



## **Response to dplg Policy Process on provincial and local government**

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# 1 Introduction

## 1.1 Khanya-aicdd

Khanya-aicdd is a not-for-profit Institute focusing on community-driven development and sustainable livelihoods. We have 3 key elements to this:

- Empowering communities
- Strengthening local government
- Promoting sustainable livelihoods

A key element of our work is realigning the governance structures to support such approaches.

We have worked in 15 African countries although our major focus is on South Africa, Lesotho, Uganda, Kenya, Zimbabwe and Mozambique.

In terms of work with dplg, our key involvement has been:

- Work on Schedules 4 and 5 of the Constitution, project managed by HSRC
- Work on community-based planning, where dplg participated in a 4 country project managed by Khanya, and then dplg, SALGA and other partners commissioned a next level pilot in SA with 8 municipalities, which Khanya managed
- Collaborative work on LED, eg based on a national survey of Pro-Poor LED which Khanya managed with Rhodes University, the dissemination project arising including a national conference, and recently co-organising a national workshop on Funding Communities

## 1.2 Our approach to decentralisation

Our approach is underlain by the subsidiarity principle – that decisions, services should be undertaken at the lowest possible level. Other principles are those of the Sustainable Livelihoods Approach (see Box 1):

### Box 1 Revised version of SL principles<sup>1</sup>

- **People-centred:** sustainable poverty elimination requires respect for human freedom and choice as well as an understanding of the differences between groups of people and recognition of the dynamic nature of livelihoods;
- **Empowering:** support should result in increased voice, opportunities and well-being for the poor.
- **Responsive and participatory:** poor people must be key actors in identifying and addressing livelihood priorities. Outsiders need processes that enable them to listen and respond to the poor.

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<sup>1</sup> Developed by Diana Carney in a review of progress with the SLA for the DFID's Sustainable Livelihoods Support Office. Two of the original SL principles, holistic and strengths-based, are also retained.

- **Holistic:** we need to understand people's livelihoods and how these can be enhanced in a holistic way, which recognises the interrelationships between the different aspects of their lives, although actions arising from that understanding may be focused;
- **Sustainable:** there are four key dimensions to sustainability – economic, institutional, social and environmental sustainability. All are important – a balance must be found between them.
- **Strengths-based:** it is important to recognise and understand poor people's strengths, and not just their problems. This is respectful and provides a platform on which livelihood strategies can be developed;
- **Multi-level (or micro-meso - macro links):** poverty elimination is an enormous challenge that will only be overcome by working at multiple levels. Micro-level activity should inform the development of policy and an effective governance environment. Macro- and meso-level structures and processes should guide policy implementation and support people to build upon their own strengths;
- **Conducted in partnership:** partnerships can be formed with poor people and their organisations, as well as with the public and private sector. Partnerships should be transparent agreements based upon shared goals, entered through dialogue;
- **Disaggregated:** it is vital to understand how the livelihoods of various disadvantaged groups differ – in terms of strengths, vulnerabilities and voice – and what effect this has. Stakeholder and gender analysis are key tools;
- **Long-term and flexible:** poverty reduction requires long-term commitments and a flexible approach to providing support.

In the work undertaken with the HSRC we suggested that if we are to see approaches to decentralization which are empowering we should see the 6 issues in Box 2<sup>2</sup>.

### Box 2 Approaches to decentralised development<sup>3</sup>

#### Empowered communities, through (micro level)

- citizens active and involved in managing their own development, claiming their rights and exercising their responsibilities;
- an active, accessible and responsive network of local service providers, whether community-based, public or private;

#### Empowered local government and service delivery at local gov level, through (meso level)

- services managed at the lowest level of effective management, usually local government level, and that they are effective, accessible, coordinated and responsive (whether public or private);
- the levels above (district municipalities and provincial government) are supportive and supervising the local governments, and providing strategic planning for cross-municipal areas (eg for tourism planning);

#### Realigned centre to support decentralised development, through (macro level)

- increased strategic, redistribution and monitoring capacity at the centre (provincial and national government), so that it can provide strategic direction, redistribution and oversight.

In addition in point 2.5 of that report it suggested that "A number of criteria can be used to assess the suitability of decentralisation of a particular function. Those used in this study are where:

1. Intersectoral co-ordination is important;

<sup>2</sup> "Beyond Schedules 4 and 5 – reviewing powers and functions", submitted 13 November 2004

<sup>3</sup> Used in the Phase 1 Report, developed by Khanya in work in South Africa, Zimbabwe and Zambia looking at "Institutional Support for Sustainable Livelihoods in Southern Africa", in Natural Resource Perspectives 50, Overseas Development Institute (2000)

2. Community participation, empowerment and accountability is an essential part of the function;
3. Local policy-making and normative decisions are appropriate, due to the importance of local context, preferences and circumstances;
4. Economies of scale at a supra-municipal level are not significant.”

The same logic can also be used to decide the type of services can be provided at community level, with the additional elements:

- If the service is needed frequently (eg weekly)
- And the service is technically simple
- And needs local knowledge eg of the people concerned
- And economies of scale are low

Then the service should ideally be provided at community level, eg through a form of community-based mechanism such as home-based carers.

## 2 Local government

**A Municipalities are required by law to find ways and means to involve communities in their affairs. There is a need to improve the quality of local democracy, the degree of municipal responsiveness and accountability.**

### 1 How can municipalities involve local communities in municipal affairs?

There are a number of ways that municipalities can involve communities:

- In **planning** for the IDP as well as for specific services. A methodology has been proven already of community-based planning for participatory ward planning, which has been adopted as national policy – although some of the lessons from the piloting are being ignored in the upscaling process. The final report of the pilot can be seen at [www.khanya-aicdd.org](http://www.khanya-aicdd.org).
- In **service delivery** – many municipal services can involve communities in delivery, so increasing impact as well as potentially having major multiplier impacts on livelihoods. This model of service delivery is well established (eg home-based carers, community health workers) and has been further explored in a 4 Country Project on Community-Based Worker models. The final report of that is available and Dept of Social Development has participated in the project (contact Sadi Luka, Chief Director, Community Development). As well as considerably expanding service delivery at a cost estimated to be one third of conventional government-based models, the use of stipends can provide considerable impetus to local economies as well as helping household survival. Some examples of services where communities can be involved in delivery include<sup>4</sup>:
  - Voluntary fire of police
  - Community-based waste management ( a successful project has been run in Cape Town)
  - Community-based water and sanitation delivery (Mvula Trust has significant expertise in this area)
  - In delivery of support for people infected/affected by HIV/AIDS
  - In use of volunteers for delivery of adult literacy
  - In food security through community members trained to support other community members (farmer extensionists or community based social safety nets)
- In **project implementation** – other countries have well-established programmes for **funding communities**, eg to implement social infrastructure and evaluations internationally have pointed to the cost-effectiveness of such models, and that funds are often accounted for more effectively than by local government as there is more likely to be transparency at local level. Dplg participated in a recent national workshop organized by Khanya-aicdd where these models of funding communities were explored (contact Alistair Fray, LED). See Khanya-aicdd, 2007b. This type of model was successfully tested in Mangaung in 2002, where 98% of spending was used appropriately (from external evaluation by University of Free State). Khanya made a submission to Parliament in relation to the Local Government Amendment Bill in this regard, and apparently the principle has been accepted. Box 3 shows examples from countries such as Brazil;

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<sup>4</sup> See Khanya

- In **accountability** processes – this could be as part of annual reviews of municipal performance. For example this could be included in the annual CBP reviews as ward level, where the Venn Diagram used for assessing service delivery can be adapted for annual reviews. Khanya has also undertaken a review of municipal performance funded by the World Bank where scorecards were used.

### Box 3 Examples of community investment funds

- **Mexico** – 1990-2000 >0.5m projects, social infrastructure including rehabilitating classrooms, potable water, rural roads etc. Poverty targeting was much better. This was despite entrenched corruption;
- **Brazil** - \$1.43bn spent on 37592 communities benefiting 2.5 million households. Resources reaching communities risen from 45-90% of budget, project quality high;
- **Indonesia** – 28 000 communities reached benefiting 25 million people;
- **Zambia Social Investment Fund** – R280 million spent over 5 years, reached 555 communities, 2.5m people;
- **SA** - limited experience to draw from community-based planning (CBP) which reached >2m people, although generally the environment has not been top-down using the service delivery approach and not very favourable to CDD, despite a policy intent to promote participatory approaches.

## 2 How can the ways in which communities participate in the process of development (eg ward committees) be made more effective?

Other countries have several levels of participation below a ward level, eg in Uganda there is a parish and village, with the parish akin to the ward, but with a more formalized structure. Larger wards can have up to 15 000 people, and in some cases are up to 50km across, hardly a good vehicle for effective participation.

The roles of wards and ward committees are unclear and in general they do not have a significant role to play and so are often non-existent, or very weak. However potentially they have a very important role to play if the types of roles suggested in question 1 are made effective:

- Facilitating a ward plan (CBP)
- Supporting implementation of the ward plan, including of funds provided to wards, undertaking specific projects and activities
- Coordination of community-based services being provided at ward level
- Instituting forward and backward feedback mechanisms, for example, giving feedback to municipalities on issues and progress in the ward, including own activities and perceptions on other projects and giving feedback to the public on activities of the ward and of the municipality

For this to happen will required training of WC members, eg in CBP, in basic project skills. Key is the decision of municipalities to undertaken CBP and to provide funds at ward level to implement the ward plans (as per submission to Parliament mentioned above).

## 3 How can councils ensure that mayoral committees are held accountable?

## 4 What is the best way of holding councillors accountable to local communities?

This needs to be considered in a broader way. It is essential that there is an effective ward committee for councillors to be held accountable. The councilor must be accountable to the

ward committee, and both to the general public. This requires the ward committee being effective, and then formal processes of feedback to the public on activities of the ward, as well as the councillor. Regular eg 3 monthly feedback meetings should be held as open public meetings.

For example in Uganda for example, key projects and budgets are shown publicly on flip charts in local offices at public places for the public to see. In this way the public knows what the ward is supposed to be doing, or the municipality doing in the ward.

In addition in Uganda the allocations to each lower level local government are published in the newspaper.

### **5 How can the political and administrative components of municipalities work effectively to deliver services over long periods of time irrespective of political transitions?**

This is a major problem with a big problem of the “not invented here” syndrome. The incoming councils last year have in many cases discarded previous IDPs for example, even if the issue is around implementation rather than the plan. The same is true at provincial level.

There needs to be a presumption proposed that you do not change unless something is broken.

### **6 Is an association of organised local government an effective vehicle for intergovernmental representivity?**

### **7 What role should organised local government play in improving the performance and accountability of municipalities?**

### **8 How can we improve the fight against corruption at the local government sphere?**

**B Local government is categorised into metro, district and local municipalities. There are functional and structural challenges that need to be reviewed.**

### **9 What are the advantages and disadvantages of a twotier system (district and local municipalities) of local government?**

As per box 2, there is a need for a level of service management, which ideally should be at local municipality (lower meso) level. There is then a need for a level for support, supervision and strategic planning, which is at a higher (upper meso) level, either at district or provincial level. The argument for both a district and province is weak, as the span from one level to the next is too small (eg 5 locals per district, 5 districts per province), meaning inadequate role differentiation. Ideally this should be nearer 8-10 to have a real role differentiation. This is a major flaw in the SA system. There is a danger in many decentralization processes that this level is not handled adequately either:

- Confusion because 2 upper levels inadequately differentiated (SA)
- Upper level so reduced in role that it cannot play an effective support and supervision role (Ghana)

Uganda has 2 levels of local government, with the upper much stronger and strategic, but has no equivalent of a province or region.

### **10 What role should district municipalities play and how should they be structured?**

Either the districts should be abolished or provinces.

### **11 What role should local municipalities play and how should they be structured?**

Local municipalities are the lowest level of formal local government. They need to be the level of service management, for all services needed frequently and that have no significant economies of scale (see comments in section 1.2). They are the only level where the downflow of policy can meet the upflow of people's aspirations and voice. Higher than the local municipality they are too far from the people. Therefore within a decentralisation logic this level is critical and should be the level for:

- Integrated planning (but in a more meaningful way than at present where provincial departments' participation in the IDP is minimal)
- Delivery of basic services including primary schools, primary health care, agricultural extension, as happens in Uganda. These are all services of low complexity and low economies of scale and should be decentralised WITH admin support, vehicles etc. This means administrative capacity would accompany them.
- Facilitation of participation – promoting the active involvement of communities as per the discussion above about ward committees

### **12 How should the role of municipalities be defined to ensure local development?**

The key challenge is that many developmental services are still managed by provinces – and that the majority of decentralization in SA has been to provinces not local governments. So many services are managed at the level of a province, and in the case of KZN or Gauteng this is equivalent to Zimbabwe or Zambia. So many services are being managed at national level equivalent, not local. This must be rethought with services handed down from provinces so they play a support and supervision role, plus some strategic planning where issues are of a regional nature.

### **13 What special role should cities and big towns play in the local government system?**

## **C Municipalities need to strengthen partnerships with key private, public and community stakeholders.**

### **14 How can communities, NGOs and CBOs become more involved in improving municipal service delivery?**

See comments on question 1 and 2. There are huge opportunities for widening services, improving their quality, decreasing their cost, and having much greater impacts on livelihoods if community-based approaches are used. Many forms of community-based services are provided through NGOs. Examples include Hospices, and CHOICE Trust based in Tzaneen. These are high capacity NGOs, supporting high quality community-based services.

If such approaches are to be upscaled then it will become essential that these high capacity NGOs take on the role of mentoring smaller CBOs, as is already happening with CHOICE Trust (contact Fiona MacDonald [Choicetz@mweb.co.za](mailto:Choicetz@mweb.co.za) ).

Khanya is exploring these upscaling models in Lesotho where for example the decision has been taken to roll out a community-based model of community animal health workers (to be called community livestock workers) across the whole country.

### **15 How can public-private and public-public partnerships assist in meeting the challenges of service delivery?**

There are key examples of public-private partnerships.

- The community animal health worker system requires a collaboration between veterinary departments, input suppliers, communities, and possibly NGOs. The system effectively becomes a private sector community-based system
- Other potential examples include in the delivery of services around LED, such as SMME support, where the support should be both a public-private (involving chambers of commerce) and public-public – with collaborations of local, district and province. An effective way of formalizing this is through an economic development agency whose shareholders come from all these organizations. Khanya is working with Motheo District to establish such an agency. This is one way of overcoming the competitive ego culture which exists at the moment, where the local competes with the district, and the district with the province, largely based on egos not on effective service delivery.

It is important to have mechanisms to encourage such collaborations. An EDA is one example. Bolivia for example (and France) have specific structures to encourage cross-municipal agencies, eg for transport, water, economic development. In Bolivia's case this is called a Mancomunidad and government provides preferential grant rates to a collaborative entity than to one from a single municipality. (For details go to Khanya, 2002).

#### **16 How and in what circumstances can municipalities tap into alternative technology and innovations to enhance service delivery?**

The community-based service delivery model represents one example. It is essential that others are found, eg non-water based sanitation (such as using composting toilets), more effective and sustainable housing models.

**D Municipalities are responsible for the delivery of basic services such as water, sanitation, electricity and waste removal. The challenge is to meet national service targets and the expectations of communities.**

#### **17 How effective has your municipality been in extending basic services and what areas are in need of improvement?**

#### **18 How can national and provincial government assist to improve the efficiency of services at the local level?**

#### **19 How can a municipality improve its information and communications on progress with service delivery and community expectations?**

There need to be systematic systems for involving communities – not an ad-hoc PR effort. The type of model of community-based planning, funds to communities, effective local implementation and reporting systems can build an effective social contract and relationship.

**E Municipalities need to manage environmental challenges and balance competing developmental demands and environmental concerns.**

#### **20 What should be the role of municipalities in addressing issues of climate change (e.g. pollution, waste management, disaster management) and sustainable management of natural resources?**

All municipalities must have an office responsible for monitoring and evaluating environmental impacts of activities. Environmental Impact Assessments (EIA) and ways of dealing with environmental offenders must be instituted. In addition, each Municipality must

have a Disaster Management and Mitigation Committee, with clear Terms of Reference on dealing with disasters. All these must be part of a municipality's IDP

**21 What is the impact of environmental regulations on the ability of municipalities to undertake development and how should it be approached?**

**22 Which environmental functions should be performed by municipalities, given the developmental pressures at local level?**

All Municipalities must have the mandate to conserve all their natural resources and maintaining a clean environment. They are supposed to have laws and regulations that they are able to police.

**F Municipalities are dependent on a strong revenue base to sustain their viability and need strategies to support this**

**23 How should rural and poor municipalities be structured and /or funded to improve their revenue base and viability?**

Historically local government has been funded extensively from service charges providing an incentive to concentrate on water, electricity as fee earning. Within the context of the IDP, these are very limited functions in relation to broad socio-economic development. In general it is important for taxpayers to see a direct link between the taxes they pay and the services they receive (eg road tolls on road maintenance). While there is the potential for some local taxes, eg on production, these are often difficult to collect, and realistically in the longer term local government will need to be funded from the central fiscus. The amounts and proportions of expenditure from the central fiscus are low in comparative international terms.

**24 In respect of municipal good governance (financial and institutional), what kinds of interventions are needed to support low capacity municipalities?**

While the theory of Councils appointing their own staff is correct, in the case of key officials it may be necessary to have these appointed centrally. The municipal manager is a key example, and the single public service would make this easier. Where there are local problems of nepotism, corruption, and tribalism, it is advantageous to have a senior admin manager who is not appointed by the council.

**25 How can a municipality better account for its performance and for its use of public resources?**

This can be done effectively by involving people (representatives from the different socio-economic groups) (Residents Associations) in planning and budgeting for activities and evaluating performance. Each service should have a panel of clients involved in planning and providing feedback.

### 3 Provincial Government

Constitutionally, the provinces exist as governments with legislative and executive branches that are accountable to their electorates. Provincial Social Services' expenditure is not cost recoverable. Provinces draw most of their revenue (97% of the amount available for provincial government) from national funds, most of which are spent on Health and Social Services.

**G Provinces have limited revenue raising powers to manage their developmental role.**

**26 To what extent can we ensure that provinces spend their allocations on national priorities, such as education, health, housing and social development services?**

There is a real tension in this question, as the nature of decentralization is to allow lower levels to set their own priorities, find their own ways which are locally adapted, and then to learn from the differences. There is a very strong tendency in SA to try to control. Already the control of 85% of provincial budgets on social services is a heavy control.

**27 Is the funding arrangement for provinces sustainable from a service delivery point of view? What are the alternatives to the current system of funding provinces?**

None

**28 How should funding for provinces take into account past inequalities?**

There is need to link development issues to population dynamics in specific areas – and so the fiscal formula needs to take into account the degree of disadvantage. One proviso though is that areas of disadvantage also have low absorptive capacity for receiving funds.

**H There are insufficient mechanisms and measures to ensure provincial executive and legislative accountability.**

**29 Do we need provincial legislatures? What are their advantages and disadvantages in the provincial system of governance?**

Before we argued that there needs only to be one upper (regional) level, either a province or a district but not both. If one level is taken away then a form of regional government (and not just administration) is needed. However rather than separate MPLs who are completely unaccountable to their voters, perhaps it would be better to have representatives of all the local governments making up the Provincial Council.

Provincial government is too large to manage services (see earlier point) but can play the role of support and supervision, as well as strategic planning for certain services, eg tourism.

**30 How can provincial legislatures play an effective role in promoting socio-economic development and service delivery?**

They should be abolished as currently constituted, and perhaps reconstituted from representatives of local government.

**31 How should provinces report on their progress in terms of housing, health, social services, etc. to the electorate?**

**32 In a democracy money should be spent in an accountable way. How can the**

**provincial governments be held responsible for the money they spend? In what way can the provincial legislatures ensure that the provincial governments account for performance of functions?**

Whichever level is managing services (and ideally this should be at local municipality level, but enhanced by transfer of staff and budgets) there need to be forms of effective accountability at no higher than local municipality level. These could be local agriculture committees, where clients and partners of the Department of Agriculture meet to discuss the programme of the Department, review plans etc. The school governing body is the one form of community-based structure where there is real accountability for the service. CPFs provide a very limited mechanism but at least provide an opportunity for some dialogue.

Development of systems for monitoring performance and perceptions are an important ingredient. Tools such as the community scorecards mentioned previously are available, but need to be part of a regular assessment system, eg in annual CBP reviews, where perceptions of service delivery can be obtained, and aggregated across the municipality or province.

**I Building social cohesion and unity is a national challenge which must also be addressed at a provincial level.**

**33 What role should provinces play in promoting nation building, national identity, inclusion and cohesion?**

In any society there is a tension between identity and synthesis – recognizing difference but also commonality. All regional units should be such that residents have some affinity with those units. Therefore ethnic identities are likely to play a significant role, and this plays out at provincial as well as at local government levels. The challenge in any society is how to ensure that the celebration of diversity does not negate difference.

**34 Do provincial identities based on cultural and linguistic characteristics impact negatively or positively on nation building?**

They do impact to some degree on nation-building – and that is why broader processes need to cross provinces. The promotion of individual cultural identity can be used to understand one's own strengths and weaknesses, or to do others down. The latter must be discouraged while diversity is celebrated and encouraged.

**J Provinces have experienced challenges in effectively performing regulatory monitoring and oversight on local government with regard to environmental functions.**

**35 To what extent are provinces supporting local government to address the balance between environmental and developmental compliance demands?**

**36 Which environmental functions would be appropriately located and performed at provincial level?**

Environmental functions are only effectively managed at local level, Municipalities close to the people. It is important to give full control and management of natural resources to their users, supported by rules and regulations that can be policed by the local people themselves. The provinces can then monitor implementation of national policies and supporting cross municipal sharing of experiences on environment issues.

**K Provinces were created as a result of constitutional negotiations and have no policy framework that sets out their roles and functions.**

**37 Should there be a provincial system of government; how should this be determined and what are the alternative options?**

The comments above suggest that we do need one level of support, supervision and strategic direction, but that this can be amalgamated between provinces and districts, and that the span of control between levels is too short (9 provinces, 5 districts per province, 5 locals per district). Roles are not differentiated enough and there is a confusion as to what role should be performed at what level. The elegance of Box 2 is missing.

Drawing on Box 2 the following are suggested:

**Table 1 Potential roles at different levels (adapted from Box 2)**

Level	Role
	<b>Empowered communities</b>
Ward level	citizens active and involved in managing their own development, claiming their rights and exercising their responsibilities;
Ward level	an active, accessible and responsive network of local service providers, whether community-based, public or private;
	<b>Empowered local government and service delivery at local gov level</b>
Local gov level	services managed at the lowest level of effective management, usually local government level, and that they are effective, accessible, coordinated and responsive (whether public or private);
Provincial	the levels above (district/provincial government) are supportive and supervising the local governments, and providing strategic planning for cross-municipal areas (eg for tourism planning);
	<b>Realigned centre to support decentralised development</b>
Centre	increased strategic, redistribution and monitoring capacity at the centre (national government), so that it can provide strategic direction, redistribution and oversight.

Box 4 shows the Vision for Decentralisation suggested in the HSRC document which illustrates the differences in roles.

**Box 4 Possible vision for decentralised government in South Africa**

**At community level** – people are active and involved in planning, implementing and managing projects and services which respond to their needs. They are making plans for their community, which are incorporated into local government plans, and they are giving feedback on the type of services they want, and how services are performing. They are also running some of these services, particularly those needed on a very frequent basis, or for many households, partly on a voluntary basis, but also through the use of many paraprofessionals present in all communities, including home-based care workers, paralegals, micro-business advisors, backyard agriculture workers, etc.

Most service delivery is managed from **local government level**, whether by local government itself, NGOs, private sector, or other government departments, all of which are being coordinated by local government. There is a holistic IDP, which builds on community plans, and where community priorities are reflected. As these services are managed closer to

citizens, it is easier to involve citizens in defining the nature of these services, and all of them have effective accountability structures holding them accountable to citizens. Almost all implementation capacity is at this level, except for services that have large economies of scale (e.g. large scale infrastructure, which may well be provided by the private sector, or specialist hospitals). As implementation is at this level there is little duplication of services and staff between local government, provincial and national departments. Most implementation sections have been handed over to local government with their budgets, administrative staff, vehicles etc., or divested. Hence local government has the additional capacity from all these staff, as well as the budget. To minimise corruption, waste and capture by bureaucrats and elites, there are very strong accountability mechanisms where Councils are forced to reveal what they are spending on their own internal operations versus development spending.

**Provincial levels** are mean and lean, their main role providing support, supervision and strategic planning, as well as some technical people where Municipalities are unlikely to have access to them (eg irrigation engineers). They have a small number of high quality people, with strong strategic, information skills. They audit municipalities, and IDPs have to be approved at provincial level so that cross-border issues can be addressed. Strategic plans are produced for issues that have to be dealt with on a regional basis, e.g. tourism, and the provincial plans are a collaborative effort between provinces and municipalities. The province also deals with cross-border issues.

The **centre** has a considerably strengthened oversight capacity, so that while many powers and functions are carried out at local level, there is strong accountability upwards as well as to citizens. Control is through transparency and information, and not by bureaucratic signature. A management information system links municipalities, provinces and the centre, so that all levels have access to management information, and this forms the basis for the oversight function.

**38 If provinces are to be retained, what should be the criteria for determining the following:**

**Purpose, Structure and functions, Number, Sources of funding**

Based on the above as core roles, it is suggested that based on a revised span of control, the level above local government should have about 15 regions/provinces, each with 15 or so local governments.

## **4 National Government**

**National government is constitutionally mandated to execute leadership responsibility for the unity and direction of the country as a whole. Within the context of co-operative government, each sphere of government has both executive and legislative authority over its own jurisdiction, but are bound by co-operative governance principles in ensuring that they co-ordinate their efforts and work together for the good of the country. Both national and provincial spheres of government share monitoring and support mandates over local government.**

**L The co-operative system of governance requires national government to play a leading role in ensuring effective intergovernmental relations.**

### **39 How can national government ensure that the other spheres are efficient and effective?**

Key is setting the policy framework and the incentive system. Many national departments do not just maintain an oversight, redistribution and informational role, but seek to be involved in implementation. This distinction in roles is perhaps best expressed in Uganda, where national departments are slim and policy-focused. National departments in SA constantly try and get involved in implementation, and tread on the toes of provinces. The framework should be set, and the incentive system, and then national should review performance and face provinces with their successes and failures, intervening only when provinces fail.

Similarly provinces need to play a far more active role in support and supervision of local governments, intervening actively where they fail.

### **40 How should national policy and planning be improved to support provincial and local government?**

There is much we can say here – but not enough time at this point. Overall point though is that national planning must be strategic, but also there must be ways that it is informed by local level plans and the feedback is not only top-down.

### **41 How should inter-sectoral co-ordination at national level be improved and the departments structured?**

Intersectoral coordination at national level is inherently difficult, and is progressively easier as you get closer to the ground. Silos are strong, and one of the key elements that are needed are cross-departmental programme teams. Perhaps where the gaps are most dysfunctional is between DLA and the department of Agriculture, which is replicated at provincial level. Land reform will never be solved without it being planned and supported in an integrated way across these departments.

### **42 Both national and provincial government has a role in support and oversight of local government. How can this be done more effectively?**

See above re roles of provinces.

### **43 What role can national government play to obtain the scarce skills required by the three spheres of government?**

The national government must implement capacity building and skills enhancement programmes. To begin with, a national survey has to be done to identify the capacity and skills gaps, then design programmes to fill the gaps. There should be a welcoming of locally available skills, including from the previously advantaged, a welcoming of skills from other African countries, as SA's success will also have major impacts to the North. In particular the

opportunity created by Zimbabwe's decline should be used positively to give a short-term skills boost to SA, keeping those professionals gainfully employed while Zimbabwe collapses. There should also be marketing of opportunities to South African's who have left the country.

**M Although intergovernmental cooperation and integration is defined in legislation, collaboration is still voluntary with minimal authority and accountability.**

**44 How should a national vision be realised in practice given the responsibilities of each sphere of government in critical areas of social delivery?**

**45 How can the difficulties regarding distinctiveness between national government policy-making and implementation at provincial level be resolved?**

National needs to set broad parameters, leaving operational policy and modalities to be decided at provincial level, but also promoting cross-provincial learning and sharing.

**46 What are the effective ways of strengthening the principles of co-operative governance as it relates to changing behavior and mindset?**

See below re incentives. See also point made in point 15 before about preferential grant rates for integrated approaches.

**47 In addition to using intergovernmental relations structures, how can distinctive, co-ordinated and aligned implementation take place in practice across the three spheres?**

The IGR structures are complex. The problem is the incentives for integration are not in place. For example in other countries a district development grant is used for capital expenditure at local government level, and all departments have to participate in the plan to get their projects included. At the moment there are no carrots and no sticks for departments to participate.

## 5 Powers and functions

At the time of the adoption of the Constitution, the allocation of powers and functions (roles and responsibilities per sphere of government) in the Constitution were not based on the developmental roles of the spheres (see Annexure B). Certain inconsistencies have been identified as these have arisen over the last 13 years of practice. Consequently there is a need to review the allocation of powers and functions to align with current challenges facing the spheres of government in pursuit of their developmental role. (Please see Annexure B for a table of powers and functions allocated across the three spheres.)

The system of government is designed so that certain responsibilities are exclusive (performed by one sphere only), while others are concurrent (shared between different spheres).

**N The lack of clear operational definitions guiding the current allocation of powers and functions between spheres is a challenge.**

### 48 What changes, if any, should there be in the functions that are currently allocated at national, provincial and local level?

As per the submission in the HSRC it is not so much in the competences as the roles that there needs to be changes. Thus there will clearly be a national policy around agriculture, which will be set nationally. Implementation may be at provincial or local government levels. We suggest here that support and supervision would be a provincial function. Hence the discussion on competence is misleading.

The same document suggests the following:

**Table 7.3.1 Main roles that could be assigned in the short term to local government**

<b>Roles</b>	<b>Examples of programmes</b>
Direct client support roles involving considerable client contact	Social work support for old, young Agricultural extension and training (wide range of programmes) Primary health care Business support and economic development HIV/AIDS Environmental conservation and education Housing Community water supply and sanitation
Programmes requiring considerable intersectoral integration	HIV/AIDS, poverty, LED
Where linked to IDP planning processes	Transport planning, land use management, water planning
Programmes linked to existing municipal initiatives	Eg tourism and economic promotion and marketing
Programmes linked to existing regulatory activities	Eg abattoirs and environmental health

**49 Why should there be changes?****50 What criteria should be used to make changes?**

**O There is a need to review the appropriate location of functional responsibilities between spheres.**

**51 What is the value in spheres of government sharing functions (Health, Education, Housing, etc)?**

As discussed earlier competences must be shared but roles must be different, with national policy set nationally, some level of strategic planning at provinces, but service delivery brought to local government and below wherever possible.

**52 Does the division of shared functions promote equal access to public services? Propose improvements.**

**P The various strategies, plans and frameworks of the three spheres do not necessarily speak to one another, and are not integrated to achieve the national vision.**

**53 How should the plans of the three spheres of government relate to each other and influence decision-making, resource allocation and implementation?**

- National plan eg NSDF should be setting broad parameters for policy
- Provincial plans should also be strategic for the provincial level
- Local government plans should be strategic (in the sense of making choices, and addressing drivers of change) but implementation oriented. In particular the weak link is that between plan and budget and more work is needed to ensure effective linkages between strategic focus and budget.

**54 The planning framework is intended to improve integrated service delivery. Do you think this framework is working well? How could it be improved?**

The IDP is far too complex a process – all 7 volumes of the guides, and in the process too much time is spent complying with the requirements rather than developing something which genuinely represents some thinking about the issues facing the area and how it should be addressed. Most IDPs of smaller municipalities would be better addressed as a short intensive facilitated planning process, rather than a long drawn out process that has to be driven by consultants as it is too complex, and many plans end up word processed versions of each other. The methodology used in the CBP process (a 6 day facilitated process) could easily be extended to an effective methodology (eg a 21 day intensive facilitated process).

**Q All provinces have developed Provincial Growth and Development Strategies (PGDS). The challenge is to ensure how these instruments can effectively contribute to economic growth and social development.**

**55 What are the economic, social and governance criteria for assessing the viability of**

**provinces?**

What does viability mean? If the province is an area chosen to be able to provide support and supervision to local governments, as well as some identity which residents can "own" then the main issue is can it fulfil the functions required. See before on discussion of the problem of districts plus provinces.

**56 How have the provinces contributed to the reduction of disparities and socio-economic inclusion and exclusion?****57 What should be the socio-economic developmental role of the provincial government, and what instruments, levers and tools does it need to effectively perform this function?****58 To what extent do the current provincial boundaries enable provinces to function as efficient and effective growth and development hubs?**

**R** Municipal areas vary, with urban and rural characteristics. This requires them to plan differently regarding, for example, basic services such as water and sanitation, and related economic development activities such as public infrastructure investments.

**59 How do the rural or urban characteristics of your municipality impact on its ability to deliver services?**

Services in rural areas are more difficult and more expensive to deliver. Institutional innovation is needed to overcome such challenges, eg through the community-based mechanisms discussed previously. It is also important to have participation mechanisms which recognize the significant distances in rural wards, eg through the recognition of substructures such as village committees..

**60 In a municipality known to you, how can the inequalities of the past be addressed?**

Inequalities are being addressed but primarily in social infrastructure, The challenge is to promote pro-poor growth whereby fundamental social and economic relationships change. The inadequacy of measures to promote the informal economy and livelihoods+ approaches mean these are unlikely to change in the medium-term. In addition competition between agencies such as local, district and provincial government means that synergies are not being realized and the whole is less than the sum of the parts, not more. Until this changes it is going to be difficult to realize the impact of the investment Government is making in change.

**61 The Integrated Development Plan should be an expression of a 'government-wide commitment to a municipal space'. How can this commitment be improved in practice?**

See point 47.

**62 How are Integrated Development Plans contributing to growth and development at municipal level?**

IDPs have enabled municipalities to reassess priorities, and focus on wider issues eg Mangaung's IDP. However the issues raised of lack of incentives for co-operation have affected implementation.

## **Annex 1: References**

Note all Khanya documents are available at [www.khanya-aicdd.org](http://www.khanya-aicdd.org).

HSRC (2004): "Beyond Schedules 4 and 5 – reviewing powers and functions", Pretoria, dplg.

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Khanya (2007b): "An investigation into the funding of communities: Volume 1 Lessons and Best Practice", Bloemfontein, Khanya-aicdd.