



**SALGA**  
South African Local Government Association

**Integration of South Africa  
Local Authorities in the European Cooperation  
Programming Process  
2021-2027**

**ANALYTICAL REPORT**



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# **Integration of Local Authorities in South Africa in the European Cooperation Programming Process 2021-2027**

UCLG-Africa, the South African Local Government Association and the European Commission

## **ANALYTICAL REPORT**

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## INTRODUCTION

The purpose of the Analytical Report is to clarify the scope for localisation and territorialisation in South Africa. These two concepts are defined by the European Union within the broader planning approach called the Territorial Approach to Local Development (TALD). It is demonstrated that South Africa has an advanced and highly enabling constitutional and legal context to advance territorial development. However, South Africa is plagued by a serious incapacity to implement policies and achieve developmental goals. Thus, the biggest challenge in South Africa is to translate policy intent into delivery. Addressing this challenge is the most important contribution an EU support programme can make over the next six years. That said, 2020 is also marked by the detailing and implementation of a number of new development planning reforms that are consistent with the aims of territorialisation but raise questions about how well-defined processes of implementation are. By unpacking these questions, the report will discuss the political economy of policy development, implementation, and most importantly, reflexive adaptation.

First, the definitions of localisation and territorialisation will be provided. A stylized summary of how territorialisation is envisaged and promoted in South Africa will follow before a summary discussion of the challenges that plague the system. The fourth section will summarise emergent reforms of enabling policies to deepen localisation and territorialisation, specifically, the introduction of the District Development Model, and the mainstreaming of the National Spatial Development Framework (NSDF). Both of these represent significant challenges for how intergovernmental planning and coordination functions at the moment and helps to focus the paper on what the most urgent challenges are. These challenges are the critical priorities that SALGA must address to ensure bottom-up and territorially sensitive developmental impact. SALGA has already taken important steps by defining what reforms are needed if the DDM is to succeed. The Analytical Report identifies a limited number of recommendations that reinforces the approach developed by SALGA.

## WORKING CONCEPTS

*Localisation* refers to a formal legal recognition that autonomous local governments with a developmental mandate are a prerequisite for the production and implementation of inclusive and sustainable development policies. It therefore presupposes enabling legal and institutional mechanisms such as democratic decentralisation systems inclusive of fiscal empowerment and a substantial measure of autonomy for local authorities. Autonomous and developmental local government should also be endowed with the capacity (human resources) and management systems to translate plans into implementation actions.

*Territorialisation* refers to the foundational recognition that all local areas are uniquely endowed with various kinds of characteristics and assets that are ready for activation by a variety of local actors with common interests due to the local co-existence, and ideally, a shared vision. It is the leadership responsibility of local governments to foster an endogenous process of development policies that includes other actors, is spatially integrated and operates with a compelling vision for the long term. According to the European Commission, the territorial scale does not limit itself to a particular physical

dimension. A territory can thus be a metropolitan area (where urban and rural zones coexist), a hydrological basin (that can even extend across international borders), a neighbourhood or a coastal zone, i.e. any catchment that allows for the systematic interaction of interdependent processes, systems and institutions. Most importantly, different kinds of economic, ecological, social and cultural territories co-exist in a space, all with different extents, complicating the idea of neat administrative or juridical boundaries. A territorial perspective therefore both reinforces the importance of local government but also makes a strong case for strong inter-governmental and inter-stakeholder coordination and alignment in order to optimize diverse regional and territorial potentialities. Lastly, a territorial approach is also most conducive to democratic participation because it affords the opportunity for citizens and organized civic formations to engage on matters that affect them directly, as opposed to abstract national policies pertaining to economic policy or environmental regulation.

A genuine pursuit of territorialisation demands the localisation of national (and international) policies and programmes to adapt it to local conditions and the projection of local demands to other spheres of government to elicit better responsiveness. This dual imperative demand inter-governmental mechanisms that are both top-down and bottom-up, which in turn implies an openness to power sharing. In light of how modern governments have grown up in the 20<sup>th</sup> Century as hierarchical bureaucracies with power flowing from the top to the bottom, it is especially difficult to design and culturally embed a genuinely two-way system of inter-governmental exchange and power sharing. However, this is exactly what the South African Constitution envisages with its provision for three spheres of government that are simultaneously autonomous and inter-dependent within a national system. The accompanying *Compendium Report* expands on this legal framework and the portfolio of legislation it has given rise to over the past two decades.

## **TERRITORIALISATION IN SOUTH AFRICA**

One of the central objectives of territorial approaches is to break through the problem of silo-based service delivery and achieve more integrated outcomes. According to the TALD framework, integrated planning, rooted in a rigorous spatial analysis is regarded as the key. Since territories within the national realm have such vast differences (e.g. compare the ecologies and economies of the Northern Cape and KwaZulu-Natal), it is important that integrated planning and spatial analysis are driven at a local level and joined up through intergovernmental mechanisms to identify overlaps and linkages between territories. As discussed in the *Compendium Report*, the South African government identified the problems of silo-driven fragmentation and capacity constraints as the main reasons for the lack of impact on the wicked problems of unemployment, poverty and inequality. The planning policy response to this is the DDM, which is currently being phased in. Furthermore, the DDM is meant to be complemented with the analysis and spatial guidance offered by the National Spatial Development Framework (NSDF), which is in draft form but not yet adopted by Cabinet as a required informant of all development planning in South Africa. Lastly, the department of agriculture, land reform and rural development is in the process of strengthening capacity at the municipal level to more effectively implement the requirements of The Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA), which at its core seeks to advance spatial justice.

The most important policy instrument to achieve effective territorialisation is the ambition of the DDM to produce One Plan and One Budget for each district and metropolitan area. This approach is currently being piloted and will be extended to all local governments over the course of 2020-2022. The opportunities and risks associated with this ambition will be explored next to create a platform for the identification of an advocacy strategy for SALGA in respect of national government. First, it is useful to remind the reader of how the territorial planning system is meant to work at the moment. A stylized summary of the South African development planning system includes the following elements:

1. The long-term vision for the country (2030) is set out in the National Development Plan (NDP) which is meant to inform the sectoral plans of all national government departments. The Presidency in conjunction with National Treasury formulates the Medium-term Strategic Framework that identifies priorities and goals for sector departments and their plans are meant to be guided by it. In future, the MTSF will be complemented by the NSDF to give a spatial dimension to national priorities. The inter-sectoral imperatives are identified through a system of clusters, which forms the backbone of the national Cabinet system.
2. At a national level a number of intersectoral plans and frameworks are formulated to ensure that South Africa's national plans align with international development agreements that the government has ratified (e.g. the SDGs, Agenda 2063 and the Paris Climate Agreement) and are able to address the enormous regional and territorial variation across the country. For example, in keeping with the international requirements to set greenhouse gas emission reduction targets and monitor progress, South Africa is doing so and through the cluster system engages with the economic development ministries and relevant State Owned Enterprises (SOEs) to ensure effective alignment. Other critical cross-departmental policies deal with territorial development, i.e. the Integrated Urban Development Framework (2016) and the Rural Development Policy Framework (2013). There are a number of others in the domains of economic development policy.
3. At a provincial level, where the key social development functions of education and health are anchored, there is a planning mechanism to express how provincial development priorities will be addressed, whilst remaining aligned with the NDP and various sectoral and cross-sectoral plans. The provincial integrated sustainable development plan is called the Provincial Growth and Development Strategy (PGDS), and in most provinces this is linked with a Provincial Spatial Development Framework (PSDF) to ensure that provincial sectoral and inter-sectoral plans are cognizant of diverse spatial dynamics. Many Provinces have also developed Integrated Infrastructure Plans to ensure the PGDS is linked to budget and investment priorities.
4. At municipal level, each local government is compelled by law to produce an Integrated Development Plan (IDP), linked to a long-term Spatial Development Framework (SDF). The IDP sets out the strategic direction for the municipality and guides the investment and operational priorities for the term of office of the municipality. However, IDPs are particularly complex plans to produce because they are meant to be informed by rigorous participatory processes to ensure it reflects the (diverse and contradictory) needs and aspirations of local citizens and stakeholders.

At the same time, it is expected that IDPs demonstrate how municipalities will incorporate the planning priorities identified in the NDP, the PGDS, various intersectoral and sectoral plans of other spheres of governments. This introduces a level of data and institutional complexity that make IDPs almost meaningless, i.e. not strategic nor focused, or voluminous wish-lists that seeks to appease everyone. (A similar risk threatens the viability of the DDM system as will be discussed in greater detail below.)

5. There are a number of political and policy deliberative forums that are meant to identify and grapple with the invariable trade-offs and complexity of inter-governmental planning alignment. At the apex is the Presidents' Coordination Council that brings together national Ministers and Premiers from each of the nine provinces. On occasion this forum is extended to include organized local government (SALGA) and a selection of Mayors. A similar forum exists at provincial level that is aimed at congregating Premiers, Members of the Executive Committee (MECs) and as well municipal Mayors and Mayoral Executive Committee Members (MMs).
6. The intergovernmental planning system was criticized in the NDP for not being effective enough to address the spatial legacies of Apartheid. In response, the government developed and promulgated SPLUMA in 2013. This set out a number of spatial principles that had to be reflected more effectively in provincial and municipal spatial planning. Efforts are currently underway to fully embed the provisions of SPLUMA and increase the capacity of all levels of government to implement the act.
7. In 2019 it was recognized that further institutional reform was required to improve the synergistic impacts of public sector investments in municipal areas. This produced the design of the new DDM, which is currently being piloted with an eye on full implementation from 2021 onwards.

This summary points to the complexity of the system and raises questions about the viability of the DDM policy agenda. In the next section the challenges of implementation will be explored by linking the institutional appropriateness of all these measures with a broader reflection on the logics that drive political prioritization and decision-making. The implications for local government will then be defined with an eye on advocacy priorities for SALGA, set out as a series of recommendations.

## **CHALLENGES OF IMPLEMENTATION**

### ***Government-wide challenges***

There is widespread consensus across government and society that the three biggest challenges facing the country are: unemployment, poverty and inequality. These problems are of course inter-dependent. The critical issue is that it is not within the control and power of government to solve these issues, although government can play a leadership role in mobilizing society to address them. Solutions must, at a minimum, address economic growth—its rate and degree of inclusivity; skills development of the labour force to ensure people are employable; business support, especially for small and micro informal enterprises that represent the efforts of poor people to eke out a livelihood; redistributive policies to ensure a more equitable spread of assets and wealth in society.

A further complexity is that economic growth can no longer be carbon intensive or exploitative of non-renewable resources, including biodiversity. In other words, the developmental goal cannot simply be economic growth but rather forms of growth that is green and job rich. For various historical and structural reasons, the South African economy is the exact opposite of this; it is highly carbon intensive (due to coal dependency for energy) and GDP growth is accompanied with very modest levels of employment expansion. Since almost all value chains in the South African economy are fully integrated with the global economy, South Africa is extremely exposed to the sentiments and prejudices of international markets that shape investment perceptions. This manifests in South Africa's credit worthiness and the cost of debt. Due to emergency fiscal measures to mitigate the impacts of Covid-19, South Africa has had to accept a debt-to-GDP ratio of 80%, which will greatly curtail the government's policy room-for-manoeuve—over the short to medium term.

Clearly, government has a role to play in all these areas—employment creation, poverty eradication and reducing inequality—but it remains highly dependent on the actions and behaviour of other actors and stakeholders, many local but some powerful ones in the global arena. To be effective, the state has to be able to discern what is within its control, what is within its spheres of influence, and what the dynamics are that function beyond its control or influence but shape the prospects of reducing unemployment, poverty and inequality. If one uses this diagnostic lens, it is clear that national government struggles to distinguish between policy ideals and policy objectives that are grounded in a realistic analysis of governments' relative power.

Furthermore, if government is able to be more strategic and targeted, it needs to match policy objectives and state capability to act with intention and consistency in the implementation of its own policies. Various assessments by the Presidency and senior ministers come to the conclusion that government currently suffers from a serious capability deficit. There are many reasons for this, but for the purpose of this analysis it is necessary to discuss two key factors.

One, the ruling party—the African National Congress—has a longstanding policy of cadre deployment to positions of influence. The intention is to ensure that the government of the day is led by senior civil servants who are able to translate the manifesto of the ANC into operational procedures and actions. Again, at face value this makes sense and is of course a reasonably common practice across the world. However, the grave problem of “state capture” that was instantiated during the last decade in particular, has seen the corruption of the deployment policy to achieve sectarian political and economic goals. These dynamics have over a decade and more become entrenched at a DNA level of public institutions (all spheres of government and especially SOEs). The point is that until this scourge is excised from state institutions, it is impossible for the state to be competent, accountable and impactful. Even though the current President is committed to tackle this issue, he is clearly hamstrung by his precarious position within the leadership system of the ANC and the damage done to the criminal-justice system over the last decade. We can therefore anticipate that this dimension of the capability deficit will remain a major factor for the foreseeable future.

The second reason relates to decisions about how to structure government and adopt various performance management tools that generates a lot of paperwork but not necessarily insight or genuine accountability. The MTSF is translated into a series of goals, targets and indicators that must be reported on by sector departments and provincial governments. These metrics also inform annual performance plans of departments and performance agreements between the President and Ministers; and between Premiers and MECs. A similar system is implemented at local government level as well. There is obviously a lot of value in building an accountability and tracking system to ensure implementation. However, given the scale and complexity of the national performance management system that the DPME oversees, and the Parliamentary reviews that take place to engage sector departments on their achievements relative to their performance plans, one must ask the question: How was the level and extended nature of state capture possible while this system was in place? Furthermore, there is no culture whereby a Minister or Premier or MEC would resign or be demoted if they do not achieve their performance objectives and targets. The message this sends out is that the performance management system is divorced from consequences. Furthermore, similar to the experience of other countries that have extensive bureaucratic performance management systems, these systems are easily immobilised by feeding bad information into the system. As the saying goes: “garbage-in-garbage-out.” It is clear that officials can feed misleading or false data into the performance systems and it is difficult to detect and eliminate this, especially if there is a culture of compliance, instead of excellence and transparency.

The combination of undue political interference linked to patronage politics and a largely toothless performance management system means that civil servants can serially underperform, have a vested interest in dysfunctionality, and simply reinforce low performance and limited impact. The depths of this culture were recently exposed with scandals whereby connected officials and politicians siphoned off vital resources in the fight against Covid-19 for corrupt gain. It is also in such a context where the imperatives of coordination and alignment can become a convenient excuse for civil servants to attend endless departmental and inter-departmental meetings, but very little implementation happens. Instead, problems get infinitely rediscovered and restated, more consultancy studies are commissioned, and still, very little changes on the ground in terms of the quality of public service or impact. The low levels of performance and quality with regard to education, public health, public transport, public housing, water and sanitation, energy provision, etcetera all demonstrate these pathologies. This is especially evident when one considers that South Africa spends more per capita than its upper middle-income peers on social development investments such as education and health, among other fields with much worse outcomes compared to peers.

### ***Unique implementation challenges at local government level***

The unintended consequences of cadre deployment are even more pronounced at municipal level because of the number of people that need to be accommodated and appeased, and local politicians see local government as a first rung in their political career, hoping to get to higher levels of government. It is where they learn how to play “the game” of state capture. Furthermore, outside of the metropolitan governments and key local councils that include secondary cities, most municipalities are extremely strapped for cash and often lack critical technical skills such as engineers, planners, designers, and public sector managers. When the resource pool is small, the political conflicts that arise from prioritisation and resource

allocation tends to be more acrimonious and dysfunctional. It is therefore not a surprise that the majority of municipalities receive qualified audits and despite rhetoric to the contrary, over time there are few signs of substantial improvement.

Beyond the subjective problem of systemic corruption and limited capability, municipalities are confronted by daunting challenges in terms of delivering on its developmental mandate, especially in terms of addressing the triple burden of unemployment, poverty and inequality. Two pertinent examples will have to suffice to make the argument. If one considers the problem of unemployment, most municipalities do not have the powers or resources to intervene in the local/regional economy in ways that will drive up growth and restructure capital/labour ratios to ensure more labour-intensive forms of growth. These are national competencies, and typically national governments drive policy in this domain without proper consideration of local dynamics and impacts. Put differently, the imperatives of localisation and territorialisation as defined at the outset are not fully appreciated by the economic departments at a national level.

Furthermore, access to valuable land and property is a key driver of inequality. It is self-evident that the enduring effect of Apartheid policies and colonial rule before that was to dispossess indigenous and black populations of land and rights. Land dispossession (and ownership) has a compound effect over time. In other words, the white population who enjoyed exclusive ownership were effectively allowed over centuries to reap the inter-generational capital gains benefit that accrue from long-term ownership. Inversely, black populations have had to endure the eroding effects of long-term dispossession that is associated with inter-generational transmission of poverty, disempowerment and the pathologies (e.g. social violence) associated with being socialised in a resource-scarce environment. A fundamental social aspect of this is the 150-year history of migrant labour that tore the fabric of families and cultural units apart leaving us today, in part, with a legacy of absent fathers and a culture of gender-based violence that has reached epidemic proportions. It is difficult to overstate how profoundly these dynamics undermine social mobility even if educational opportunities are provided. Ironically, since 1994, South Africa has had one of the most sustained growth spurts in terms of property value, which has seen the wealth gap grow even further, resulting in one of the highest gini-coefficients—a measure of income inequality—in the world.

In theory, local government can use the provisions of SPLUMA to advance spatial justice. In practice, this is a complex and difficult goal to achieve because private property is protected in the constitution, with provision for expropriation for public benefit. Furthermore, since property rates income is a substantial source of local revenue generation, municipalities are disincentivised to intervene in land markets in ways that can be perceived to produce depreciation. The land market expertise, planning capacity, economic intelligence and social intermediation capability required to navigate this environment to ensure deep land reform, redress and redistribution as drivers of more inclusive forms of growth is seemingly beyond the capacity endowments of most municipalities, including the wealthier metropolitan governments.

Another dynamic that is important to highlight is the state of municipal infrastructure. There are two inter-related problems. One, most municipalities have not been able to keep pace with the necessary repair and maintenance of existing infrastructure systems which leads to

a shortened lifespan and significant wastage, especially in terms of water reticulation. This is in a context where there has been long-term underinvestment (since the early 1980s) in the maintenance of network infrastructures alongside inadequate provision for black populations. Two, many municipalities have not been able to retain or attract enough engineers to operate these systems and ensure credible life-cycle asset management systems. Practically this means that as the demand for basic services continue to grow, the existing infrastructural footprint and system cannot keep up and erodes even more quickly, raising the need for ever higher levels of both capital and operating budgets.

The poverty relief commitment of the government guarantees all indigent households free minimum basic services. Since unemployment remains stubbornly high and youth unemployment is above 50%, the proportion of indigent households relative to rates and fee-paying households continue to grow placing enormous strain on municipal financial viability. This pre-existing condition is dramatically worsened by the impacts of Covid-19. This problem, which is difficult enough, is exacerbated by the broader problem of corruption.

SALGA has done extensive research to demonstrate that the difficult financial position of most municipalities is further undermined by the problem of unfunded mandates. Over the past twenty years local governments has had to pick up a number of responsibilities that have not always been followed by concomitant financial resources. This has been a source of ongoing intergovernmental representation, but to date there is no evidence of relief in the near future. Given the overall context of fiscal contraction and reprioritisation, it is unlikely that there will be any positive movement over the medium-term.

In terms of this report, the question that must be addressed is whether the emergent DDM system will address these challenges or potentially worsen them?

## **TOWARDS A MORE REFINED SPATIALLY-INFORMED TERRITORIAL PLANNING SYSTEM**

The core elements of the DDM are summarised in the Compendium Report. For the purpose of this report, it is necessary to restate the core objectives of the DDM, which are:

- To improve integrated planning across government through formulation and implementation of Single Joined-Up Plans for each of the 44 District and 8 Metropolitan geographic spaces or (52 DDM implementation sites);
- To enable streamlined and effective Local Government capacity building by consolidating and strategically coordinating capacity building initiatives and programmes at district level;
- To ensure that municipalities are enabled to perform their mandated functions and duties effectively and efficiently by mobilising and making available expertise, key skilled personnel and systems that can be shared between district and local municipalities as needed; and
- To monitor the effectiveness of government and the spatial and developmental impact on communities in the 52 DDM implementation sites.

These are all commendable and worth supporting, and the EU-South Africa cooperation should contribute to its successful achievement. However, to ensure that the support is appropriately targeted, it is important to flag a number of risks associated with the DDM

implementation. By addressing these risks organized local government can play its cooperative governance role in strengthening developmental planning in South Africa.

***Risks associated with the implementation of the DDM***

One, in seeking to achieve optimal alignment between all spheres of government (and its various subset departments), the private sector and civil society, the system will collapse under the bureaucratic weight of information overload and complexity. The South African state is too large and complex to forge all policies, plans and intentions into a single plan for a given district and the very institutional and regulatory processes that would have to be enacted to achieve this; it will generate an unmanageable volume of meetings and documents that no one will have the capacity to fully process and comprehend. In a word, they will suffer from data overload. Such processes are unlikely to resolve the pathology of “planning and policy generation without implementation” that plagues so much of the South African state.

Two, the DDM invariably glosses over the deep structural reasons for inter-departmental and inter-governmental misalignment and contradiction. One of the most important reasons is the awkward distribution of powers and functions pertaining to build environment outcomes between the spheres of government. It is important to keep in mind that when the Constitutional schedules were drawn up (1993-96), the drafters did not fully appreciate how government will work best in practice. Thus, in the domains of housing, transport, water, electricity, environmental management, and social development (e.g. early childhood development), powers and functions are distributed in ways that inherently establishes conflict and planning mismatches; it certainly undermines ‘localisation’ as defined in the TALP framework. There are numerous academic and policy reports that attests to this. As the IUDF points out, this has also been recognized and understood by government for some time because policy review work on powers and functions have been underway within COGTA since 2004 at least, but never concluded. Unless these issues are more explicitly addressed, with a clear timetable for how and when irrational allocations will be resolved, it is unlikely that the DDM will have the political and policy space to succeed.

Three, in its formal articulation, the DDM proposals come across as naïve about power and the unavoidable cut-and-thrust of everyday realpolitik. It is well established in governmental and academic assessments that most municipalities are exposed to highly organized efforts to use the state for the purposes of corruption embedded within larger patronage-driven systems of political control and influence. Such dynamics have come to skew the identity and everyday practices of many political parties who have sufficient electoral power to gain control or be part of a coalition government. Unless this problem is directly acknowledged and credible mechanisms are put in place to systematically root it out, it is unlikely that the prioritization and coordination efforts of the DDM system will be implemented, unless it advances these corrupt interests, or at least does not threaten them.

Despite these significant risks associated with the implementation of the DDM, SALGA has been proactive in thinking through what needs to be done to improve the operating environment and procedures around the DDM. This is spelled out in considerable detail in a report titled, “Report on the Development of the SALGA District Based Service Delivery Model” prepared by the Governance and IGR Director for the Councillor Welfare and Empowerment and Governance and Intergovernmental Relations Working Groups in March

2020. This report is a useful and important resource for SALGA as it finalizes its perspective on the future of the EU Support Programme. With an eye on specific recommendations, the next and final section will prioritise aspects of this report as critical issues to address when SALGA fulfil its advocacy role.

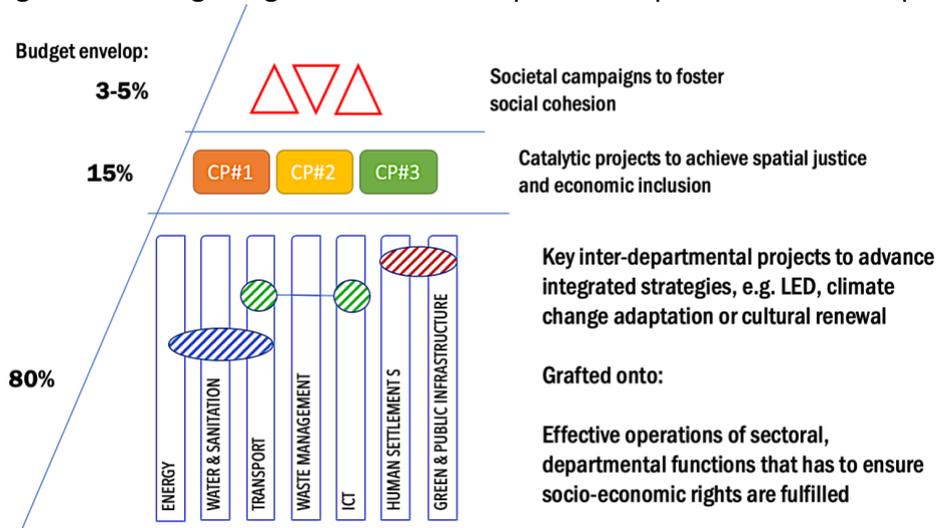
## **RECOMMENDATIONS**

The conceptual starting point of this section and the Analytical Report in general is that the EU support is best deployed to deepen localisation and territorialisation as defined at the outset. The most strategic entry point for this is the government-wide commitment to implement the DDM. However, as explained before, there are considerable risks associated with this. In order to mitigate these risks and advance more effective localisation, it is important to specify what the ideal is that a national development planning system should strive for, and what this means for how one thinks about the role of local government.

The original intention of the *Local Government White Paper* and the Systems Act of 2000 was that the Integrated Development Planning system will ensure that local governments drive social compacts with citizens to collaboratively achieve developmental outcomes. In a sea of competing demands, it implied that municipalities will learn how to practice strategic planning instead of blueprint comprehensive planning—an approach that had proven to be no more than a fig leaf to maintain the status quo and guarantee that power relations in local areas are not disrupted. Unfortunately, most IDPs never became genuine strategic plans but rather defaulted to compendium plans that projected a semblance of being comprehensive or all-encompassing in the name of holism. As a result, the idea of an intergovernmental system that is animated and driven by compelling municipal plans never really came to pass. Instead, most municipalities, even the more powerful metros, are forced to be reactive and response to the planning requirements of national and provincial ministries, and sometimes even SOEs.

There is potential for the DDM system to disrupt this history and restore greater autonomy and power to local government through the one plan, one budget battle cry. As explained before, this is highly improbable, but what can be achieved is a clearer understanding of local government autonomy and societal embedding, and how strong local governments are a prerequisite for the DDM to work effectively over time. Figure 1 seeks to depict the components of a local authority structured in a way to prioritise quality basic service delivery to address the fundamental drivers of poverty and material inequality. On the back of a solid foundation of highly competent sectoral departments designed around credible infrastructure lifecycle asset management plans that incorporates human capital requirements, more integrated policy areas like LED and climate change can be pursued through inter-departmental and interdisciplinary teams. These operations are foundational to pursue higher-order strategic objectives to, for example, intervene in spatial dynamics of the territory, which are defined as catalytic projects in this illustration. Lastly, every municipality needs a compelling and credible story about how the municipality is pulling together to realise the potential of all citizens and businesses. This is the social capital work that elected leaders, especially Mayors, should be driving in a non-partisan manner.

Figure 1: Linking budget allocations to operational priorities at municipal level



Source: author

It is against this backdrop that the report will now offer a number of recommendations to amplify the strategic approach of SALGA as set out in the: “Report on the Development of the SALGA District Based Service Delivery Model” (hereafter, DBSDM report).

1. Develop a more differentiated understanding of District Government and a menu of support depending on the relative capacity and resources of a given district council (DC). One of the silences across all the government reports and presentations dealing with the DDM system is the fact that many DC co-exist with one or a few local councils (LC) that are a lot more resourced and capacitated than the DC (e.g. key secondary cities and major towns). It is politically naïve to ignore this because it invites foot dragging and administrative sabotage from LC if they feel undermined. Instead, there is potentially enormous value in creating mechanisms for resource and information sharing across municipalities, which does not have to cover the whole district but key territories that demand greater cooperation and alignment. The stronger LCs should be encouraged to support and enhance the capacity of fellow LCs, especially if the DC does now have the resources. Similarly, stronger LCs should provide support to DCs and this will not happen if the DDM elevates DC to the convening role when they are not fully equipped to play such a role with resources and clout.
2. Accelerate SALGA’s perspective on an enabling ICT Governance Framework (see section 5.2.1 in the DBSDM report). This should be extended to incorporate the deployment of fourth industrial revolution tools for data management and strategic regulation. At the heart of the approach must be a commitment to greater transparency and operational efficiency because the biggest driver of performance is substantive accountability. In this domain of work, the trick is to create standardised models for voluntary adoption and deployment because it creates an incentive system for innovators to rise to the top and become examples for other municipalities. If these kinds of systems are forced down the throats of municipalities, they will only produce fake compliance and a system riddled with the problem of garbage-in-garbage-out. This is also an ideal realm of work for deep partnerships with knowledge institutions, universities, the private sector and civil society

think tanks that track state performance and corruption. The EU can play a powerful enabling role.

3. Section 5.2.2. in the DBSDM report calls for a clearer funding model of DCs based on a thorough review and reform of the powers and functions of local government. It is important to note that both the NDP and the IUDF made pointed calls for the broader review of powers and functions. COGTA is the custodian for this task and have been unable to complete it since the mid 2000s. This is not an uncomplicated undertaking and requires a working group that is led by COGTA but includes the implementation departments of the IUDF, the Rural Development Strategy, and the NSDF, as well as SALGA and the SACN. Furthermore, Professional Bodies that represent engineers, architects, planners and so forth, should be closely engaged as well. This review should be divorced from the design of a service delivery model for DCs. As intimated before, because South Africa will have to consider a differentiated model of DCs, there will have to be differentiated models of service delivery as well.
4. Section 5.2.2. also addresses the imperative of infrastructure finance and the exploration of Special Purpose Vehicles to pursue more innovative sources and ensure more equitable distribution at a district level. This is indeed critical work, but it will be important to broaden the scope to specifically address how more sustainable models of infrastructure design, delivery and maintenance can be prioritised as well. Most South African local governments are lagging behind other developing countries in redefining the norms and standards of infrastructure technologies and systems to ensure that they are low carbon, efficient in terms of materials consumption, and as labour intensive as possible to address the employment generation aspect of sustainable infrastructure. If more innovative infrastructure finance models are to be explored, this should be done in pursuing a reorientation towards sustainable infrastructure norms and design principles. The EU has extensive experience and expertise in this domain which makes them a natural partner in building out this domain of work.
5. Section 5.2.3 makes the case for improving capacity for understanding and advancing regional economies by connecting an analysis of regional infrastructure with comparative and competitive advantages/potential within a region. This implies highly special economic geography skills combined with the insights of economists and landscape environmentalists. These skills are in short supply in the private sector, higher education and government departments. It is therefore a big ask to expect DCs or LCs to have them inhouse. There is merit in developing a bespoke training and capacity building initiative to grow the talent pool in this area. Also, whilst this is being done, there is merit in having a central pool of expert support to avoid a scenario where local governments simply outsource to consultancy firms. Such a training programme will have to draw from the experience of the GTAC Winter Schools as well identify how planning priorities and frameworks of the NSDF and the IUDF will be baked into the conceptual approach.
6. Lastly, the various reports and presentations on the DDM underscore the importance of evidence-based policy making and review. Specifically, in the three pilot sites, the Multiple Deprivation Index is being used to not only get baseline data on key development indicators, but also have a standardised basis for comparison between LCs

and Districts. This is excellent. However, this system can be pushed much further and mechanisms can be created to combine these statistical indicators with qualitative data and narratives that come from civil society and ordinary households to put a human face to the data. There is also potential to connect service delivery and infrastructure plans to these indicators to allow citizens and municipalities to track whether priority investments and programmes are indeed having the desired impacts. Given the ways in which data is organised in South Africa through the custodianship of Statistics South Africa, it is possible to establish a highly efficient and streamlined analytical capacity within the heart of national government, anchored between: the Department of Agriculture, Land Reform and Rural Development, COGTA, SALGA, The Presidency, National Treasury and the Department of Public Works and Infrastructure. Key research institutions in universities and parastatal bodies should also be enrolled to optimise the opportunities offered by “big data” tools to advance fine-grained evidence-driven policy making and learning.

In summary, the most strategic role the EU can play in supporting localisation and territorialisation is to ensure that the design, testing and rolling out of the DDM system realises its full potential and a number of critical risks are effectively mitigated. Some of the critical areas that need further work is in the realm of system design and the creative deployment of new ICT-based data analytics, e-governance, and accountability mechanisms. This focus is reflected in the recommendations that seek to highlight elements of an established programme of work of SALGA on the implementation of the DDG model.