance through addressing human, institutional and financial capacity constraints to rural and urban development. The Fund aims to create the necessary conditions to promote development by enhancing local government, other public entities and communities' abilities, opportunities and access to resources to generally minimum threshold levels. It is often, but not always, linked to the accessing of infrastructure loan finance from the DBSA. The accessing requirements direct it at weaker municipalities that have real potential.</p> <p>The DBSA's Vulindlela Academy is a training academy set up to deliver relevant capacity building training programmes mainly to the local government in South Africa and the Southern African Development Community (SADC) Development Finance Institutions (DFIs). It is an accredited training provider and works in close cooperation with the dplg, National Treasury, SALGA, LGSETA and many other stakeholder institutions. Since its inception in 2004, Vulindlela has managed to secure full accreditation with the LGSETA and has trained several hundreds of delegates in municipalities and the SADC DFIs. It offers specialised and focused training and capacity building in the fields of infrastructure development and poverty relief, and its primary focus is on reducing capacity deficiencies in local government.</p>
<p>Donor Agencies</p>	
<p>National, Provincial and Local Government, Parastatal Bodies, Statutory Organisations</p>	<p>It is important to ensure that the financing and forms of support received from donor organisations are in line with the national strategic agenda.</p>
<p>Donor agencies</p>	<p>Since 1996, a number of overseas governments and development agencies have assisted with both financing and direct technical assistance to capacity building of the local government sector. The Department for International Development (DFID), the European Union (EU), the Ministry of Foreign Affairs of Denmark (DANIDA), the Swedish International Development Cooperation Agency (SIDA), the German Agency for Technical Cooperation (GTZ) and the United States Agency for International Development (USAID) have all provided such support.</p>



chapter 11

A STRATEGIC APPROACH TO CAPACITY BUILDING IN LOCAL GOVERNMENT

In 2006, government took stock of the progress that has been made towards establishing developmental local government, and developed *the Five Year Local Government Strategic Agenda (2006 - 2011)*. The Five Year Local Government Strategic Agenda outlines a programme of action for strengthening local government.

The NCBF supports the Five Year Local Government Strategic Agenda by defining the impact that must be made on capacity in municipalities by 2011 ('what specific capacity must be built'), providing a set of tools for realising this impact ('how will this capacity be built'), and defining the roles of key stakeholders ('who will build this capacity').

This section of the NCBF deals with the implementation framework for the NCBF. It:

- a. Describes the strategic approach to capacity building in local government
- b. Lists the main principles and programme areas for capacity building
- c. Outlines capacity building options and approaches
- d. Looks at how to assess capacity needs
- e. Indicates capacity building targets and priorities
- f. Describes institutional and stakeholder roles and arrangements in the implementation of the NCBF

11.1 The framework provided by the Five Year Local Government Strategic Agenda

The Five Year Local Government Strategic Agenda identifies three strategic priorities:

- Mainstreaming hands-on support to local government to improve municipal governance, performance and accountability
- Addressing the structure and governance arrangements of the State in order to better strengthen, support and monitor local government
- Refining and strengthening the policy, regulatory and fiscal environment for local government and giving greater attention to the enforcement measures.

The Five Year Local Government Strategic Agenda implies a shift in the way in which we approach the capacitation of local government. This shift can be captured in several ways:

- A shift from an ad hoc and responsive approach, to a proactive and coordinated approach; and
As part of this coordinated approach, a commitment to defining the roles and responsibilities of key players, and improving the quality of interventions through linkages to the SETA and SAQA frameworks.
- A move from a standardised approach across municipalities, to a differentiated and hands-on approach which takes account of the context and level of capacity present



in different municipalities. The hands-on approach, and tackling capacity building at the point of need and delivery; and

As part of this differentiated approach, a recognition that better capacitated municipalities can exercise greater independent control of their capacity building needs, while less capacitated municipalities need higher levels of external intervention.

- A move away from a narrow 'training-programme' approach to capacity building, to an integrated approach which focuses on capacity needs from the individual, institutional and environmental perspective; and
As part of this integrated approach, an emphasis on building strong linkages between capacity building programmes and existing guidelines for critical functional areas such as Integrated Development Planning and Local Economic Development.
- A shift from a 'supply' led approach to a greater recognition of the 'demand' side; and a therefore a more balanced supply and demand-led approach. This requires a closer balancing of national, provincial and local priorities.

11.2 NCBF Programme Areas

The design of the NCBF is strongly informed by the lessons learnt during Project Consolidate, and is aligned to the Five Year Local Government Strategic Agenda. While the Five Year Local Government Strategic Agenda indicates what has to be done to support and strengthen local government, the NCBF seeks to identify strategies to build capacity of municipalities in order to achieve the objectives of the aforementioned agenda.

During the NCBF refinement process, the dplg in consultation with stakeholders within the government identified Five Programme Areas to support the implementation of the Five Year Local Government Strategic Agenda. These programme areas are intended to assist with prioritising different types of capacity building interventions, and organising resources in collaboration with stakeholders engaged in similar areas of support.

The programme areas below respond to the problems and capacity challenges identified in Table 3.

The five programme areas are:

- *Programme Area 1: Strengthening Leadership and Professionalisation of Municipalities*

This programme focuses on strengthening the quality of political leadership and municipal management through structured and accredited leadership and municipal

management training. It also includes policy and procedures around recruitment and performance management of senior and middle managers in municipalities. National Treasury for example, is conducting a Certificate Programme in Management Development for Municipal Finance targeting Municipal Managers and Managers reporting to them.

● *Programme Area 2: Hands-On Support*

This programme is based on the provision of direct support in the municipal workplace, using skilled service providers and a range of capacity modes that target both individual and institutional development. Hands-on support will be provided over an extended period, until the necessary capacity is developed or is available to the municipality. An example of this programme area was the deployment of the Service Development Facilitators to municipalities targeted during Project Consolidate. These SDFs assisted identified municipalities with development of financial policies and development of Annual Financial Reports. Presently the Siyenza Manje initiative, of the DBSA, is another good example of rolling out hands-on support to municipalities.

● *Programme Area 3: Programme-Based and Short-Term Support*

This programme involves the provision of a range of once-off or interlinked training and capacity building activities and events to strengthen existing skills and introduce new delivery programmes, policies and financing arrangements. Many programmes such as the ISRDP, URP, LED, and Anti-Corruption etc are examples of this kind of support. The Workplace Skills Plan developed by municipalities will assist in guiding the skills gaps to be addressed.

● *Programme Area 4: Strengthening the Environment for Municipalities to Deliver*

This programme includes initiatives that change and enhance the legislative, policy and procedural context in order to strengthen the ability of municipalities to deliver the developmental municipal government expected of them in terms of the Constitution. The implementation of the Intergovernmental Relations Framework Act has for example assisted in aligning development planning across the three spheres of government. While municipalities are expected to develop IDPs, some of these needs are the competencies of the both the national and provincial government. These needs that are for national and provincial spheres of government can only be addressed if there is cooperation and proper coordination across the three spheres.



- *Programme Area 5: Strengthening Capacity to Coordinate and Deliver Capacity for Municipalities*

This programme focuses on building the capacity of the individuals and institutions responsible for the coordination of the municipal capacity building environment, especially at a national and provincial and district level. For example, all national departments are required to develop Local Government Support Plans and in other instances Master Sector Plans. These Plans presuppose that these national departments will need to build and strengthen their own capacity to coordinate the implementation of these plans.

11.3 Capacity Building Approaches and Options

The capacity building approaches and options contained within the NCBF are linked to both the five programme areas outlined above, to the three strategic priorities of the Five Year Local Government Strategic Agenda, and to the five Key Performance Areas for local government. This is illustrated by the two diagrams below.

It is clear that there are no exclusive relationships between the capacity building approaches (i.e. Key Programme Areas) and the substantive content areas of the Five Year Local Government Strategic Agenda (i.e. Key Performance Areas). The question that needs to be asked is what type of / approach to capacity building is best suited to addressing a particular performance area of the Local Government Strategic Agenda, in a specific context.

Figure 4: Linkages between the NCBF Programme Areas and Key Performance areas for Five Year Local Government Strategic Agenda



NATIONAL CAPACITY BUILDING FRAMEWORK (FIVE YEAR PROGRAMME)

PROGRAMME AREA 1: STRENGTHENING LEADERSHIP AND PROFESSIONALISATION OF LOCAL GOVERNMENT

This includes providing structured and accredited local government leadership development programmes; skills development; accredited training programmes; and the development of policy and performance regulations for of senior managers in municipalities

FIVE YEAR LOCAL GOVERNMENT STRATEGIC AGENDA (FIVE KEY PERFORMANCE AREAS)

MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT (KPA 1)

This includes the development of credible IDPs; the establishment of core municipal systems; enforcing an effective performance management system in local government; finalising the Local Government Competency Framework for Municipal Managers and Section 57 managers; filling vacant municipal posts; the acceleration of work on the national local government skills audit; and sourcing and deploying hands-on technical capacity to municipalities.

PROGRAMME AREA 2: HANDS-ON SUPPORT

This includes the provision of direct support in targeted municipalities; sourcing and deploying experts, skilled engineers and project managers to targeted municipalities; mentoring programmes; and building on developed capacity within municipalities.

IMPROVE BASIC SERVICE DELIVERY AND INFRASTRUCTURE INVESTMENT (KPA 2)

This includes ensuring that the following targets are achieved:

- All communities have access to clean water by 2008 and decent sanitation by 2010
- All houses have access to electricity by 2012
- Universal provision of Free Basic Services
- Prioritising technical hands-on support to less capacitated municipalities.



PROGRAMME AREA 3: PROGRAMME BASE AND SHORT TERMS SKILLS

This includes a range of once-off training and capacity building initiatives and events. It includes strengthening existing skills and introduction of new delivery programmes, policies, procedures.

LOCAL ECONOMIC DEVELOPMENT (KPA 3)

This includes:

- The mobilization of key sets of LED-related capacity (eg: the deployment of experienced economists, development economists and planners in selected municipalities; and conducting economic analysis of District and Metro areas)
- Prioritizing LED interventions in the PGDS
- Strengthening national coordination for long-term economic development planning
- Supporting predominantly urban municipalities to understand their unique LED role

PROGRAMME AREA 4: STRENGTHENING ENVIRONMENT

This includes the refinement of policy and procedures; enhancing accountability and public participation; improving the political and administrative interface; and strengthening the intergovernmental system.

FINANCIAL VIABILITY AND FINANCIAL MANAGEMENT (KPA 4)

This includes the provision of financial management hands-on support; improving capacity to account for public resources and support all programmes designed to improve governance and fight corruption; stabilising the local government fiscal system; and the implementation of local government finance legislation and management support and oversight at national and provincial levels

PROGRAMME AREA 5: STRENGTHENING CAPACITY TO COORDINATE

This includes the building the capacity of the individuals and institutions responsible for the coordination of the municipal capacity building as well as monitoring and reporting on the implementation thereof at national, provincial and district level.

GOOD GOVERNANCE, COMMUNITY PARTICIPATION AND WARD COMMITTEE SYSTEMS (KPA 5)

This includes improving mechanisms for community participation and empowerment; supporting leaders in public participation processes (Premiers, mayors and ward councillors); supporting Municipal Speakers Offices; developing support programmes to scale up the mobilization of social capital for development; refining the Izimbizo Program; and strengthening political support and oversight.



NATIONAL MANAGEMENT AND COORDINATION OF CAPACITY BUILDING ENVIRONMENT FOR MUNICIPALITIES

Purpose

To provide the coordination and regulation of the capacity building environment to ensure:

- Standards and norms setting
- Municipal capacity assessment e.g. CAT and other assessment tools
- Resources and capacity building priorities are aligned
- Best modes are chosen to meet relevant priorities
- M & E of overall capacity building progress and impact of intervention
- Sharing of knowledge of environment

Key Activities

- Structuring coordination
- Defining norms and standards
- Assessment of Municipalities
- Prioritising of needs
- Identifying and targeting capacity resources
- M&E roll out, outputs and impact
- Knowledge sharing of capacity building environment

CAPACITY BUILDING PROGRAMME FOCUS AREAS

Programme Focus 1 Strengthening Leadership and Professionalisation of Municipalities

Geared towards

- The strengthening of the quality of political leadership and management of municipalities through structured and accredited leadership and municipal management training.
- Policy and procedures around recruitment and the performance management of initially senior and then middle managers in municipalities

Programme Focus 2 Hands-On Support

Based on:

The provision of direct support in the local work place using experts and skilled service providers deploying a range of capacity building modes that target both individual and institutional development and are provided out over an extended period of time until the necessary capacity is developed or available to the municipality.

Programme Focus 3 Programme-Based and Short-Term Support

Provision of a range of programme based and once off or interlinked training interventions, internships, learnerships and capacity building activities and events:

- To strengthen existing skills
- Introduce new delivery programmes, policies and financing arrangements e.g. LED
- ABET

Programme Focus 4 Strengthening the Environment for Municipalities to Deliver

Undertake the necessary legislative, policy and procedural refinement that can strengthen the ability of municipalities to deliver the development expected of them in terms of the Constitution.

Programme Focus 5 Strengthening Capacity to Coordinate and Develop Capacity for Municipalities

Coordinate the strengthening of:

- National and provincial government and districts to better undertake their constitutional and legislative responsibilities for strengthening capacity of municipalities.
- Other key stakeholders contributing to strengthening municipal capacity.

FIVE YEAR LOCAL GOVERNMENT STRATEGIC AGENDA (2006 - 2011)

11.4 The Relationship between the Strategic Agenda and the National Capacity Building Framework

Some important insights about the Five Year Local Government Strategic Agenda and its relationship to the National Capacity Building Framework are already evident:

● *Programme Area 1: Strengthening Leadership and the Professionalisation of Municipalities*

- a. This is an important medium-term capacity building thrust, which requires systematic work over a number of years.
- b. It involves engagement with key national departments, SAMDI, SALGA, the LGSETA, the formal tertiary educational system, professional institutes and associations and the human resource components within municipalities.
- c. This programme area is particularly critical, because of its importance to the development and sustaining of medium and long-term municipal capacity objectives.
- d. Strengthening municipal leadership must focus on building basic competencies across all the Key Performance Areas of the Local Government Strategic Agenda.

● *Programme Area 2: Hands-on Support*

- a. Government is taking responsibility for the provision of hands-on support as a key capacity intervention targeted at municipalities at various stages of establishment, consolidation and sustainability.
- b. The positive lessons from Project Consolidate must be used to mainstream this approach and integrate it into a range of capacity building programmes.
- c. Hands-on support needs to focus on key technical areas, such as financial management, engineering and project management, but also on strategic areas, such as development planning and local economic development.
- d. Skills transfer from experienced and/or knowledgeable professionals and experts is an important element of hands-on support.
- e. This programme area has a strong emphasis on also strengthening the national and provincial government departments, with strong partnerships with outside stakeholders.
- f. This area requires a vibrant and well-coordinated partnership between different spheres of government to achieve the capacity building levels.
- g. There is strong linkage to programme area 4 for changing the environment, if these changes are incorporated in the direct hands-on support for municipalities.

- h. There is a need to balance supply-driven and demand-initiated support initiatives.
- i. Hands-on support must begin to incorporate coaching and mentoring programmes, building on developed capacity within municipalities to support internally and across municipalities.

● Programme Area 3: Programme-Based and Short-Term Support

- a. A key assumption for interventions in this programme is that most of the benefiting municipalities have the prerequisites of 'establishment' in place. These initiatives also cut across the five Key Performance Areas of the Local Government Strategic Agenda.
- b. Most of these capacity building initiatives should have a programme or project focus that should be of a very limited duration. Examples include building an understanding of the existing programmes such as MIG, CDW, LED programme and anti-corruption.
- c. The learnership, skills development and ABET interventions coordinated through LGSETA are important initiatives in developing 'individual' capacity but require greater coordinated opportunities for individuals who want to move to higher levels within this programme
- d. More work must be undertaken in understanding the effectiveness of this programme area and the multiplicity of short-term capacity initiatives. In reality many of these initiatives are not accredited and undertaken by a range of local and international service providers in the business, development aid, NGO and CBO communities.
- e. This area arguably requires the most coordination and monitoring for quality assurance, since these initiatives can range from a one-hour seminar to a one-year programme of training associated with a particular programme.

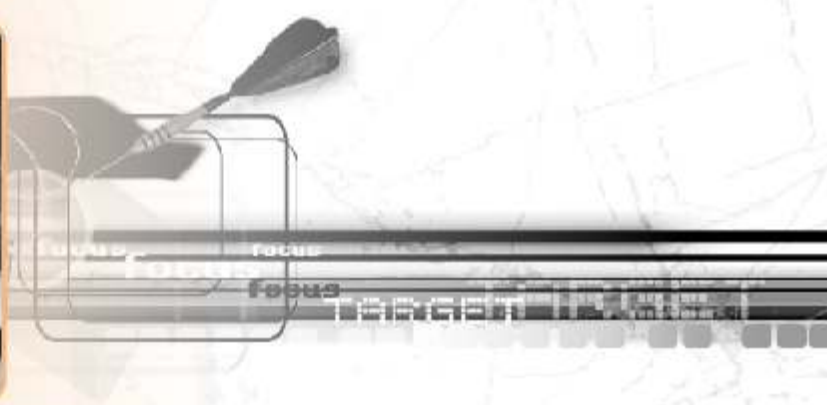
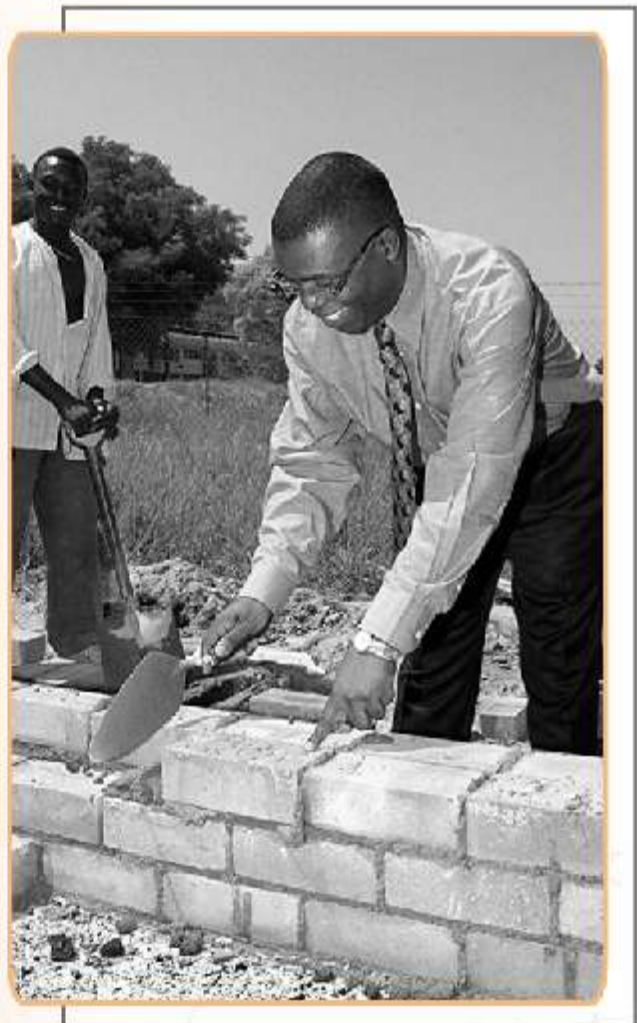
● Programme Area 4: Strengthening the Environment for Municipalities to Deliver

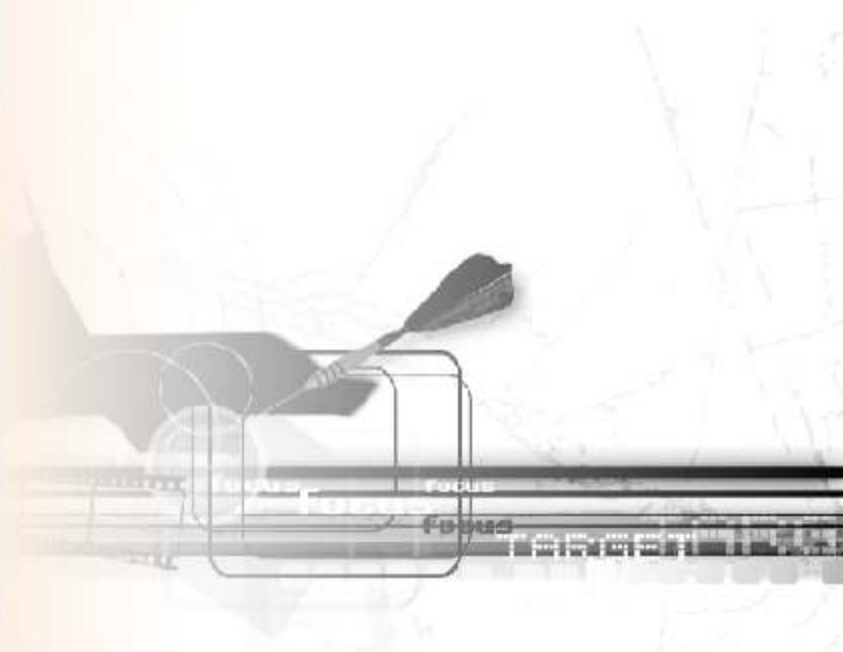
- a. The current policy review on provincial and local government is a key initiative aimed at strengthening the 'environment' for municipalities to improve their capacity and ability to accelerate delivery.
- b. The strategies in this programme area (mostly by national and provincial government) will impact on all municipalities in most instances. Some of these environmental considerations that affect local government capacity building include the NSDP, the Medium Term Expenditure Framework (MTEF), the Division of Revenue Act, the Local Government Equitable Share and other grants, Provincial Growth and Development Strategies etc.

- c. Most of these initiatives are in place and are well developed, but a closer examination must be undertaken with regard to how these various initiatives facilitate, enable, give greater clarity or constrain local government capacity building.

● *Programme Area 5: Strengthening Coordination of Capacity Building Environment for Municipalities*

- a. This programme area is directed at the strengthening of potential for the effective and efficient management of the overall capacity building environment. In the first place, this has particular implications for the dplg and national government.
- b. It also highlights the important strategy of strengthening the support function within provincial Departments of Local Government and from the well-capacitated districts.
- c. Working within the current legislative and policy context of IGR is important principle for strengthening coordination in the capacity building environment. The current IGR context must directly inform the development of appropriate coordinating systems required to provide support, including targeting, prioritising, tracking, evaluations and knowledge sharing. This responsibility falls to national government, working in close co-operation with provinces.
- d. This programme area also relates to targeted interventions with key sector departments to strengthen alignment, both in day-to-day work as well as through IGR forums. Some initiatives will be targeted at building the capacity of provincial government and national departments to support local government.
- e. This programme area includes strengthening the capacity in 'Human Resource' departments in districts and in capacitated municipalities to prepare and implement Workplace Skills Plans.
- f. The area is strongly linked to the strategies in the hands-on support delivery component. There will need to be a mechanism to allow dplg to coordinate the linkages between this programme area and multiple other programmes.





chapter 12

UNDERSTANDING AND PRIORITISING CAPACITY NEEDS

In order to prepare and implement successful capacity building strategies, it is crucial to have a continuous understanding of the capacity levels and needs of municipalities. This information needs to be in a format that allows for it to be disaggregated, so that individual (for one municipality) and clustered (for several) programmes can be planned.

Presently there is a range of different tools and initiatives that gather and analyse information on progress with capacity building in municipalities. Many are ad hoc, project- and intervention-based, leading to under-use of the information. However the M & E and tracking systems developed within the dplg report on the progress of Project Consolidate and the Five Year Local government Strategic Agenda have begun to provide a more coordinated frame for effective tracking and evaluation.

12.1 Determining Capacity in Municipalities

The first step in developing and implementing capacity building initiatives is to properly understand the existing capacity of municipalities. This sort of assessment enables targeting of limited capacity building resources, and provides a mechanism to monitor improvement in municipal capacity.

This assessment requires:

- Agreed assessment processes
- Agreed categories of capacity levels of municipalities
- Mechanisms to link the categories with targeted capacity building support
- A system for reviewing capacity building progress and its impact.

Ideally, assessment tools must be easy to use; allow for rapid implementation; be explicable to municipalities; be affordable; be relatively objective; and iterative.

At present, there are a number of assessment modes, which have led to multiple ways of categorising the 283 municipalities, including Project Consolidate assessments and evaluations, the Treasury Assessment, the IDP Delivery Assessment Tool, the Capacity Assessment Tool (CAT), the Municipal Demarcation Board (MDB) assessment, Workplace Skills Plans and the LGSETA Sector Skills Plan.

These tools are usually linked with the specific objectives of particular project interventions, using different modes of assessment as well as content focus. Any of the above tools can play a valuable part in providing important understanding of elements of municipal capacity and the focus of particular interventions and informing prioritisation. The danger, however, is that they may lead to duplicate assessments of capacity and together, do not easily provide for a focused and integrated system for understanding overall levels of municipal capacity and potential to track progress in improving capacity.



A strategic task in the medium term must be to seek ways of better aligning and rationalising some of these capacity assessment tools. In this regard the relevant role players must urgently engage, share mandates, and experiences and proposals on how best to regularly determine the capacity of municipalities.

12.1.1 Summary of assessment tools

A brief description of each of the existing assessment tools is provided below.

● *Project Consolidate Assessment:*

A situational analysis using on-the-ground facilitators, profiling and analysing all municipalities. The exercise looked at critical service delivery indicators and provided a clear diagnosis of the main problems and bottlenecks in our municipalities.

● *Treasury Assessment:*

Municipal Regulations on Minimum Competency Levels issued in terms of the Local Government: Municipal Finance Management Act, 2003 require senior managers to meet minimum competency requirements in four categories. Each municipality is required to furnish half yearly implementation returns to the National Treasury and relevant provincial treasury for the period ending 31 December and 30 June. National Treasury consolidates these returns.

● *The Credible IDP Evaluation Framework:*

This is a tool to guide the crafting, design, improvement and assessment of a credible IDP. It comprises numerous criteria in categories such as Spatial Development Framework, Service Delivery, Sustainable Economic Growth and Development and LED, Financial Viability, Institutional Arrangements and Governance and Organisational Development. The framework is not intended to serve the purpose of a performance measurement tool, but is rather a reference tool or guide towards establishing the quality of a credible IDP.

● *Competency Assessment Tool:*

A tool that identifies whether or not staff are undertaking each of the roles and responsibilities required, how confident they feel in fulfilling their roles and responsibilities, and, if they are not doing them, the reasons (e.g. organisational barriers, lack of knowledge, etc.).

● *Municipal Demarcation Board Assessment:*

Gathering of data using fieldwork, data capture and verification, based on questions on the IDP, budget and infrastructure.

● *Workplace Skills Plans:*

Competency and skills gaps identified through self-analysis by each municipality in order to plan skills development interventions.

● *LGSETA Sector Skills Plan:*

A compilation of information gathered from municipal workplace skills plans

12.2 Overall Capacity Assessments

It may be appropriate to utilise a standard assessment approach within the capacity building environment, so that planning for capacity building and tracking of capacity building impact can be standardised. It is also important to find ways to minimise delays in implementing targeted capacity building initiatives. It is therefore suggested that, while stakeholders are at liberty to choose their assessment tool of choice, the gradual phasing in of one tool, in the medium term, be considered.

A categorising or typological system must be practical to ascertain the stage in which the municipality finds itself, in terms of its ability to deliver on its developmental mandate and the gaps that exist within municipalities, as well as its real potentials within its 'environmental context'. This would serve not only to prioritise and target capacity building interventions, but also to provide the base against which to monitor progress of capacity building in municipalities and their contribution to the broader capacity building agenda.

Assessment of capacity and capacity needs is required at two levels, namely:

- Primary this gives indications of the overall capacity of a municipality
- Secondary this indicates capacity to implement specified projects or programmes.

The two levels must be interlinked, and the second needs to be informed by the first. Where there are gaps in the available assessment information the project intervention assessment (secondary) feeds back information to strengthen the overall capacity assessment.

One example of a generic or overall municipal capacity assessment typology is outlined on the following page.

Table 6: A Frequently-Used Municipal Typology

TYPE	DESCRIPTION	NR
A	Metropolitan municipalities	6
B1	Secondary cities 21 municipalities with largest budgets	21
B2	Local municipalities with large town as core	29
B3	Local municipalities with small towns with relatively small population and significant proportion of urban population but with no large town as core	111
B4	Local municipalities which are mainly rural with communal tenure and with, at most, one or two small towns in the area	70
C1	District municipalities which are NOT water service authorities	22
C2	District municipalities which are water service authorities	25

12.3 The Need for Prioritising Capacity Needs

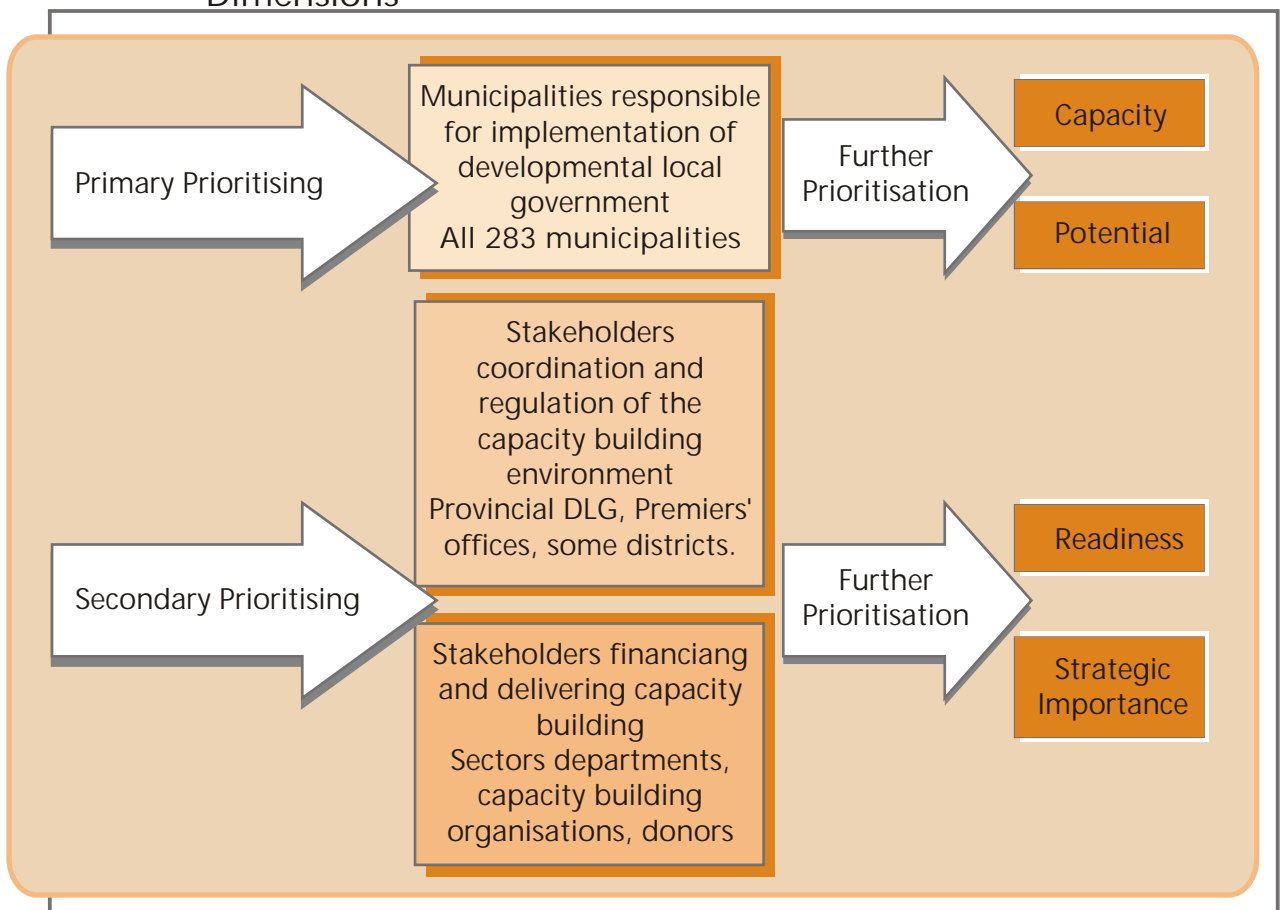
Assessment processes will indicate capacity needs within municipalities by showing gaps in overall capacity levels in municipalities and ability to implement specific functions, projects and programmes. Not all capacity needs and gaps will be able to be addressed immediately. The prioritisation of capacity building interventions must therefore be informed by national imperatives and targets, as well as by local need. Key national priorities and the targets set by national departments must be taken into account. For example, DWAF has set the following service delivery targets: Eradication of bucket sanitation- 2007; Access to potable water 2008; and Access to sanitation- 2010. These targets represent national priorities, and capacity building interventions which help to realise these targets should therefore be prioritised.

Prioritising can be conducted in two ways, namely institutional prioritising and content prioritising.

12.4 Institutional Prioritising

Prioritising must recognise the importance of developing the capacity of both primary and secondary 'targets'. The diagram below provides a schematic overview of the different prioritising dimensions.

Figure 6: Institutional Prioritising Indicating Primary and Secondary Dimensions



12.4.1 Primary Targeting - Municipalities

The primary target for capacity building is municipalities themselves. Capacity building initiatives will reach and affect different municipalities in different ways, depending upon their capacity support needs and priorities.

Capacity building initiatives, particularly with regard to hands-on support, should have a primary focus on:

- Ensuring that all municipalities have the basic systems and resources in place, to ensure sustainable service delivery

- The capacity and skills to undertake municipal service delivery responsibilities, particularly in the delivery of basic services
- District-based support and coordination of planning and delivery at a local level
- Enhancement of the capacity of municipalities positioned to drive broader economic development within the country.

While all municipalities will benefit from the different capacity building programme thrusts, the table at the end of this chapter outlines possible primary targeting.

12.4.2 Secondary Targeting mainly Provincial Government

The secondary target of capacity building is provincial government, and in some instances, district councils, who support local municipalities. Secondary targeting enhances the 'capacity building environment' and improves the ability of provinces to support local government.

The key stakeholders involved in preparing secondary targeting interventions are:

- *Provincial government*, particularly Departments of Local Government (responsible for the logistics of the coordination in the province); and the Premier's Office (responsible for the strategic planning and oversight of progress)
- *District municipalities*, particularly those districts already coordinating capacity building support in municipalities, or in the process of establishing service centres.
- *National sector departments*, which are targeted with a view to increasing their capacity to deliver capacity building programmes in the functional areas for municipalities.

12.5 Content Prioritising

As well as prioritising capacity building needs on the basis of identifying institutional needs, prioritisation can be done on the basis of content or substantive matters. The Five Year Local Government Strategic Agenda highlights the specific content areas that each of the programme areas will prioritise, based on the priority needs and areas of intervention. The table below outlines examples of different content areas for different delivery modes.

Table 7: Content Prioritisation by Programme Area

Programme Area 1: Leadership and Professionalisation of Local Government

- Separate but complementary roles and responsibilities between political and administrative
- Enhancing municipal management skills
- Sharpening strategic leadership skills
- Municipality within the context of broader government and national developmental and governance framework
- Qualification and recruitment criteria for senior and middle managers in municipalities



Programme Area 2: Hands-on Support

- Municipal transformation
- Financial viability and management LED
- Public participation and good governance
- Service and infrastructure delivery
- Key cross-cutting areas, such as development planning and communication



Programme Area 3: Programme-Based and Short-Term Support

- All of the 5 Key Performance Areas of the Five Year Local Government Strategic Agenda
- Capacity building coordination in municipalities
- New policies and programmes that require training and capacity building
- Skills development through learnerships and skills programmes
- Targeted ABET



Programme Area 4: Strengthening the Environment for Municipalities to Deliver

- Inter-governmental relations
- Reform of financing system for municipalities
- Two tiers of local government
- Distribution of powers and functions
- Strengthening the ward committee framework
- Tackling corruption



Programme Area 5: Strengthening Capacity to Coordinate and Deliver Capacity for Municipalities

- Generic IGR awareness and skills training, with a focus on coordination of capacity building environment at a national, provincial and district level
- Programme and Project Management Skills
- Strengthening of alignment and engagement of all spheres of government in their support for municipalities.



Of note here is the manner in which the concepts now embedded in the NCBF, such as the use of the Strategic Priorities of the Five Year Local Government Strategic Agenda, the use of the programme areas, can now be drawn together to provide a holistic and integrated ideal for prioritising and planning.



chapter 13

INSTITUTIONAL ARRANGEMENTS FOR THE IMPLEMENTATION OF THE NATIONAL CAPACITY BUILDING FRAMEWORK

13.1 Objectives of Institutional Arrangements

The implementation of the NCBF requires strong coordination of a range of stakeholders, to ensure that all contribute to its effective development and implementation.

The effectiveness of the NCBF as a guide to the implementation of capacity building for municipalities is dependent on a properly structured and resourced approach to the coordination and regulation of the capacity building environment.

13.2 Principles underpinning Institutional Arrangements

Institutional arrangements should be developed with the following principles in mind:

- a. Ensuring clarity of roles and responsibilities of all partners and stakeholders
- b. Maximising the opportunity for all key stakeholders to contribute to the form and implementation of the overall capacity building plan
- c. Providing for the involvement of all stakeholders, depending on their functional areas of contribution
- d. Building on existing structures that can provide coherence in helping meet the NCBF's objectives, including the structures developed through the provisions of the IGRA
- e. Giving appropriate regard to the political and administrative arms of government in their respective mandate responsibilities to achieve the objectives
- f. Providing for inputs at national, provincial and local levels with mechanisms for communication between different spheres
- g. Ensuring the effective resources of the structure so that it can carry out the required functions to achieve the objectives
- h. Clarifying the relationship between management of the capacity building environment and capacity building delivery.

Capacity building as envisaged in the NCBF comprises a range of inputs and outputs, all of which must be allocated to specific responsible stakeholders during the institutional structuring to achieve full implementation of the NCBF. Some of the activities relate to management of the capacity building environment, while other are concerned with the provision of capacity building.



Table 8: Management of the Capacity Building Environment

13.3 Capacity Building Drivers, Partners and Stakeholders

The table below describes the main capacity building components for Coordination and Implementation and the key actors:

Management of the Capacity Building Environment		
FUNCTION	ACTIONS	DRIVER
Ensure that the environment is enabling, is properly managed, and can help municipalities to maximise their capacity to deliver their developmental responsibilities.	<p>Coordinating the processes of:</p> <ul style="list-style-type: none"> a. Defining the enabling conditions of the environment; b. Establishing of priority capacity building needs; c. Defining of the key strategies; d. Mobilising, focusing and strengthening of resources to tackle these needs through the strategies; e. Regulating the quality and use of capacity building resources; f. Monitoring and evaluation of capacity levels, and the impact of capacity building environment. 	<p>The dplg</p> <p>Provincial government: departments of LG and premier's offices</p> <p>District municipalities</p> <p>In partnership with SALGA, LGSETA, DBSA and other key stakeholders</p>

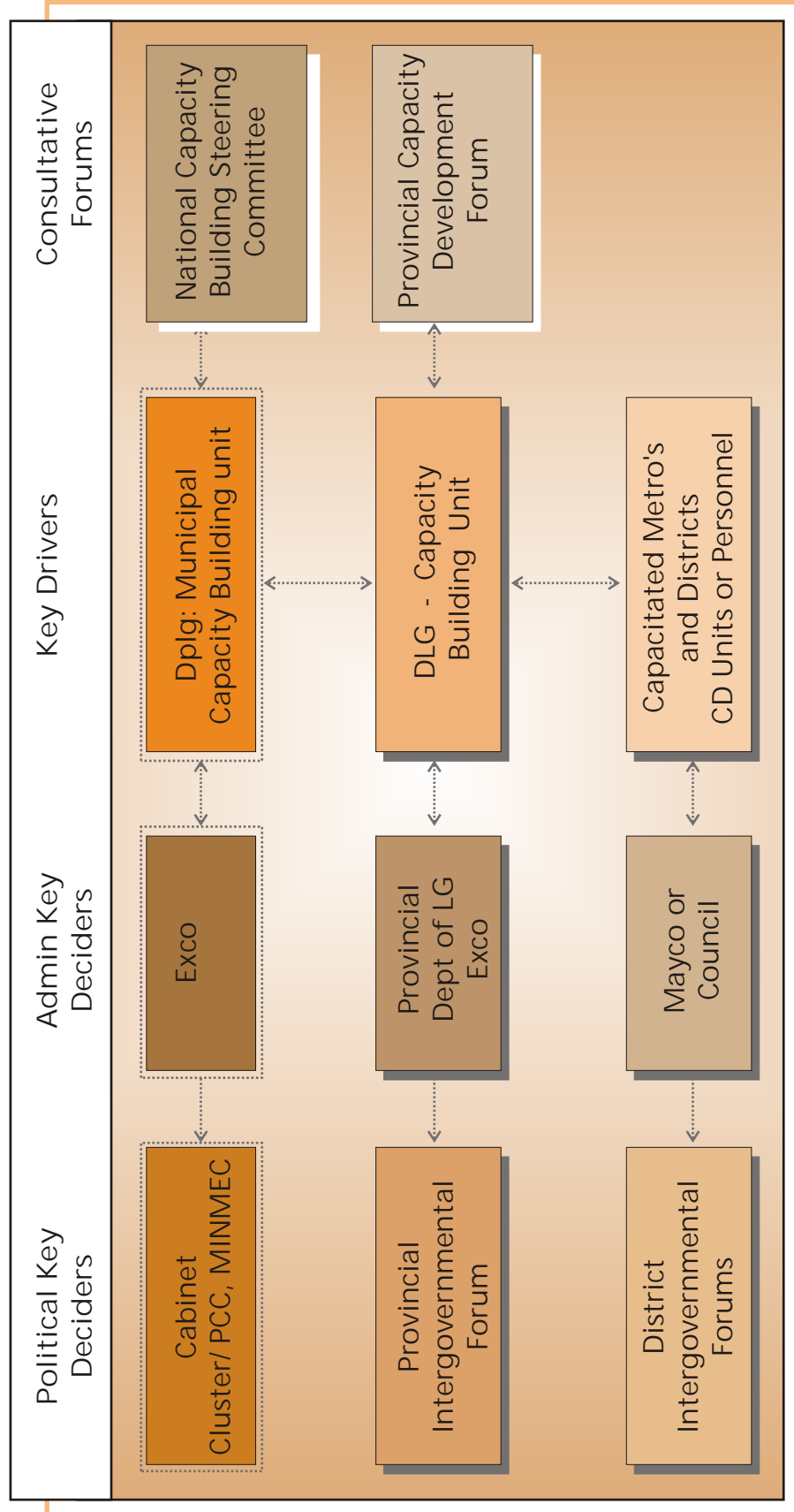


Provision of Capacity Building for Municipalities

FUNCTION	ACTIONS	DRIVER
<p>Managing the development, financing and implementation of specific interventions that are intended to strengthen the capacity of municipalities and the local government system to perform their developmental responsibilities.</p> <p>This should be done through targeting individual, institutional and environmental capacity.</p>	<ul style="list-style-type: none"> a. Identifying key capacity needs b. Identifying and engaging targets for capacity building c. Mobilising and directing resources d. Selecting and preparing appropriate modes/tools for intervention e. Selecting the human resources for intervention f. Managing the implementation of the intervention g. Monitoring and evaluating the rollout, outputs and impacts of the intervention 	<p>Government: The dplg National Sector departments Provincial departments of LG District municipalities</p> <p>Non governmental: SALGA Donors Capacity building institutes DBSA, Siyenza Manje Professional Bodies Associations NGOs Private companies</p>

13.4 Proposed Institutional Structuring for the NCBF

Figure 7: Diagrammatic Representation of Institutional Arrangements for the NCBF



13.5 Managing the Capacity Building Environment

To ensure that the capacity building environment is appropriately managed, key drivers and functions have been identified. These are elaborated below:

13.5.1 Key Functions of the Primary Driver at a National Level (dplg)

The Primary National Driver needs the appropriate resources to function, and should be structured in a way that allows it to carry out the following key functions:

- a. Overall management of framework, strategy and rollout
- b. Coordinating the preparation and management of capacity assessments in municipalities
- c. Ensure quality standardisation and accreditation of training modules through LOGOLA, and in partnership with the LGSETA, SAMDI and SALGA
- d. Mobilising and assisting with targeting of capacity building resources towards fulfilment of the strategy
- e. Monitoring and evaluating the rollout of the capacity building initiatives and their impact
- f. Coordinating of knowledge sharing on capacity building
- g. Tracking the progress in capacity improvements in municipalities.

Carrying out these functions requires strong partnership arrangements with identified national and provincial government units.

It is possible to organise the work on the basis of projects built around functional areas. Since this is mirrored at a provincial level, a similar organising format at that level could be used for provincial drivers. The key functional areas are:

- Defining and prioritising capacity building needs of municipalities across the country
- Identifying and mobilising capacity building resources within and outside government and gaps in resource provision
- Targeting of resources to prioritised capacity building needs
- Monitoring and evaluating the use of resources and the impact on skills development in municipalities
- Tracking the capacity building progress of municipalities.

13.5.2 Other Important Drivers National Sector Departments

National departments have a critical part to play in coordinating and supporting municipal capacity building in their specific functional areas. This is particularly important for the following national departments with linked State Owned Entities:



Table 9: Sector Departments and Stakeholders

NATIONAL DEPARTEMENT	KPAs	LINKED STATE OWNED ENTITIES
Department of Water Affairs	Water and Sanitation	Water Boards
Department of Minerals and Energy	Energy and Mining	Eskom
National Treasury	MFMA: financial management and budgeting	Financial Services Board
Department of Transport	Transport	Transnet Road Transport Management Authority
Department of Environment and Tourism	Waste Management, Environment, Tourism	
Department of Labour	AsgiSA, JIPSA, Skills Plans	Skills Education and Training Authorities
Department of Trade And Industry	LED, SMME development, Regional Industrial Development Strategy (RIDS)	SEDA
Department of Land Affairs	Land Reform and Land Redistribution, Spatial Planning	Land Bank
Department of Sports and Recreation	Sport Infrastructure and Facilities	

Within the framework of the Five Year Local Government Strategic Agenda, each national sector department should have its own Five Year Local Government Support Plan or Master Sector Plan, that should:

- a. Assess the capacity needs relevant to their own functions regarding local government
- b. Define the capacity support required, including “hands-on” support
- c. Identify and structure the resources required to provide this resource either within their own departments or in co-operation with other stakeholders
- d. Coordinate the roll out of the programmes of support within their sector in consultation with the dplg and provincial Department of Local Government

- e. Indicate ways of monitoring and evaluating progress with the building of capacity and the improvement of their approach.

National sector departments need to operationalise these plans in capacity building delivery aligned with the work of key drivers and within strategic forums.

13.5.3 Other Important Drivers Provincial Sphere

The national management coordination work requires a high level of similar support from provincial government. This support should involve:

- a. The development of a provincial capacity building strategy to support municipalities in line with the framework
- b. The coordination of the capacity assessment of municipalities
- c. The coordination of the provincial capacity building plan for municipalities
- d. Monitoring and evaluating the rollout and the impact of capacity building initiatives
- e. The tracking of changes in municipal capacity in line with the proposed assessment tool and the typology.

This involves both strategic and general management functions in provinces. These functions should rest within appropriate capacity building units in each provincial department responsible for local government. The development of such units should occur within a framework developed by national government in cooperation with provincial government.

To assist with this, there are lessons from the work already done in some provinces, e.g. Kwazulu Natal and Western Cape.

It is recognised that there may not be sufficient capacity in some provinces to conduct such strategic and general management of capacity building support. In such provinces, other interim mechanisms might be needed to ensure base levels of capacity environment coordination.

13.5.4 Managing the Capacity Building Environment Municipal Level

The coordination of the capacity building environment function at national and provincial sphere should provide a strong framework for the coordination of capacity building at municipal level. Ideally all municipalities should be responsible for the management of their own capacity building environment. However, for some local municipalities it could be more efficient for this to be managed jointly with the District.

It therefore makes sense to concentrate such functions where:

- High levels of capacity already exist within sustainable larger municipalities and metropolitan municipalities through appointed officials linked to strategic management sections or proactive human relations sections; or
- There are well-capacitated district municipalities through specialist units, shared resource centres or capacitated human resource units.



capacity levels

start *actions*

connection

mobilise

deadlines

deadlines

deadlines

chapter 14

MONITORING, EVALUATION AND LOGICAL MODELS WITHIN THE NCBF

14.1 Introduction

Performance Monitoring and Evaluation (PME) and Monitoring and Evaluation (M&E) should be appreciated as an important management and monitoring tool for service delivery, especially in the context of local government capacity building.

Our approach to PME must recognise that the first priority of municipalities is for them to deliver a tangible service or output. In line with the logic models, municipalities should, after the services and outputs are delivered, shift their emphasis to outcomes and impact, thus from efficiency measurement to effectiveness measurement. They should continuously ask:

- Are we doing the things right? = efficiency = audit and monitoring
- Are we doing the right things? = effectiveness = alternatives & evaluation

After an output or service is delivered, municipalities should ask “SO WHAT?” They need to know whether communities accepted the outputs and services. Communities also need to utilise it, otherwise there can be no long term impact.

Building capacity for M&E and for Performance Management Systems (PMS) of local government is crucial to fulfil their constitutional mandate of basic service delivery and socio-economic development in creating prosperous and sustainable communities. Both the Five Year LG Strategic Agenda (5YLGSA) and the revised National Capacity Building Framework (NCBF), with their five Key Performance Areas (KPA) and the five Programme Areas need to be monitored and evaluated in order to keep the activities, outputs, outcome and envisaged impact on track.

In a logic model, the NCBF programme areas are nothing more than activities (processes) and outputs (deliverables). To proceed to outcomes, these processes and outputs need to be accepted and utilized by municipalities and all stakeholders. It is wrong to assume that Outputs will not automatically become Impacts. Finally IMPACT will be measured taking into account the improvement of the constitutional mandate of municipalities namely:

- Service Delivery and
- Local Economic Development (LED).

During the NCBF implementation, it is crucial that monitoring is institutionalised as continuous assessment of activities especially done during the Activity and Output phases. Monitoring will provide the basis for corrective actions, mainly during the processes and activities. Evaluation should be viewed as an assessment of an ongoing or completed project against stated project objectives, the project goal, and the performance indicators.



Presently evaluation is observed by its emphasis on reality testing and generating knowledge about effectiveness. Participatory Monitoring and Evaluation recognises the concept of participation in governance and service delivery with communities and not for communities and it fosters an environment of partnership and collaborative learning. Consideration should be given to adopting a participatory PME approach in municipalities, through “round tables” involving all stakeholders..

14.2. M&E concepts and toolbox of logical models for Application in NCBF Implementation

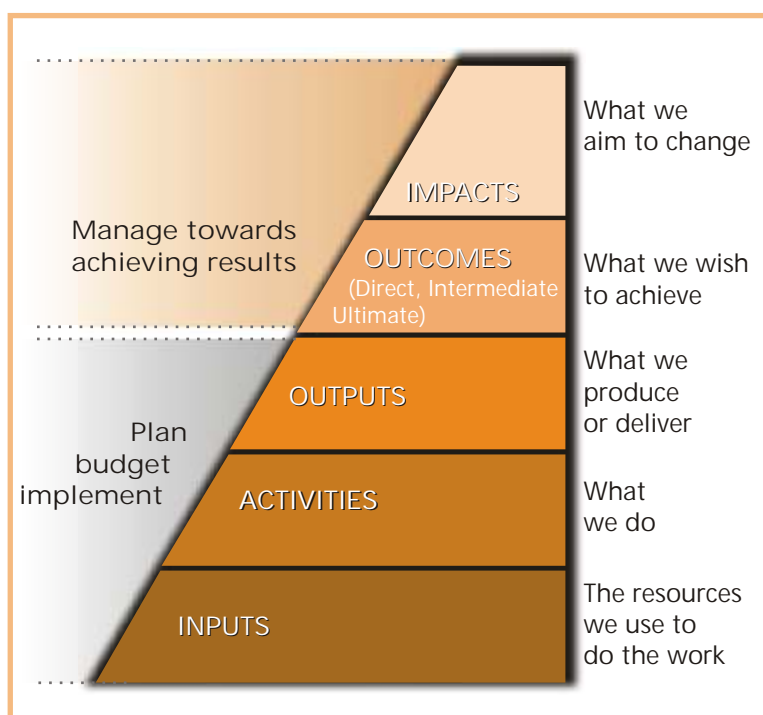
It is important for all stakeholders to understand the use, benefits and technical language of M&E tools, logic models and outcome constructs because the current complex technical language can create a barrier to the implementation of M&E.

The concept of 'Outcomes' is the single most important aspect in M&E. There is an important logical difference between outputs and outcomes. The shift of thinking to 'outcomes' often proves difficult in municipalities with a long history of focusing on services, performance, activities and outputs.

A logic model or theory of action, underlying M&E, depicts, usually in graphic form, the connections between program inputs, activities and processes (implementation), outputs, immediate outcomes, and long-term impacts. (See pyramid):

Local government should use the logic models flexibly. Rigidity in project administration may arise when objectives and external factors specified at the outset are over-emphasised.

The Logframe is one of the most flexible evaluation tools. The logical framework described and integrates the outcomes construct with outputs and impact through its vertical logic. It also adds value to the activity, output, outcome and impact constructs by presenting it in a useable framework integrated with qualitative and quantitative aspects through its horizontal logic.



14.3. DPLG building results based M&E systems

There is great value in adopting the Ten Steps in building results-based M&E systems (Kusek and Rist, 2004). It is a good measurement for efficiency and effectiveness:

1. Conducting a "Readiness assessment"
2. Agreeing on Outcomes to Monitor and Evaluate
3. Selecting Key Indicators to Monitor Outcomes
4. Baseline Data on Indicators
5. Planning for Improvement
6. Monitoring for Results
7. The Role of Evaluations
8. Reporting Your Findings
9. Using Your Findings
10. Sustaining the M&E System in Organizations



These steps were covered by a policy and legislative framework including:

1. The Constitution of the RSA 1996;
2. The White paper on LGs, 1998;
3. Municipal Demarcation Act, 1998;
4. Municipal Systems Act, 2000;
5. Municipal Finance Management Act, 2003;
6. Municipal Property Rates Act, 2004;
7. Cross Boundary Laws and Related Matters Act, 2005; and the
8. Intergovernmental Relations Framework Act, 2005.



The dplg released a draft "Readiness Assessment Report" in October 2006 that assessed the necessary structured environment within which M&E could effectively and efficiently be undertaken. This report came to the conclusion that Provincial Governments do not all have their Policy and Procedures, Organisational structures, Institutional Capacity, Appointed Resources, M&E and Reporting Systems, IT Systems and Relationships in place. Provinces must therefore be supported to increase the level of cooperation, coordination and integration that is required to ensure that the various business processes relating to monitoring, evaluation and reporting are streamlined and aligned with the broader government-wide approach.

The South African Management and Development Institute (SAMDI) developed a Curriculum Framework as well as a three day Orientation Course Manual for M&E in 2007. This imperative to focus on M&E training was highlighted by the President in 2007, with the call to "strengthen monitoring and evaluation capacity across all spheres of government". The SAMDI report on



Monitoring and Evaluation: Report on National Focus Groups found that there is a lack of understanding of government functions among people doing training for M&E. In order to solve the problem an M&E internship programme for government employees in M&E was suggested, since this may be the best way of learning to apply knowledge acquired in training to the actual situation. Project managers will require short training focused mainly on monitoring; Programme managers will require training in how to use M&E data; Senior managers will require M&E training as policy implementers and data users. Specialist training will be required for M&E practitioners.

It will be important for policy makers and implementers in national, provincial and local government in the area of local government capacity building to significantly improve their M&E skills and capabilities in the implementation of the revised NCBF.

14.4. An M&E strategy for the NCBF capacity building co-ordination

NCBF provides a framework for co-ordinating the capacity-building efforts of different departments and agencies, so that all efforts to support and build the capacity of LG are appropriately targeted and focused on realising the same development agenda. The NCBF Implementation Plan must have practical arrangements for the implementation and rollout of a large-scale, coordinated capacity building programme, aimed at realising the KPAs put forward by the Five Year Local Government Strategic Agenda.

This co-ordination task will be a huge one. There are many independent role players who long ago spotted the opportunities and took up certain niches and gaps in capacitating various municipalities through training, advice and consultancies. Some institutions might not used to a culture of co-ordination and integration; this is a central challenge for the implementation of the revised NCBF.

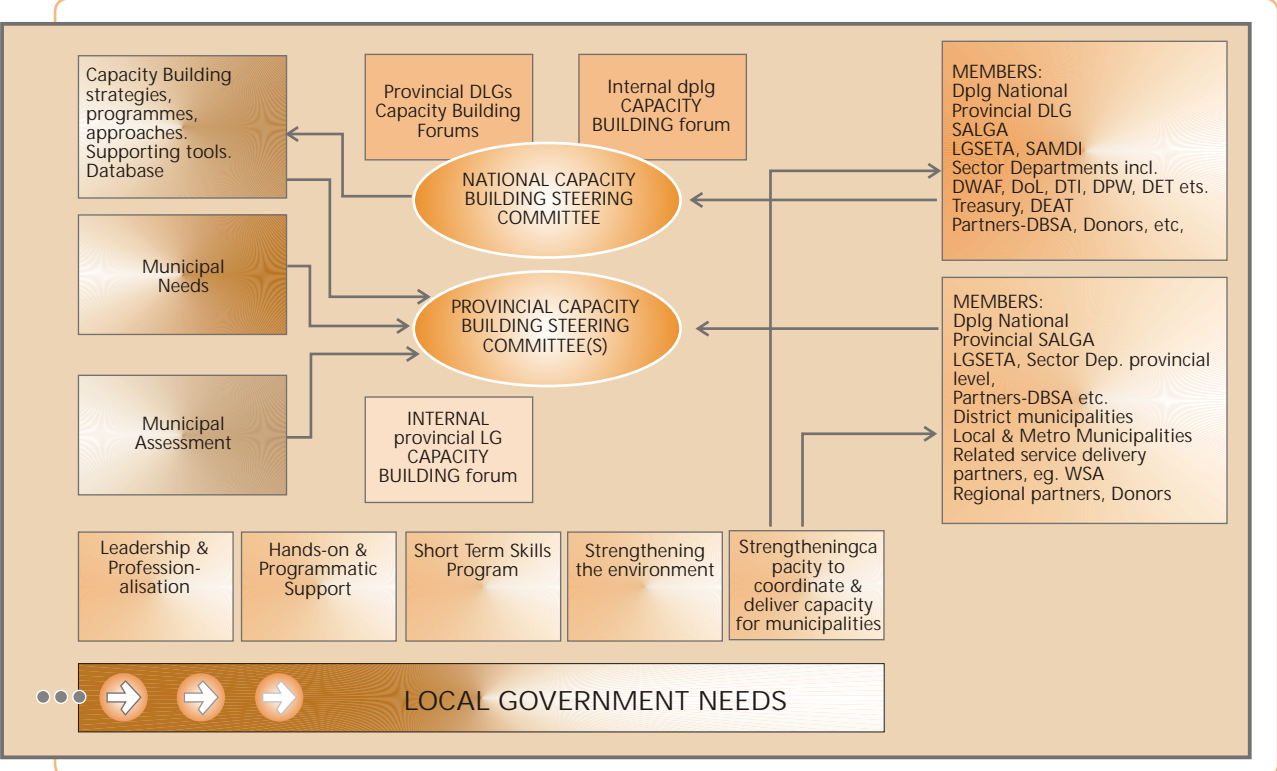
An even more challenging task is to monitor and evaluate this “co-ordination”. The M&E and management theory refer to “herding cats”, which is impossible. If the co-ordination framework above is taken as the OUTPUT of this endeavour, then the OUTCOME indicators could be:

- the number (&%) of capacity builders who accepted the NCBF and
- the number (&%) of capacity builders who utilised and adhered to the NCBF.

The co-ordination should start with government and the core partners of the 5YLGSA, within the framework of the dplg's co-ordinating mandate.



Proposed Institutional arrangements and linkages - to manage the environment, coordinate, implement



14.5. Translating the NCBF programme areas into a M&E strategy

The Programme areas within the NCBF are linked to the three strategic priorities of the Five Year Local Government Strategic Agenda, and to the five Key Performance Areas for local government.

The NCBF Programme Areas are all interlinked. It is proposed that the following indicators and measurements be used to monitor the implementation of the revised NCBF. These these need to be updated and revised regularly:

Programme Area 1: Strengthening Leadership and Professionalisation of LG

- Activity: ■ To provide:
- structured and accredited local government leadership development programmes;
 - skills development;
 - accredited training programmes; and the
 - development of policy and performance regulations for senior managers in municipalities.

- Output: ■ To deliver within five years:
- number of structured & accredited local government leadership development programmes;
 - skills development to a number of officials and councillors;
 - number of accredited training programmes; and
 - a regular consolidated report proposing the development and refinement of policy and performance regulations for senior managers and councillors in municipalities.
- Outcome: ■ The number of leadership programmes, number of trained officials, number of accredited training programmes, accepted, employed and utilised by a percentage of the municipalities for what they have been designed for and a consolidated Capacity Building that report will be in line with the 5 Key Performance Areas (KPA's).
- Impact: ■ The above 4 outputs are making a difference in the performance of the 5 KPAs and finally in the level of the overall Service Delivery and governance in the municipalities where they operate.

Programme Area 2: Hands-On Support

- Activity: ■ To provide:
- direct hands-on support in targeted municipalities;
 - sourcing and deploying experts,
 - skilled engineers and project managers and other designated expertise to targeted municipalities;
 - mentoring programmes.
- Output: ■ To deliver within five years: percentage of municipalities directly supported through the;
- sourcing and deploying a number of experts,
 - number of skilled engineers, project managers and other designated expertise to targeted municipalities;
 - number of mentoring programmes completed.
- Outcome: ■ The support to a percentage of municipalities, number of experts deployed, number of engineers, project managers and other designated expertise and number of mentoring programmes are in line with the 5 Key Performance Areas (KPA's), accepted, employed and utilised by the envisaged percentage of municipalities.

Impact: ■ The outputs and outcomes trickled down to make a difference in the performance of the 5 KPAs, and the overall Service Delivery and governance in the municipalities where they operate.

Programme Area 3: Programme Base and Short Terms Skills

Activity: ■ To provide:

- once-off training and capacity building initiatives and events;
- strengthening existing skills; and
- introduction of new delivery programmes, policies, procedures.

Output: ■ To deliver within five years:

- number of once-off training and capacity building initiatives and number of events
- strengthening existing skills with 50 in-service programmes, especially those of government and SALGA; and
- introduction of a number new delivery programmes, number of policies and number of procedures.

Outcome: ■ The short term training to the percentage of municipalities is in line with the 5 Key Performance Areas (KPAs), accepted, employed and utilised by the envisaged a percentage of municipalities.

Impact: ■ The Programme Base and Short Terms Skills programme contributed positively to the overall Service Delivery and governance in the municipalities where they operate.

Programme Area 4: Strengthening Environment

This programme talks more to the Co-operation role of the NCBF

Activity: ■ To provide:

- for the refinement of national, provincial and municipal policy and procedures affecting local government capacity building;
- enhancing accountability and public participation in local government capacity building;
- for tools and instruments to improve the political and administrative interface in managing local government capacity building; and
- strengthening the intergovernmental system to monitor local government capacity building.



- Output: ■ To deliver within five years:
- number of refined policies and procedures affecting local government capacity building;
 - improved accountability and reporting in national, provincial and local government regarding local government capacity building;
 - increased public participation as a percentage in local government capacity building initiatives;
 - a number of tools and instrument developed and implemented to improve the political and administrative interface regarding capacity building; and
 - regular reports on targeted intergovernmental structures indicating their monitoring mechanisms regarding local government capacity building.
- Outcome: ■ The whole environment is conducive for development and is in line with the 5 Key Performance Areas (KPAs). The outputs of this programme area is accepted, and utilised by key intergovernmental structures and a percentage of the role-players.
- Impact: ■ The fact that a percentage of all inter-governmental partners and role-players outside of government work together and contribute positively to the overall Service Delivery and governance in the municipalities where they operate.

Programme Area 5: Strengthen Capacity to Coordinate

This programme also talks more to the Co-operation role of the NCBF and will have the same outcomes and impact as Programme Area 4

- Activity: ■ To build:
- the capacity of the targeted individuals responsible for municipal capacity in national, provincial and local government;
 - the capability of institutions responsible for the coordination of the municipal capacity building, e.g. the dplg, SAMDI, LGSETA, SALGA; and
 - monitoring and reporting on the implementation thereof.
- Output: ■ To deliver within five years:
- the capacity built of a number of targeted individuals responsible for municipal capacity building in national, provincial and local government;
 - the capacity built of a number of institutions responsible for the coordination of the municipal capacity building; and
 - a number of monitoring reports per year on the implementation thereof.

Outcome: ■ The capacity of key institutions and organisations to coordinate the NCBF is in line with the 5 Key Performance Areas (KPAs). The outputs of this programme area is accepted, and utilised by a high percentage of the role-players.

Impact: ■ The fact that a percentage of all role players work together contributed positively to improve the overall Service Delivery and governance in municipalities..

14.6 Conclusions and Recommendations

The NCBF will give special attendance to co-ordination to ensure the buy-in and utilisation of the outputs of the five programme areas in support of the Five Year Local Government Strategic Agenda. The past decade in local government was dedicated to putting legislation, policies, frameworks, research, curricula and courses in place. Since 2004, there has been a renewed focus on capacity building and providing hands-on support on particular.

The next decade must build on the capacity building lessons within local government since 1994. It should focus on the individual, institutional and environmental capacity elements. The National Capacity Building Framework (NCBF) will also support PME of municipalities and all stakeholders across the national and provincial levels.



chapter 15

CONCLUDING COMMENTS

The Constitution charges municipalities with important developmental responsibilities:

- Meeting the basic service needs of people, especially the poor and marginalised
- Facilitating opportunities for economic development in their areas, and contributing to economic growth in the local area, region and national economy.

Government is strongly committed to capacitating local government to fulfil this developmental mandate.

A government-wide strategic agenda for strengthening local government, known as the Five Year Local Government Strategic Agenda (2006-2011), has been developed, with three strategic priorities:

- Mainstreaming hands-on support to local government to improve municipal governance, performance and accountability
- Addressing the structure and governance arrangements of the State in order to better strengthen, support and monitor local government
- Refining and strengthening the policy, regulatory and fiscal environment for local government and giving greater attention to the enforcement measures.

In support of this strategic agenda, the NCBF provides a framework for coordinating the capacity-building efforts of different departments and agencies, so that all efforts to support and build the capacity of local government are appropriately targeted and focused on realising the same development agenda.

The National Capacity Building Framework contains practical proposals and arrangements for the implementation and rollout of a coordinated capacity building programme, aimed at realising the impact put forward by the Five Year Local Government Strategic Agenda (2006-2011).



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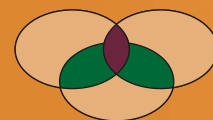
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