

## **Address at the National Council Of Provinces**

Ngwathe Local Municipality, Free State, 10 November 2006

Honourable Chairperson of the NCOP,  
Honourable Deputy Chairperson of the NCOP,  
Honourable Premiers,  
Honourable Members of the NCOP,  
Honourable Chairperson of SALGA, Mayors and Councillors,  
Ladies and Gentlemen,  
Fellow South Africans:

I would like to thank you very much for affording me this opportunity, once again to address the NCOP. All of us would agree that our democracy derives its strength, in part, from the partnerships and sustained and on-going engagements between elected representatives, the citizens of our country in all their formations, the public servants and those in the public institutions, together forming a collective committed to work and act together for the reconstruction and development our country.

Taking your sittings to the provinces, on this occasion the Free State, in order to deepen democratic participation in the work of the NCOP and government as a whole, continues a good practice that has now become an established convention of our democracy.

Chairperson, I would like to take this opportunity again to commend the NCOP, this important institution of our democratic order, for the way it continues to define its place and role in our on-going national effort to meet the most urgent and pressing needs of our people.

The NCOP has a specific and unique constitutional role in our democracy and I am happy that through your work you do not see yourselves merely as a smaller reflection of another important organ in our system of government, the National Assembly. I therefore urge that together we should ensure that this unique role is recognised and its operation further developed.

Today, in this House, we have yet another opportunity to continue our previous discussions on the workings of our institutions of cooperative governance, progress in providing basic services to our people and the effectiveness especially of our municipalities, which occupy the front desk in our struggle against poverty and underdevelopment.

We engage in this discussion aware that although we have made major strides against poverty in the last twelve years, through among others, provision of clean drinking water, proper sanitation, housing, electricity, better access to education and other basic services that have benefited millions of our people, the backlog has been so huge that we still have much more to do.

We will continue to work hard, including ensuring higher levels of economic growth which in turn opens the way to shared prosperity; increasing investment in economic infrastructure that promotes higher levels of investment; and allocating additional resources for public expenditure on houses, schools, clinics and other community infrastructure, and on social assistance to the elderly, children and people with disability.

As we know, Chairperson, since my address to this House last year, the country has elected municipal councillors who will lead this crucial sphere of government in the consolidation of local democracy and improving the quality of life of all our people where they live. It is on this issue of consolidating cooperative governance, particularly as it applies to the capacity and performance of local government, that I will focus my attention today.

First of all, I would like again to congratulate our newly elected local government representatives and the appointed officials in our municipalities. To these compatriots, what I would like to say is that as we have seen in our meetings in municipalities during Presidential Izimbizo - and as ordinary citizens would attest from their daily experience - yours is a very direct and critically important role in our national task to change the unacceptable conditions of life under which many of our people still live.

The Presidential Municipal Imbizo Programme identified the following four areas for strategic intervention:

- Integrated support from national and provincial spheres of government;
- Local Economic Development;
- Building skills in key service delivery areas such as general management, finance, engineering, project management and others; and,
- Building local capacity of councillors and ward committees to interact with local communities on service delivery.

In this context, it is important that, as public representatives we all remain conscious of the seriousness of the responsibility that the people of this country have given us, as well as the pressing need for all spheres of government, but especially the municipalities, to lead the struggle to accelerate and extend the provision of water, sanitation, electricity, health services, support to the indigent, and other basic services to meet the targets that are central to our goal of halving poverty and unemployment by 2014.

Indeed, working in partnership, all our spheres of government should ensure that our communities live in prosperous, productive, vibrant and sustainable settlements, which we must reconstruct as non-racial habitats.

Ahead of the local government elections, the National Cabinet, at its January 2006 Lekgotla, received a comprehensive appraisal of the previous five years of local government from the Minister of Provincial and Local Government as part of the report of the Governance and Administration cluster. The appraisal addressed all aspects of municipal governance, service provision and capacity, and considered both the strengths and weaknesses of the current system of local government.

At that meeting, Cabinet adopted The Implementation Plan for the Five Year Local Government Strategic Agenda for consolidating local government in its current five-year term.

The main premise of this Implementation Plan is the need to support those municipalities with capacity constraints to improve their performance and accountability through a concerted, targeted and institutionalised programme of support by government as a whole. Part of the objective in this regard is to develop the organisational capacity of the weakest municipalities so that they discharge their constitutional mandate effectively and efficiently.

Giving practical effect to this Implementation Plan for Local Government requires that national and provincial departments are in turn correctly organised and operationally focused both to engage the realities of municipal governance directly and to provide the kind of support that is needed if municipalities are to implement the programmes and policies these departments have introduced.

In this regard, all spheres of government as well as our public institutions are required to support local government, among others, to do the following:

- Design programmes that are alive to and informed by the real conditions at each local level;
- Assist municipal planning and budgeting processes by making available accurate and relevant information necessary for development and efficient delivery of services;
- Ensure that joint planning with the municipalities takes place on a timely basis, placing technical skills and resources at the disposal of municipalities;

- Guide and help with capacity for municipal practitioners and ensure that decisions are taken without delay and implementation happens immediately.

We are indeed very happy that already, a lot of work has been and continues to be done in this regard.

The Implementation Plan also requires that attention is given to the capacity and organisation of provinces, so that they are able to perform their own developmental, monitoring and support roles with respect to the municipalities.

Again, it is encouraging that the programme of focused, hands-on and sustained intergovernmental collaboration to support municipalities is gathering momentum and is already starting to show some positive results.

In his Budget Speech in the National Assembly in May this year, the Minister for Provincial and Local Government cited several examples of how the deployment of Service Delivery Facilitators into Project Consolidate municipalities has begun to show positive results, representing what Minister Mufamadi referred to as "a material sign of what could be achieved through a cooperative system of government".

Honourable Members would be aware that, so far, a total of 218 experts have been deployed in 80 Project Consolidate local municipalities and 5 metro municipalities. Numerous departments, public entities, donors, and private organisations are already involved or have committed themselves to supporting the deployment programme.

Because of the focussed attention that we are giving to the sphere of local government we have seen better municipal compliance with statutory timelines for the adoption of municipal Integrated Development Plans as well as improvements in the elaboration and management of municipal budgets.

In the recently published Local Government Budget and Expenditure Review: 2001/02-2007/08, the National Treasury confirms the fact that there is a general improvement in the integration of municipal Integrated Development Plans, budgets and performance management systems.

According to the Review, "in 22 surveyed municipalities, 20 have fully integrated the multi-year capital budget with their IDPs, while 17 have integrated the operating budget".

While, according to the assessments undertaken, the quality of these plans is steadily improving, the IDPs of many of the municipalities designated as focal points under Project Consolidate are still unsatisfactory in quality. These municipalities will continue to receive dedicated attention.

Chairperson,

As we all know, municipalities are led by elected local governments with particular responsibility for specific areas, but they are not islands separated from the other two spheres of government. Ultimately all public services, whichever sphere is responsible for delivering them, converge in these municipal spaces in which the people of our country reside and/or work.

During our engagements with the public and local stakeholder groupings in the Izimbizo process, the issues that people raise are not confined to matters that are the sole responsibility of municipalities. These are issues that concern many departments, public enterprises as well as all spheres of government.

Yet, from the perspective of local residents it is probably irrelevant which sphere of government provides a service as long as an appropriate quality of service is delivered efficiently and in the most accessible way.

Accordingly, it is critically important that our system of cooperative governance must continually operate in ways that result in better coordinated and integrated planning, budgeting and service delivery within and across spheres of government, if we are to promote sustainable community development and help bring a better life to all citizens of our country.

The House will also recall that the Intergovernmental Relations Framework Act was promulgated in August 2005. This Act directs that we establish the institutional machinery through which all spheres of government must coordinate and integrate plans, budgets and service provision.

Indeed, if we work as we should, jointly and in an integrated way, we will avoid the risk of schools being built without water provision and sanitation, without access roads or without electricity. We will avoid clinics being built without medicines or health workers. We will ensure that communities that regain their ancestral lands through the restitution process receive the necessary support to engage in productive agricultural activities.

To emphasise what we have already said, we must repeat that responsive government must, among other things, mean that all public institutions, public representatives and officials, on an on-going basis, should ensure that their work is informed by local concrete conditions and they themselves respond appropriately and practically to change those conditions for the better. Some of the joint efforts to change the lives of the majority of our people for the better include budget transfers from national to local government. These have increased year on year, through the equitable share and Municipal Infrastructure Grant programmes, releasing more funds targeted at the poor, to ensure such critical interventions as the eradication of the bucket system and delivery of proper sanitation, clean water and electricity.

Further, Project Consolidate, Siyenza Manje and the MIG programmes are actively assisting municipalities with the implementation of infrastructure programmes, especially in outlying areas that find it difficult to recruit engineers, financial and project management expertise. Several sectors have also completed master infrastructure plans enabling these sectors to integrate realistic capital expenditure within the municipal IDPs.

Besides the issue of allocating requisite resources, and at the centre of these efforts, should be clear plans at the local level in which the strategies and programmes of all the spheres of government and public entities find coordinated expression.

In this regard, the initiative to align the National Spatial Development Perspective and the Accelerated and Shared Growth Initiative on the one hand, with the Provincial Growth and Development Strategies and the District and Metro IDPs, on the other, occupies a central place.

We are greatly heartened by the fact that all the Provincial Governments have set deadlines to complete the redrafting of their Growth and Development Strategies to ensure that they are consistent with the principles of the National Spatial Development Perspective.

Further, the work that is being done in the 13 pilot areas -both urban and rural - to contextualise the NSDP and align the IDPs with the provincial and national planning instruments is of critical importance if we are to achieve developmental integration in actual practice.

Thus we shall all, together, be able fully to appreciate and exploit the comparative economic advantages in each District and Metro and more systematically address the challenge of poverty and underdevelopment in each of these areas.

In this regard, Honourable Members will need to assist to ensure that the perennial challenge of the relationship between the two tiers of local government, the district and local municipalities, where these

exist, is addressed decisively, so as to reduce duplication and ensure complementarities across the board.

Many in this House would know that we are half way through the life of the ten-year Integrated and Sustainable Rural Development and Urban Renewal Programmes, which were designed to adopt an area or nodal focus to target government coordination and public and private sector investments in the most deprived areas of our country.

The NCOP is well placed to ask probing questions about these important programmes, and to work with government and other role players to find answers to the many and varied challenges that face these programmes so that together we are able to accelerate the process of change in the poorest parts of our country.

Honourable Members:

On previous occasions in this House and in the National Assembly, we have spoken about the importance of the capacity and organisation of our developmental state. In this regard, we are all acutely aware that there is a shortage of critical skills in the country. Government has taken steps to ensure that we address the skills requirements of our growing economy and our public sector, especially at the municipal level.

It was, among others, in this context that on the March 27th this year, Government launched the Joint Initiative for Priority Skills Acquisition (JIPSA), which focuses on the scarce and critical skills required to make the Accelerated and Shared Growth Initiative a success.

It is indeed true, as the Honourable Deputy President, Phumzile Mlambo-Ngcuka, has pointed out that the absence of skills is not simply a constraint facing ASGI-SA, "but a potentially fatal constraint".

As we know, the problem of skills is most acutely felt at the municipal level. Technical and professional skills and expertise are in short supply or unevenly distributed across our municipalities. In many Izimbizo that we have conducted, the lack of skills in engineering, planning, municipal health, financial management, accounting, ICT and project management has been manifestly evident.

In some areas, especially municipalities in our rural hinterland, high funded vacancy rates in managerial, professional and technical occupational areas are in part attributable to skills migration to other areas of the country, a manifestation of broader trends in our national space economy.

Clearly, a municipality with little or no capacity to function as an organisation of state cannot spend effectively or account for expenditure, and therefore cannot provide an adequate level of service delivery to the people or promote meaningful local economic development.

We have seen how the absence of skills, expertise and capacity in any of our municipalities makes it impossible to achieve the objectives we have set in the municipal IDP's, the local economic development programmes, or the extended public works programmes. This incapacity means that such municipalities will continue to struggle to earn the trust, respect and confidence of the people they serve.

If this problem of lack of capacity in municipal governance is not given the necessary attention, it can undermine our efforts to deepen democracy at the local level and may bring about an unintended consequence of the development of a gulf between our municipal governments and the people, even when we have systematically sought to address this challenge through ward committees, community development workers and popularly mandated and realistic IDPs.

It is for this reason that JIPSA has identified municipal planning and engineering skills as priority scarce skills. Accordingly, everything possible will and must be done to scale up the effort to recruit and deploy scarce skills in our municipalities.

Chairperson,

Over the next two months, Cabinet and the President's Coordinating Council will meet with the National House of Traditional Leaders to give focused attention to the Institution of Traditional Leadership. Several important meetings have already taken place this year between the Presidency, the Ministry and Department of Provincial and Local Government and the Houses of Traditional Leadership.

With most of the legislative and policy framework governing this Institution in place, the critical task is to ensure that it is given all the support required for it to take its place as a partner in development.

These engagements will lay the basis for a comprehensive national programme of support for the Institutions of Traditional Leadership, as a joint initiative of Government and the traditional institution, which should be substantially completed before the end of the year.

Undoubtedly, we will have occasion to address this important initiative in more detail in one of our future discussions in this House.

Chairperson and Honourable Members;

We have focused in some detail on the challenges facing the local sphere of government and the measures we need to address those challenges. We have done this precisely because this sphere of government stands at the coal face of our endeavours to accelerate the process of changing the lives of our people for the better.

The comprehensive Implementation Plan for Local Government, in particular, provides this House with an important benchmark with which the NCOP can exercise its mandate to oversee and help further to strengthen our system of cooperative governance.

Clearly, your responsibility is equally to ensure that our system of government is focused on the task at hand and is responsive to the needs of our people. This annual sitting of the NCOP outside its chambers in Cape Town, affords us the opportunity collectively to take stock of the impact we are having in improving the quality of life of our people.

I am confident that, with the support of the NCOP, the National Assembly, the provincial and municipal legislatures, our democratic government across the three spheres will be able to meet its objectives.

Thus shall we, in actual practice, ensure that the confidence of our people that they have entered an Age of Hope, finds concrete expression in day-to-day lives that register continuous improvement.

Let me conclude by drawing attention to an important event that took place at the Kirstenbosch National Botanical Gardens in Cape Town yesterday, which was reported by the electronic media yesterday.

I am, of course, referring to the global launch of the 2006 UNDP Human Development Report, which was held in Africa for the very first time. This important Report focuses specifically on the critical challenge to provide all human beings everywhere in the world with adequate access to clean water and sanitation.

The UNDP paid outstanding tribute to our country by deciding that the global launch of the Report would take place in South Africa. The Administrator of the UNDP, Kemal Dervis, explained that the UNDP took

this decision because of the role that democratic South Africa is playing, to lead the world in terms of providing water to the poor, having determined that access to water is a fundamental human right.

All of us as South Africans who participated in the proceedings at Kirstenbosch were truly inspired that the United Nations put our country on such a high pedestal among the world community of nations.

At the same time, we recognised the reality that the accolade bestowed on our country and its institutions of governance, including the NCOP, imposed an obligation on us to continue to do everything in our power to ensure that we never take our eye away from the goal of the sustained improvement of the lives of the poor.

Let what happened at Kirstenbosch yesterday serve as an inspiration to this important national House of Parliament to persist in its determined work to serve the people of South Africa, especially the poor.

I thank you for your attention and wish you success in the critically important work in which you are engaged.