

President's Coordinating Council sets agenda for local government

At a Special President's Coordinating Council (PCC) workshop on 14 December 2001, the agenda was set for building a strong and development-oriented local government. The PCC adopted wide-ranging resolutions which chart the way forward in both the short- and medium-term.

At the workshop were the President, the Minister of Provincial and Local Government, the nine MECs for local government and SALGA's chairperson. The PCC's discussions were based on a status quo report on local government prepared by the Department of Provincial and Local Government on the first year after the 5 December 2000 elections.

The PCC recognised that 'municipalities are a critical institution in the country in changing the lives of people and

PCC workshop

therefore much be constructed as such'. It identified five key strategic objectives that must be pursued to transform local government:

1. Strong local government

Strong local government must be built and its status enhanced within a stable cooperative governance framework. To achieve this:

- the current distribution of functions, (as contained in Schedules 4 and 5 of the Constitution and other laws), including the power and functions of local government, must be re-assessed;
- a clear framework must be finalised for national and provincial interventions in local government in terms of sections 100 and 139 of the Constitution (see *LGL Bulletin* 1999(2) 11 and 2001(3) 2);
- a system of state-wide planning must be implemented. In this, municipal IDPs serve as the basis for aligning the policies, planning and budgeting of all three spheres; and
- organised local government must be assisted to play its role, including its participation in key intergovernmental bodies (including those dealing with budgets).

2. Stable institutional and administrative systems

The second strategic objective is building stable institutional and administrative systems in local government. To achieve this:

- the division of powers and functions between B and C municipalities must be resolved;
- the issue of cross-border municipalities must be resolved quickly;
- national framework legislation must be drafted to provide a basis for provincial legislation dealing with traditional leaders' role in rural governance;
- a national capacity-building strategy must be developed that accommodates the different needs of provinces and local authorities. It must focus on building strong political and managerial leadership at local level;
- the possible creation of a single public service framework must be considered. This would deal with, among other things, policy on municipal officials' salaries and the interim deployment of public servants to municipalities where there is the greatest need;

PCC's 5 key strategic objectives

1. To build a strong local government, including:

- re-assessing the current distribution of functions and powers;
- a clear framework for national and provincial interventions in local government.

2. To build a stable institutional and administrative system, including resolving:

- the division of powers and functions between district and local municipalities
- cross border municipalities; and
- the role of traditional leaders.

- the implementation and workability of the new system must be assessed regularly;
- clearer targets, milestones and deadlines must be set for local government to gauge progress in stabilising local government;
- a team which includes SALGA must be set up urgently to assist needy municipalities; and
- processes and structures must be created so that national, provincial and organised local governments can participate in developing strategies at all levels broader than IDPs.

3. Local democracy and accountability

The third strategic objective is deepening democracy and accountability. To fully realise the developmental value of participatory democracy:

- the Imbizo process that mobilises people to take part in local government processes must be extended and regularised;
- a dedicated programme must be developed to provide support to ward committees; and
- policies and guidelines must be developed to help councillors to manage wards and integrate inter-constituency priorities into a community-wide IDP.

4. Service delivery and economic development

To accelerate service delivery and development by municipalities:

3. To deepen democracy and accountability, including:

- support for ward committees.

4. To accelerate service delivery and development, including:

- assistance in implementing government policy on free basic services.

5. To ensure financial viability, including:

- reviewing the intergovernmental fiscal system and the allocation of the equitable share; and
- accessing financial markets through municipal private sector partnerships.

- service delivery boundaries must be reviewed urgently to bring them in line with the developmental boundaries of local government;
- a dedicated support team must be established to help municipalities implement the policy on free basic services, especially in rural areas;
- an urban/urbanisation policy must be developed;
- emergency measures must be developed and put into action to support and fast track the finalisation of IDPs and to monitor municipalities' performance on service delivery;
- the Urban Renewal Programme and the Integrated Sustainable Rural Development Programme must be based on the principle of an intergovernmental partnership; and
- electronic government must be promoted to speed up service delivery.

5. Financial viability

The PCC noted that the local government finance system still does not ensure that all municipalities are financially viable. It also believes all municipalities must be enabled to finance their own development needs, regardless of their capacity to raise their own revenue. To ensure financial viability the following must be done:

- The work of the Inter-Ministerial Committee investigating the re-engineering of the inter-governmental fiscal system must be fast-tracked. This includes reviewing the alloca-

tion of the equitable share of national revenue and the position of municipalities that inherited debt as a result of the demarcation.

- While the Cabinet decision on electricity restructuring is reaffirmed, the development relating to the impact of the restructuring process on the finances of local government must be closely followed.
- A national credit control policy must be consolidated, firmed up and widely publicised.
- A framework must be developed to help municipalities meet their statutory obligations. At the same time, action must be taken against municipalities which repeatedly do not meet their obligations.
- Municipalities must be helped to get access to financial markets. For this to happen, partnerships must be developed between national government, organised local government and the private sector. Resources available to local government must be increased in the short-term to create the basis for long-term sustainability.
- Adequate funding for district municipalities must also be ensured.
- There must be effective management of treasury functions including revenue and debt management and conducting audits.

Implementation of resolutions

The PCC resolved that a programme of action must be developed urgently. It will involve both

the national and provincial governments and must set out the implications of the resolutions for each of the role players, what their roles will be, and what the timeframes will be. Local government transformation may also form part of the agenda of the PCC's regular meetings. This is a temporary measure until the 'all in government conference', consisting of the three spheres of government, is established.

Comment

Having assessed the well-being of local government a year after the 2000 elections, the PCC resolutions accurately capture the key issues for the next few years. The urgency of some matters is clearly recognised. Clarity on the division of powers and functions between district and local municipalities can no longer wait. The place of traditional leaders in local government must also be finalised soon. A tight timeframe for the programme of action is certainly necessary. Finally, if the programme of action is to be effective, local government must be an essential part of the process of planning and implementation. The agenda set by the PCC is therefore a challenge to SALGA and municipalities to become key partners in planning and shaping their own destiny.

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