



Municipal Situational Analysis

Submitted September 2009

This was submitted by
**Global Sustainable Development
(GSD)**



The Support Programme for Accelerated Infrastructure Development (SPAID)

SPAID is a partnership between the Business Trust and the Presidency of the South African Government. SPAID works to combine the resources of business and government to accelerate the achievement of the Government's infrastructure development targets.

- SPAID aims to support accelerated public sector infrastructure delivery by mobilising: private sector initiative; private sector systems and delivery approaches; and focused strategic support.
- SPAID aims to promote dialogue and understanding between senior public and private sector stakeholders in the infrastructure sector improves.

Please visit the website for more information: www.spaid.co.za.



The Presidency

Strategic objectives defined by South Africa's Presidency include:

- Co-ordination, monitoring and communication of government policies and programmes;
- fostering nation building;
- enhancing an integrated approach to governance for accelerated service delivery and supporting and consolidating initiatives for building a better Africa and a better world;
- bringing government closer to the people; and
- facilitating a Developmental State through accelerating economic growth, interventions in the second economy, elimination of poverty and fostering nation building.

Initiatives being undertaken by AsgiSA fall into six broad categories; a massive investment in infrastructure, targeting economic sectors with good growth potential, developing the skills of South Africans and harnessing the skills already there, building up small businesses to bridge the gap between the formal and informal economies, beefing up public administration and creating a macroeconomic environment more conducive to economic growth.

For more information on the Presidency and AsgiSA, go to: www.thepresidency.gov.za



The Business Trust

The Business Trust combines the resources of business and government in areas of common interest to accelerate the achievement of national objectives. It focuses on creating jobs, building capacity and combating poverty.

The partnerships of the Business Trust are structured through:

- The corporate partners who fund the Business Trust. Over 140 of South Africa's leading companies have committed over R1billion to the Business Trust since 1999.
- The board of the organization, made up of cabinet ministers and the heads of the major corporations who support the Business Trust.
- Sector specific partnership committees made up of business and government leaders, who oversee project implementation.
- A series of implementing partnerships with the agencies that implement Business Trust programmes.

Please visit the website for more information www.btrust.org.za.

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SECTION A: INTRODUCTION

1 INTRODUCTION

This report provides an analysis of municipalities throughout South Africa with the purpose of providing a contextual analysis of the municipalities with regards to infrastructure delivery. And, in particular to understand the capacity of municipalities to undertake: the identification of projects, to facilitate the procurement cycle and administer contracts, complete site visits, and manage committed project expenditure.

The analysis has a focus on four key indicators: management levels, financial ranking, spending vulnerability and broad vulnerability. Each of these indicators are rated using data including: the size of municipality, number of households it serves (and staff: household ratio), levels of urbanisation and poverty, budget, expenditure, experience and qualifications of key staff, etc. The decision as to which data sets to use to understand the performance of each municipality against these indicators was made both in terms of which data was considered to be the best proxy for these indicators and in terms of where the best data was found to be available.

The data for this report is drawn from a larger report which is the first in a series of reports produced by GSD as part of its monitoring and evaluation responsibilities within the SPAID programme. This broader report also provided a perspective on: the role of SPAID in addressing the imperatives highlighted by this data and the possibilities for alternative models of delivery being developed which maximise the respective roles and contributions of both the public and private sectors in infrastructure delivery. These issues, while not addressed in this report, are flagged again in the conclusion to this report.

1.1 METHODOLOGY

It is noted that a range of different methods were employed by GSD as part of the development of this analysis. The broader report included interviews with key individuals from industry, labour, state owned enterprises, government, and other public entities.

The data contained in this report relied on a number of existing research reports, and key studies include: Demarcation Board capacity assessments, Treasury reports, Auditor General Reports, and an analysis of Workplace Skills Plans and Annual Training Reports.

SECTION B: DESK-TOP STUDY OF CURRENT CAPACITY

2 CURRENT CAPACITY AGAINST KEY INDICATORS

2.1 INTRODUCTION

As indicated this report provides an analysis of the desk top review that was undertaken as part of the GSD baseline report.

This section explains the ratings that were made in terms of the four key indicators (Broad Vulnerability; Management Levels, Financial Ranking and the Ability to Spend) and explains which data was used for the analysis of each of these indicators.

Indicators for Broad Vulnerability

<i>Indicators for Broad Vulnerability</i>	<i>Quartiles</i>
Population CS2007	1 = Low population and 4 = High population levels
Total Households CS2007	1 = Low household numbers and 4 = High household numbers
% Urbanised	1 = High urbanisation levels and 4 = Low urbanisations levels (Latter services difficult to provide and service)
% Poverty	1 = Low poverty levels and 4 = High poverty levels
Opex Per HH Estimate 2007/08	1 = High per household expenditure and 4 = Low per household expenditure
Staff per Household	1 = Low staff to Household ratio and 4 = High staff to household ratio
<i>Broad Vulnerability Ranking</i>	
Score of 1	Low vulnerability
Score of 2	Moderate vulnerability
Score of 3	Fairly High vulnerability
Score of 4	High vulnerability

Indicators for Management Levels

Management levels	
MM Years LG Experience	Years experience Classification for Position Experience 0= No data; 1 = less than 1 year; 2 = 1 - 2 years; 3 = 2.1 - 4 years; 4 = 4.1 - 6 years; 5 = 6.1 - 10 years; 6 = More than 10 years
MM Position Experience	Years experience Classification for Position Experience 0= No data; 1 = less than 1 year; 2 = 1 - 2 years; 3 = 2.1 - 4 years; 4 = 4.1 - 6 years; 5 = 6.1 - 10 years; 6 = More than 10 years
CFO Appropriate Qualification	Appropriate qualification = 1 and all other = 0
CFO Years in Experience	Years experience Classification for Position Experience 0= No data; 1 = less than 1 year; 2 = 1 - 2 years; 3 = 2.1 - 4 years; 4 = 4.1 - 6 years; 5 = 6.1 - 10 years; 6 = More than 10 years
CFO Years in Position	Years experience Classification for Position Experience 0= No data; 1 = less than 1 year; 2 = 1 - 2 years; 3 = 2.1 - 4 years; 4 = 4.1 - 6 years; 5 = 6.1 - 10 years; 6 = More than 10 years
TS Appropriate Qualification	Appropriate qualification = 1 and all other = 0
TS Years in Experience	Years experience
TS Years in Position	Years experience
Quartile Ranking	
Score 1	Good management levels
Score 2	Satisfactory management levels
Score 3	Fairly low management levels
Score 4	Low management levels

Indicators for Financial Ranking

Financial Ranking	Ranking
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Capital spend of 2006/07 budget - 25% or less under	1
Capital spend of 2006/07 budget - 26% to 50% under spend	2
Capital spend of 2006/07 budget 51% - 75% under spend	3
Capital spend of 2006/07 budget - 76% or more under spend	4
Capital spend of 2006/07 budget - 50% or less over spend	1
Capital spend of 2006/07 budget - 51% or more over spend	2
Unqualified audit report	1
Qualified audit report	2
Adverse audit report	3
Disclaimer audit report	4
Financial Ranking	
Score of 1	Good
Score of 2	Satisfactory
Score of 3	Fairly Poor
Score of 4	Low

NOTE: The Free State Province information could not be downloaded from the AG's website hence the AGs status is missing. Some audits have also not been completed for a number of reasons, some at the municipal level and some due to the lack of sufficient capacity in the AGs office. A few municipalities were classified as "other" with no further description. Therefore, the Free State and all municipalities with incomplete Audit Reports and "other" are not included in the financial vulnerability assessment. These municipalities are examined separately for their ability to spend only.

Indicators for Ability to Spend

Ability to Spend	
Capital spend of 2006/07 budget - 25% or less over or under	1

Capital spend of 2006/07 budget - 26% to 50% over or under spend	2
Capital spend of 2006/07 budget - 51% - 75% under or over	3
Capital spend of 2006/07 budget - 76% or more under or over	4
<i>Spend ranking</i>	
Score 1	Good
Score 2	Fairly good
Score 3	Fairly poor
Score 4	Poor

GSD then performed a non-weighted calculation and based on the ratings that municipalities were allocated for each indicator the overall rating per municipality was determined as follows:

The overall ranking was based on a maximum score of 12, broken down as follows:

<i>Overall Municipality Ranking</i>	
Score of 1 – 2	Very Good
Score of 3 – 4	Good
Score of 5 – 6	Satisfactory
Score of 7 – 8	Fairly Poor
Score of 9 - 10	Poor
Score of 11 - 12	Very Poor

The overall rating per municipality and an aggregated analysis of capacity for each of the nine provinces are provided in .

2.2 MUNICIPAL CAPACITY RATINGS

The tables below indicate the capacity rating that each municipality received in terms of the specific dimensions that were used for the analysis. As indicated, the overall capacity rating is based on a calculation which takes into account the rating that each municipality received for each dimension.

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2.2.1 District Municipalities (46)

Good (2)

Northern Cape	DC7	Pixley Ka Seme District Municipality	Broad Vulnerability	Management Levels	Financial Ranking	Spending Vulnerability
			Moderate	Good		Fairly Good

			Broad Vulnerability	Management Levels	Financial Ranking	Spending Vulnerability
Northern Cape	DC8	Siyanda District Municipality	Moderate	Good		Good

Satisfactory (14)

			Broad Vulnerability	Management Levels	Financial Ranking	Spending Vulnerability
Eastern Cape	DC13	Chris Hani District Municipality	Moderate	Good	Satisfactory	
KwaZulu-Natal	DC29	iLembe District Municipality	Moderate	Good	Satisfactory	
Western Cape	DC3	Overberg District Municipality	Moderate	Good	Satisfactory	
Western Cape	DC1	West Coast District Municipality	Moderate	Good		
Eastern Cape	DC14	Ukhahlamba District Municipality	Low	Fairly low	Satisfactory	
Free State	DC20	Fezile Dabi District Municipality	Fairly High	Satisfactory	Good	
KwaZulu-Natal	DC22	Umgungundlovu District Municipality	Fairly High	Good	Satisfactory	
KwaZulu-Natal	DC26	Zululand District Municipality	Moderate	Satisfactory	Satisfactory	
KwaZulu-Natal	DC27	Umkhanyakude District Municipality	Moderate	Satisfactory	Satisfactory	
KwaZulu-Natal	DC43	Sisonke District Municipality	Moderate	Fairly low	Good	
Eastern Cape	DC44	Alfred Nzo District Municipality	Moderate	Good		
Gauteng	DC48	West Rand District Municipality	Fairly High	Good	Satisfactory	
Western Cape	DC5	Central Karoo District Municipality	Moderate	Good		
Northern Cape	DC6	Namakwa District Municipality	Moderate	Satisfactory	Satisfactory	

Fairly Poor (19)

			Broad Vulnerability	Management Levels	Financial Ranking	Spending Vulnerability
Free State	DC16	Xhariep District Municipality	Moderate	Fairly low		Poor
Free State	DC18	Lejweleputswa District Municipality	High	Satisfactory		Good
Western Cape	DC2	Cape Winelands District Municipality	Fairly High	Fairly low		Good
KwaZulu-Natal	DC24	Umkhanyakude District Municipality	Moderate	Satisfactory		
Mpumalanga	DC30	Gert Sibande District Municipality	Fairly High	Satisfactory	Satisfactory	
Mpumalanga	DC32	Ehlanzeni District Municipality	Fairly High	Fairly low		Good
Limpopo	DC36	Waterberg District Municipality	Fairly High	Fairly low		Fairly Good
North West	DC38	Central District Municipality	Moderate	Satisfactory		
North West	DC39	Bophirima District Municipality	Moderate	Fairly low	Satisfactory	
Gauteng	DC42	Sedibeng District Municipality	Fairly High	Good		
Northern Cape	DC45	Kgalagadi District Municipality	Low	Fairly low		
Gauteng	DC46	Metsweding District Municipality	Fairly High	Good		
Limpopo	DC47	Greater Sekhukhune District Municipality	Moderate	Good		
Eastern Cape	DC15	O.R.Tambo District Municipality	Fairly High	Low		Good
KwaZulu-Natal	DC21	Ugu District District Municipality	Moderate	Low	Satisfactory	
Mpumalanga	DC31	Nkangala District Municipality	High	Fairly low		Good
Limpopo	DC34	Vhembe District Municipality	Fairly High	Low		Good
Limpopo	DC35	Capricorn District Municipality	Fairly High	Low		Good
Northern Cape	DC9	Frances Baard District Municipality	Fairly High	Satisfactory		Fairly poor

Poor (9)

			Broad Vulnerability	Management Levels	Financial Ranking	Spending Vulnerability
Eastern Cape	DC10	Cacadu District Municipality	Moderate	Low		
Eastern Cape	DC12	Amatole District Municipality	Fairly High	Fairly low		
Free State	DC19	Thabo Mofutsanyane District Municipality	Fairly High	Low		Fairly Good
KwaZulu-Natal	DC23	Uthukela District Municipality	Moderate	Low		
KwaZulu-Natal	DC28	uThungulu District Municipality	Fairly High	Low	Satisfactory	
North West	DC37	Bojanala Platinum District Municipality	High	Satisfactory		
KwaZulu-Natal	DC25	Amajuba District Municipality	Fairly High	Low		
Limpopo	DC33	Mopani District Municipality	Fairly High	Fairly low		
Western Cape	DC4	Eden District Municipality	Fairly High	Low		

Very Poor (2)

			Broad Vulnerability	Management Levels	Financial Ranking	Spending Vulnerability
Free State	DC17	Motheo District Municipality	High	Low		Fairly poor
North West	DC40	Southern District Municipality	High	Low		

2.2.2 Local Municipalities (231)

Good (6)

Province	MDB Code	Municipal Name	Broad Vulnerability level		Financial Vulnerability	Spending Vulnerability
Gauteng	GT423	Lesedi Local Municipality	Low	Good	Satisfactory	
Western Cape	WC015	Swartland Local Municipality	Low	Good		
Western Cape	WC033	Cape Agulhas Local Municipality	Low	Good	Fairly poor	
Free State	FS162	Kopanong Local Municipality	Low	Satisfactory	Fairly poor	
Western Cape	WC013	Bergvliet Local Municipality	Low	Good	Satisfactory	
Western Cape	WC043	Mossel Bay Local Municipality	Low	Good	Satisfactory	

Satisfactory (54)

Province	MDB Code	Municipal Name	Broad Vulnerability level		Financial Vulnerability	Spending Vulnerability
Eastern Cape	EC105	Ndlambe Local Municipality	Low	Satisfactory	Fairly poor	
Eastern Cape	EC108	Kouga Local Municipality	Low	Satisfactory	Satisfactory	
Eastern Cape	EC131	Inxuba Yethemba Local Municipality	Low	Good	Fairly poor	
Free State	FS163	Mohokare Local Municipality	Moderate	Satisfactory		Fairly Good
Free State	FS191	Setsoto Local Municipality	Moderate	Good		Fairly poor
Gauteng	GT481	Mogale City Local Municipality	Moderate	Good	Fairly poor	
KwaZulu-Natal	KZN212	uMdoni Local Municipality	Moderate	Good	Fairly poor	
KwaZulu-Natal	KZN222	uMngeni Local Municipality	Moderate	Good	Satisfactory	
KwaZulu-Natal	KZN225	The Msunduzi Local Municipality	Moderate	Satisfactory	Fairly poor	
KwaZulu-Natal	KZN282	uMhlathuze Local Municipality		Good		
KwaZulu-Natal	KZN292	The KwaDukuza Local Municipality	Moderate	Satisfactory	Fairly poor	

Province	MDB Code	Municipal Name	Broad Vulnerability level		Financial Vulnerability	Spending Vulnerability
Mpumalanga	MP302	Msukaligwa Local Municipality	Moderate	Satisfactory	Fairly poor	
Mpumalanga	MP311	Delmas Local Municipality	Moderate	Satisfactory		
Northern Cape	NC062	Nama Khoi Local Municipality	Low	Satisfactory		
Northern Cape	NC067	Khai-Ma Local Municipality	Low	Good	Satisfactory	
Northern Cape	NC077	Siyathemba Local Municipality	Low	Good		Fairly Good
Northern Cape	NC453	Gamagara Local Municipality	Low	Good		
Western Cape	WC014	Saldanha Bay Local Municipality	Low	Satisfactory		
Western Cape	WC026	Breede River/Winelands Local Municipality	Low	Satisfactory		
Western Cape	WC031	Theewaterskloof Local Municipality	Low	Satisfactory		
Western Cape	WC032	Overstrand Local Municipality	Low	Satisfactory	Satisfactory	
Western Cape	WC047	Bitou Local Municipality	Low	Satisfactory	Fairly poor	
Western Cape	WC048	Knysna Local Municipality	Low	Satisfactory	Fairly poor	
Eastern Cape	EC101	Camdeboo Local Municipality	Low	Fairly low		
Eastern Cape	EC104	Makana Local Municipality	Low	Satisfactory	Fairly poor	
Eastern Cape	EC107	Baviaans Local Municipality	Low	Satisfactory	Fairly poor	
Eastern Cape	EC125	Buffalo City Local Municipality		Good		
Free State	FS161	Letsemeng Local Municipality	Moderate	Satisfactory	Fairly poor	
Free State	FS173	Mantsopa Local Municipality	Moderate	Good	Fairly poor	
Free State	FS193	Nketoana Local Municipality	Moderate	Fairly low		
Gauteng	GT483	Westonaria Local Municipality		Good	Satisfactory	
KwaZulu-Natal	KZN241	Endumeni Local Municipality	Moderate	Good	Fairly poor	
KwaZulu-Natal	KZN273	The Big Five False Bay Local Municipality		Good		
KwaZulu-Natal	KZN284	Umlalazi Local Municipality		Good		Good
Limpopo	LIM341	Musina Local Municipality	Moderate	Satisfactory		Good
Limpopo	LIM361	Thabazimbi Local Municipality	Moderate	Fairly low		Fairly Good
Limpopo	LIM364	Mookgopong Local Municipality	Low	Satisfactory		Fairly Good
Mpumalanga	MP313	Steve Tshwete Local Municipality	Moderate	Satisfactory		Fairly poor
Mpumalanga	MP323	Umjindi Local Municipality	Moderate	Fairly low		
North West	NW395	Molopo Local Municipality	Moderate	Satisfactory		
North West	NW396	Lekwa-Teemane Local Municipality	Low	Satisfactory		Fairly Good
North West	NW401	Ventersdorp Local Municipality	Moderate	Fairly low		Fairly Good
Northern Cape	NC074	Kareeberg Local Municipality	Low	Satisfactory		
Northern Cape	NC082	!Kai! Garib Local Municipality	Moderate	Satisfactory		
Northern Cape	NC092	Dikgatlong Local Municipality	Moderate	Good		Good
Northern Cape	NC093	Magareng Local Municipality	Low	Good		Good
Western Cape	WC011	Matzikama Local Municipality	Low	Satisfactory		Good
Western Cape	WC023	Drakenstein Local Municipality	Moderate	Satisfactory		
Western Cape	WC024	Stellenbosch Local Municipality	Moderate	Satisfactory		Fairly Good
Western Cape	WC034	Swellendam Local Municipality	Low	Fairly low		
Western Cape	WC042	Hessequa Local Municipality	Low	Fairly low		Fairly poor
Western Cape	WC044	George Local Municipality	Moderate	Satisfactory		
Western Cape	WC045	Oudtshoorn Local Municipality	Low	Satisfactory	Fairly poor	
Western Cape	WC051	Laingsburg Local Municipality	Low	Satisfactory	Satisfactory	

Fairly Poor (85)

Province	MDB Code	Municipal Name	Broad Vulnerability level		Financial Vulnerability	Spending Vulnerability
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Province	MDB Code	Municipal Name	Broad Vulnerability level		Financial Vulnerability	Spending Vulnerability
Eastern Cape	EC103	Ikwezi Local Municipality	Low	Fairly low	Good	
Eastern Cape	EC106	Sunday's River Valley Local Municipality	Moderate	Fairly low	Fairly poor	
Eastern Cape	EC109	Kou-Kamma Local Municipality	Moderate	Satisfactory	Fairly poor	
Eastern Cape	EC142	Senqu Local Municipality		Good	Satisfactory	
Eastern Cape	EC144	Gariep Local Municipality	Moderate	Satisfactory		
Free State	FS172	Mangaung Local Municipality	Moderate		Satisfactory	
Free State	FS183	Tswelopele Local Municipality	Moderate	Fairly low	Good	
Free State	FS192	Dihlabeng Local Municipality	Moderate		Satisfactory	
Free State	FS194	Maluti a Phofung Local Municipality		Fairly low	Fairly poor	
Free State	FS201	Moghaka Local Municipality		Satisfactory	Fairly poor	
Free State	FS204	Metsimaholo Local Municipality	Moderate	Satisfactory	Fairly poor	
Free State	FS205	Mafube Local Municipality	Moderate	Fairly low	Satisfactory	
KwaZulu-Natal	KZN211	Vulamehlo Local Municipality		Satisfactory	Fairly poor	
KwaZulu-Natal	KZN245	Umvoti Local Municipality		Good	Satisfactory	
KwaZulu-Natal	KZN253	eMadlangeni Local Municipality	Moderate	Satisfactory	Fairly poor	
KwaZulu-Natal	KZN262	uPhongolo Local Municipality		Satisfactory		
KwaZulu-Natal	KZN281	Mbonambi Local Municipality		Satisfactory	Good	
KwaZulu-Natal	KZN285	Mthonjaneni Local Municipality		Satisfactory	Satisfactory	
Limpopo	LIM332	Greater Letaba Local Municipality		Satisfactory	Satisfactory	
Limpopo	LIM354	Polokwane Local Municipality		Fairly low	Satisfactory	
Mpumalanga	MP304	Pixley Ka Seme Local Municipality	Moderate	Satisfactory	Satisfactory	
Mpumalanga	MP307	Govan Mbeki Local Municipality	Moderate	Fairly low	Satisfactory	
Mpumalanga	MP312	Emalahleni Local Municipality		Satisfactory	Fairly poor	
Mpumalanga	MP314	Emakhazeni Local Municipality	Low	Fairly low	Satisfactory	
North West	NW392	Naledi Local Municipality	Low	Fairly low	Fairly poor	
North West	NW403	City of Matlosana Municipality	Moderate	Satisfactory		
North West	NW404	Maquassi Hills Local Municipality	Moderate	Fairly low	Satisfactory	
Northern Cape	NC061	Richtersveld Local Municipality	Low	Satisfactory	Satisfactory	
Northern Cape	NC066	Karoo Hoogland Local Municipality	Low	Fairly low		
Northern Cape	NC072	Umsobomvu Local Municipality	Low	Fairly low	Fairly poor	
Northern Cape	NC073	Enthanjeni Local Municipality	Low	Fairly low	Fairly poor	
Northern Cape	NC075	Renosterberg Local Municipality	Low	Satisfactory		
Northern Cape	NC083	Khara Hais Local Municipality	Low	Fairly low	Good	
Northern Cape	NC085	Tsantsabane Local Municipality	Low	Fairly low	Fairly poor	
Northern Cape	NC086	Kgatelopele Local Municipality	Low		Fairly poor	
Northern Cape	NC091	Sol Plaatjie Local Municipality	Moderate	Satisfactory		
Western Cape	WC012	Cederberg Local Municipality	Low			Fairly Good
Western Cape	WC025	Breede Valley Local Municipality	Moderate	Fairly low	Fairly poor	
Eastern Cape	EC123	Great Kei Local Municipality		Satisfactory		
Eastern Cape	EC128	Nxuba Local Municipality	Moderate	Fairly low	Fairly poor	
Eastern Cape	EC133	Inkwanca Local Municipality	Moderate	Satisfactory	Fairly poor	
Eastern Cape	EC134	Lukhanji Local Municipality		Satisfactory		
Eastern Cape	EC143	Maletswai Local Municipality	Moderate	Fairly low	Good	
Eastern Cape	EC441	Matatiele Local Municipality		Satisfactory	Satisfactory	
Free State	FS171	Naledi Local Municipality	Moderate		Good	
Free State	FS184	Matjhabeng Local Municipality			Satisfactory	
Free State	FS185	Nala Local Municipality	Moderate		Satisfactory	
Free State	FS195	Phumelela Local Municipality	Moderate		Satisfactory	

Province	MDB Code	Municipal Name	Broad Vulnerability level		Financial Vulnerability	Spending Vulnerability
Gauteng	GT422	Midvaal Local Municipality	Moderate		Good	
Gauteng	GT461	Nokeng tsa Taemane Local Municipality	Moderate	Fairly low	Satisfactory	
KwaZulu-Natal	KZN216	Hibiscus Coast Local Municipality		Fairly low	Fairly poor	
KwaZulu-Natal	KZN221	uMshwathi Local Municipality		Satisfactory	Satisfactory	
KwaZulu-Natal	KZN223	Mooi Mpofana Local Municipality	Moderate	Fairly low	Satisfactory	
KwaZulu-Natal	KZN226	Mkhambathini Local Municipality		Fairly low	Fairly poor	
KwaZulu-Natal	KZN227	Richmond Local Municipality		Fairly low	Fairly poor	
KwaZulu-Natal	KZN232	Emnambithi-Ladysmith Local Municipality		Fairly low	Satisfactory	
KwaZulu-Natal	KZN233	Indaka Local Municipality		Fairly low		
KwaZulu-Natal	KZN234	Umtshezi Local Municipality	Moderate			Good
KwaZulu-Natal	KZN244	Msinga Local Municipality		Satisfactory		Good
KwaZulu-Natal	KZN252	Newcastle Local Municipality		Good		
KwaZulu-Natal	KZN275	Mtubatuba Local Municipality	Moderate	Fairly low		
KwaZulu-Natal	KZN293	Ndwedwe Local Municipality		Satisfactory		
KwaZulu-Natal	KZN431	Ingwe Local Municipality		Satisfactory		
KwaZulu-Natal	KZN433	Greater Kokstad Local Municipality	Moderate	Fairly low	Fairly poor	
Limpopo	LIM331	Greater Giyani Local Municipality		Satisfactory	Fairly poor	
Limpopo	LIM333	Greater Tzaneen Local Municipality		Fairly low		Good
Limpopo	LIM365	Modimolle Local Municipality	Moderate	Fairly low	Fairly poor	
Limpopo	LIM366	Bela Bela Local Municipality	Moderate	Satisfactory		
Limpopo	LIM367	Mogalakwena Local Municipality		Satisfactory		Good
Mpumalanga	MP315	Thembisile Local Municipality		Fairly low		Fairly Good
North West	NW372	Local Municipality of Madibeng		Fairly low		Good
North West	NW374	Kgetlengrivier Local Municipality	Low			
North West	NW393	Mamusa Local Municipality	Low	Fairly low	Fairly poor	
Northern Cape	NC064	Kamiesberg Local Municipality	Low		Fairly poor	
Northern Cape	NC065	Hantam Local Municipality	Low			
Northern Cape	NC071	Ubuntu Local Municipality	Low		Fairly poor	
Northern Cape	NC078	Siyancuma Local Municipality	Moderate	Satisfactory	Fairly poor	
Northern Cape	NC081	Mier Local Municipality	Moderate	Satisfactory	Fairly poor	
Northern Cape	NC084	!Kheis Local Municipality	Moderate	Satisfactory		
Northern Cape	NC094	Phokwane Local Municipality	Moderate	Fairly low	Fairly poor	
Northern Cape	NC451	Moshaweng Local Municipality		Satisfactory	Fairly poor	
Western Cape	WC022	Witzenberg Local Municipality	Moderate		Fairly poor	
Western Cape	WC041	Kannaland Local Municipality	Low	Fairly low	Good	
Western Cape	WC052	Prince Albert Local Municipality	Low	Fairly low	Fairly poor	
Western Cape	WC053	Beaufort West Local Municipality	Low	Fairly low	Fairly poor	

Poor (71)

Province	MDB Code	Municipal Name	Broad Vulnerability level		Financial Vulnerability	Spending Vulnerability
Eastern Cape	EC102	Blue Crane Route Local Municipality	Low			
Eastern Cape	EC122	Mnquma Local Municipality		Satisfactory	Fairly poor	
Eastern Cape	EC124	Amahlali Local Municipality		Satisfactory	Satisfactory	

Province	MDB Code	Municipal Name	Broad Vulnerability level		Financial Vulnerability	Spending Vulnerability
Eastern Cape	EC135	Intsika Yethu Local Municipality		Fairly low	Good	
Eastern Cape	EC442	Umzimvubu Local Municipality		Satisfactory	Satisfactory	
Free State	FS181	Masilonyana Local Municipality			Satisfactory	
Free State	FS182	Tokolologo Local Municipality	Moderate	Fairly low	Fairly poor	
Gauteng	GT462	Kungwini Local Municipality	Moderate		Good	
Gauteng	GT482	Randfontein Local Municipality	Moderate	Fairly low	Satisfactory	
KwaZulu-Natal	KZN215	Ezingoleni Local Municipality		Fairly low	Fairly poor	
KwaZulu-Natal	KZN236	Imbabazane Local Municipality		Fairly low		
KwaZulu-Natal	KZN254	Dannhauser Local Municipality		Satisfactory	Good	
KwaZulu-Natal	KZN271	Umhlabuyalingana Local Municipality			Satisfactory	
KwaZulu-Natal	KZN272	Jozini Local Municipality		Satisfactory	Fairly poor	
KwaZulu-Natal	KZN286	Nkandla Local Municipality		Fairly low	Fairly poor	
KwaZulu-Natal	KZN291	Mandeni Local Municipality			Satisfactory	
KwaZulu-Natal	KZN432	Kwa Sani Local Municipality			Fairly poor	
KwaZulu-Natal	KZN435	Umzimkhulu Local Municipality		Fairly low	Fairly poor	
Limpopo	LIM334	Ba-Phalaborwa Local Municipality		Satisfactory	Good	
Limpopo	LIM344	Makhado Local Municipality		Satisfactory	Fairly poor	
Limpopo	LIM351	Blouberg Local Municipality			Fairly poor	
Limpopo	LIM355	Lepele-Nkumpi Local Municipality			Fairly poor	
Limpopo	LIM362	Lephalale Local Municipality		Satisfactory	Fairly poor	
Limpopo	LIM471	Greater Marble Hall Local Municipality		Fairly low		
Limpopo	LIM472	Elias Motsoaledi Local Municipality		Satisfactory		Fairly Good
Mpumalanga	MP301	Albert Luthuli Local Municipality		Satisfactory	Fairly poor	
Mpumalanga	MP305	Local Municipality of Lekwa	Moderate	Fairly low		
Mpumalanga	MP306	Dipaleseng Local Municipality	Moderate		Fairly poor	
Mpumalanga	MP316	Dr J S Moroka Local Municipality		Fairly low	Satisfactory	
Mpumalanga	MP321	Thaba Chweu Local Municipality		Fairly low	Fairly poor	
Mpumalanga	MP325	Bushbuckridge Local Municipality		Satisfactory		Fairly Good
North West	NW375	Moses Kotane Local Municipality				
North West	NW382	Tswaing Local Municipality		Fairly low	Fairly poor	
North West	NW383	Mafikeng Local Municipality		Fairly low		
North West	NW384	Ditsobotla Local Municipality		Fairly low	Fairly poor	
North West	NW402	Potchefstroom Local Municipality	Low			
North West	NW405	Merafong City Local Municipality		Fairly low	Satisfactory	
Northern Cape	NC076	Thembelihle Local Municipality	Low		Fairly poor	
Northern Cape	NC452	Ga-Segonyana Local Municipality		Satisfactory	Fairly poor	
Eastern Cape	EC121	Mbhashe Local Municipality			Fairly poor	
Eastern Cape	EC126	Nqushwa Local Municipality		Fairly low	Fairly poor	
Eastern Cape	EC132	Tsolwana Local Municipality		Fairly low	Fairly poor	
Eastern Cape	EC153	Qaukeni Local Municipality		Fairly low	Fairly poor	
Eastern Cape	EC154	Port St Johns Local Municipality		Satisfactory	Fairly poor	
Eastern Cape	EC155	Nyandeni Local Municipality		Fairly low	Fairly poor	
Eastern Cape	EC156	Mhlontlo Local Municipality		Fairly low		
Eastern Cape	EC157	King Sabata Dalindyebo Local Municipality		Satisfactory		
Free State	FS203	Ngwathe Local Municipality	Moderate		Fairly poor	
Gauteng	GT421	Emfuleni Local Municipality				
KwaZulu-Natal	KZN213	Umzumbe Local Municipality		Fairly low		

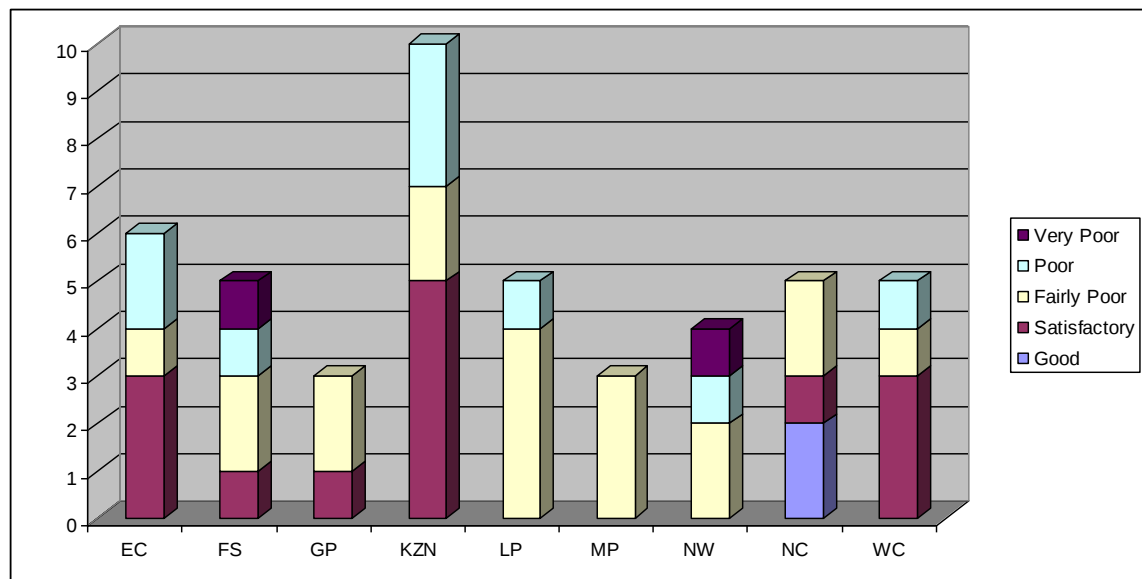
Province	MDB Code	Municipal Name	Broad Vulnerability level		Financial Vulnerability	Spending Vulnerability
KwaZulu-Natal	KZN214	uMuziwabantu Local Municipality		Fairly low	Satisfactory	
KwaZulu-Natal	KZN224	Impendle Local Municipality		Fairly low	Fairly poor	
KwaZulu-Natal	KZN235	Okhahlamba Local Municipality		Fairly low		
KwaZulu-Natal	KZN261	eDumbe Local Municipality		Fairly low	Fairly poor	
KwaZulu-Natal	KZN263	Abaqulusi Local Municipality			Satisfactory	
KwaZulu-Natal	KZN265	Nongoma Local Municipality		Fairly low	Fairly poor	
KwaZulu-Natal	KZN266	Ulundi Local Municipality		Satisfactory	Fairly poor	
KwaZulu-Natal	KZN274	Hlabisa Local Municipality		Fairly low		
KwaZulu-Natal	KZN283	Ntambanana Local Municipality			Fairly poor	
KwaZulu-Natal	KZN294	Maphumulo Local Municipality		Fairly low	Fairly poor	
KwaZulu-Natal	KZN434	Ubuhlebezwe Local Municipality				
Limpopo	LIM335	Maruleng Local Municipality			Fairly poor	
Limpopo	LIM342	Mutale Local Municipality		Fairly low	Fairly poor	
Limpopo	LIM343	Thulamela Local Municipality		Fairly low	Satisfactory	
Limpopo	LIM473	Makhudutamaga Local Municipality		Satisfactory	Satisfactory	
Mpumalanga	MP303	Mkhondo Local Municipality			Satisfactory	
Mpumalanga	MP322	Mbombela Local Municipality		Fairly low		Good
Mpumalanga	MP324	Nkomazi Local Municipality			Satisfactory	
North West	NW373	Rustenburg Local Municipality			Satisfactory	
North West	NW385	Ramotshere Moiloa Local Municipality		Fairly low	Satisfactory	
North West	NW391	Kagisano Local Municipality			Satisfactory	
Eastern Cape	EC127	Nkonkobe Local Municipality				Fairly Good
Eastern Cape	EC136	Emalahleni Local Municipality		Fairly low	Satisfactory	
Eastern Cape	EC138	Sakhisizwe Local Municipality				
Eastern Cape	EC141	Elundini Local Municipality		Fairly low		Fairly Good
Eastern Cape	EC151	Mbizana Local Municipality		Fairly low	Satisfactory	
Eastern Cape	EC152	Ntabankulu Local Municipality				
KwaZulu-Natal	KZN242	Nquthu Local Municipality		Fairly low	Satisfactory	
Limpopo	LIM352	Aganang Local Municipality			Satisfactory	
Limpopo	LIM474	Fetakgomo Local Municipality			Satisfactory	
Limpopo	LIM475	Greater Tubatse Local Municipality			Fairly poor	
North West	NW371	Moretele Local Municipality			Satisfactory	
North West	NW381	Ratlou Local Municipality			Satisfactory	
North West	NW394	Greater Taung Local Municipality				Fairly poor
Eastern Cape	EC137	Engcobo Local Municipality				
Limpopo	LIM353	Molemole Local Municipality				

2.3 PROVINCIAL PICTURE OF MUNICIPAL CAPACITY RATINGS

An indication of the share of good, satisfactory, fairly poor, poor and very poor municipalities in each province is provided below.

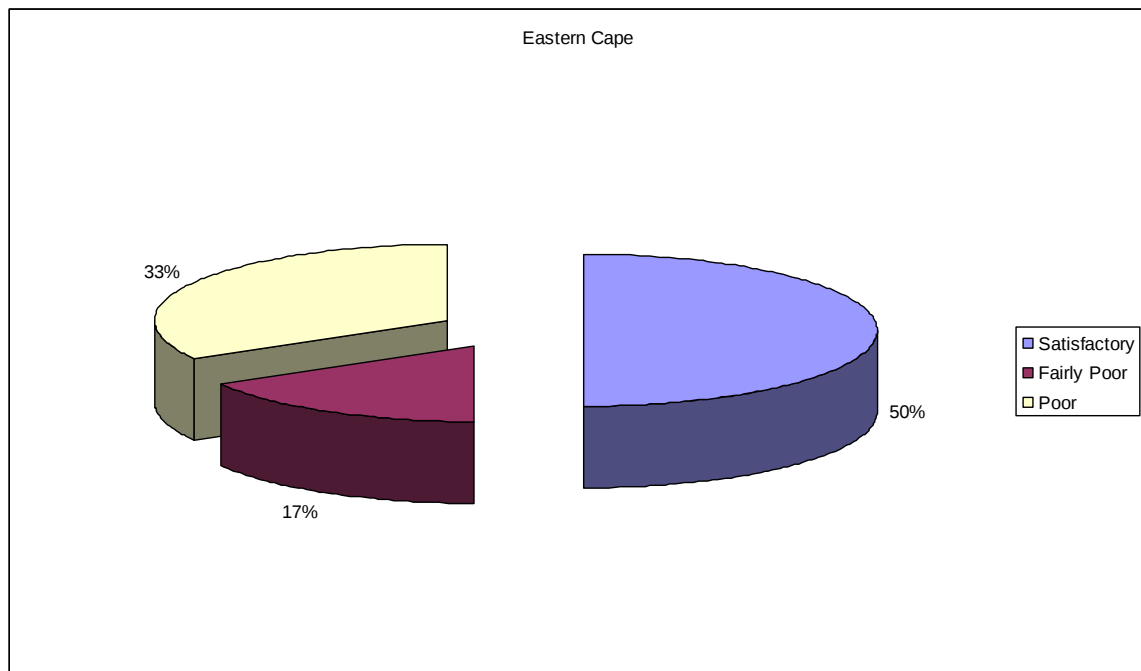
2.3.1 District Municipalities

	Good	Satisfactory	Fairly Poor	Poor	Very Poor	Total Municipalities
Eastern Cape		3	1	2		6
Free State		1	2	1	1	5
Gauteng		1	2			3
KwaZulu-Natal		5	2	3		10
Limpopo			4	1		5
Mpumalanga			3			3
North West			2	1	1	4
Northern Cape	2	1	2			5
Western Cape		3	1	1		5



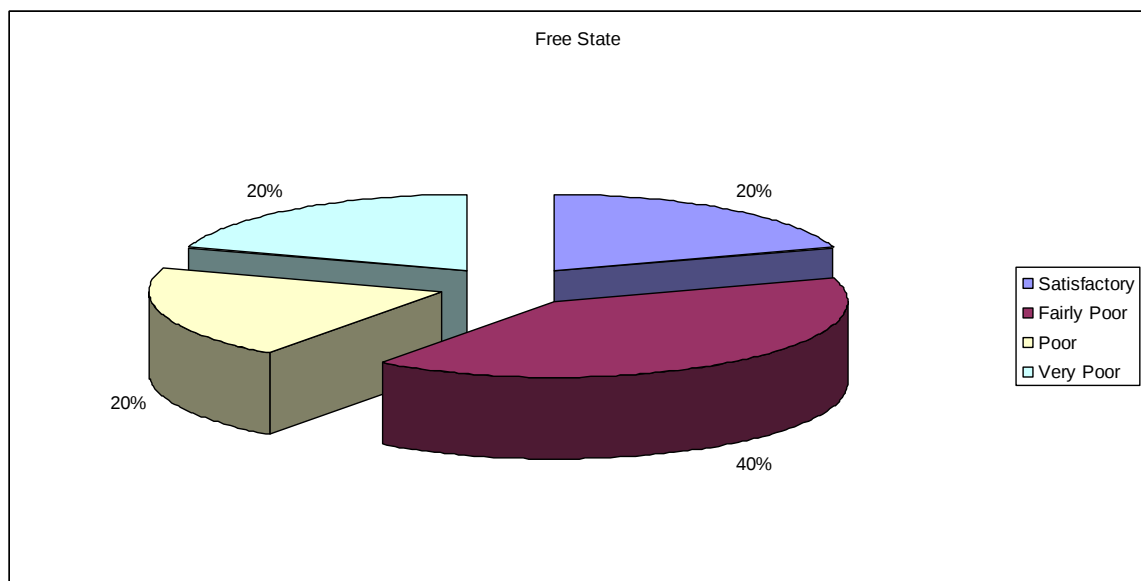
The table and graph above highlights the following picture with regards to the provinces:

Eastern Cape

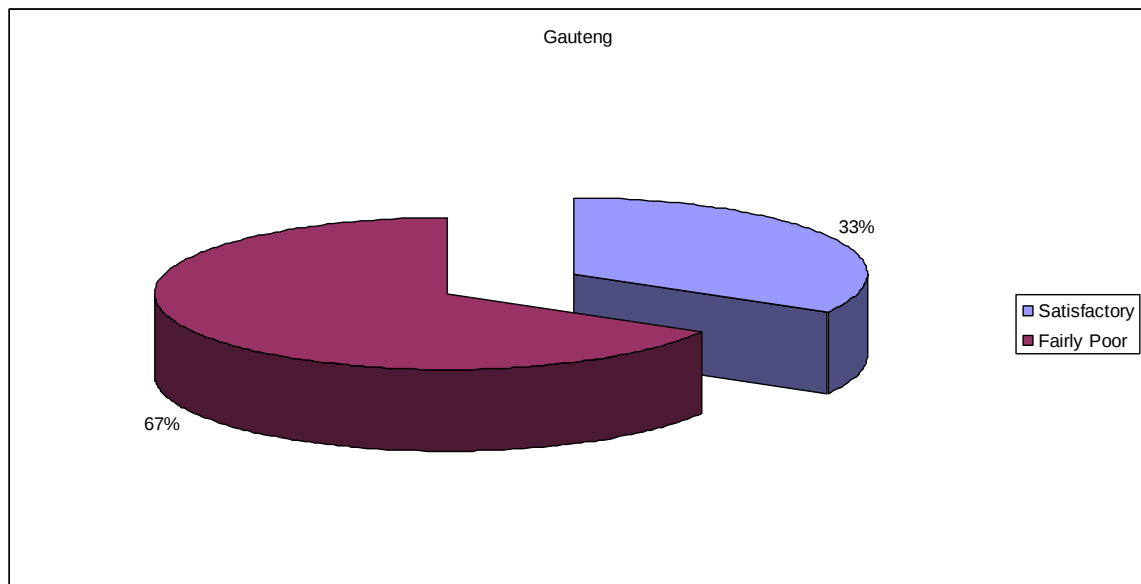
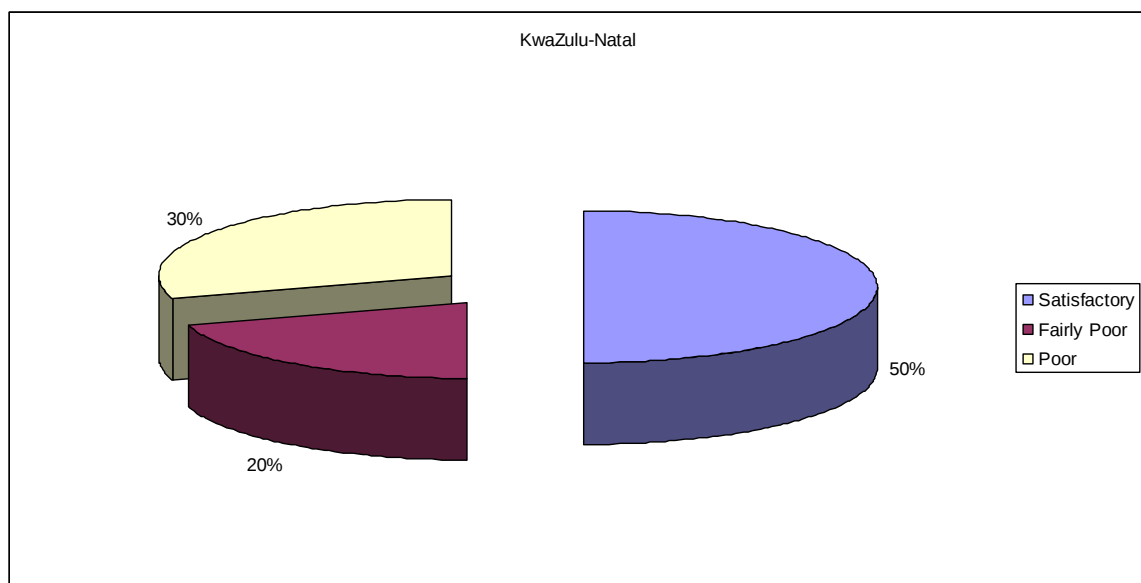


Interestingly this table shows that while the Eastern Cape has a large number of poor and fairly poor municipalities 50% of their district municipalities are satisfactory.

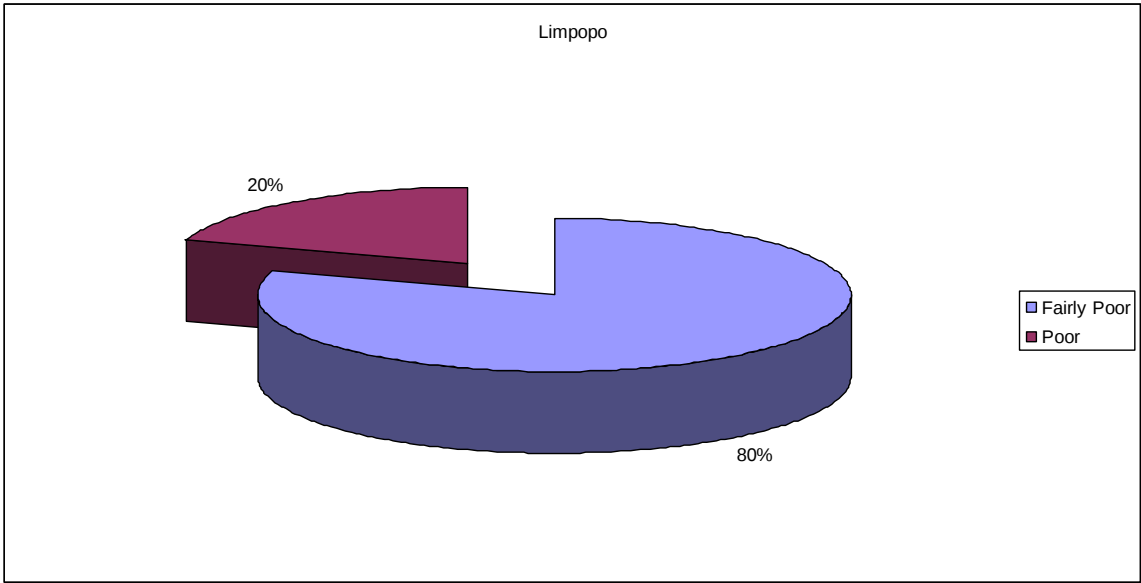
Free State



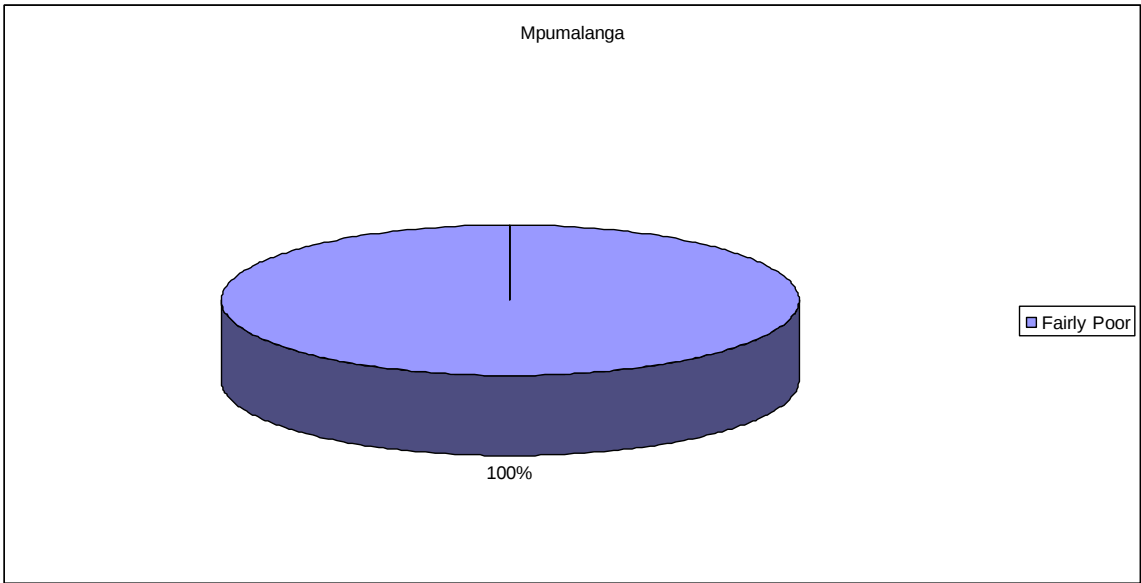
By contrast in the Free State only 20% of the district municipalities are satisfactory.

Gauteng**KwaZulu Natal**

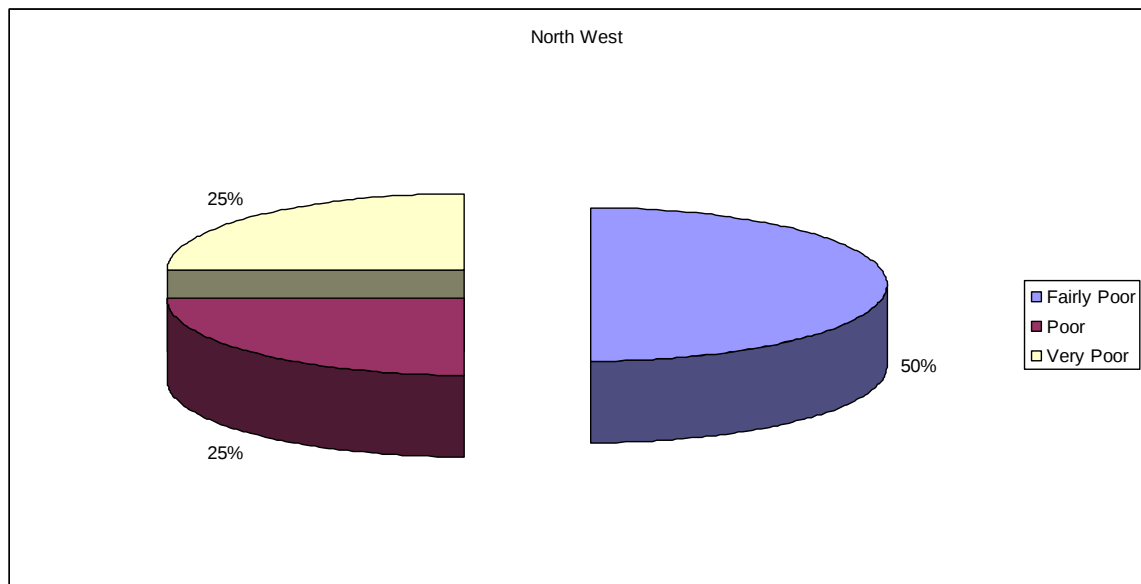
Limpopo



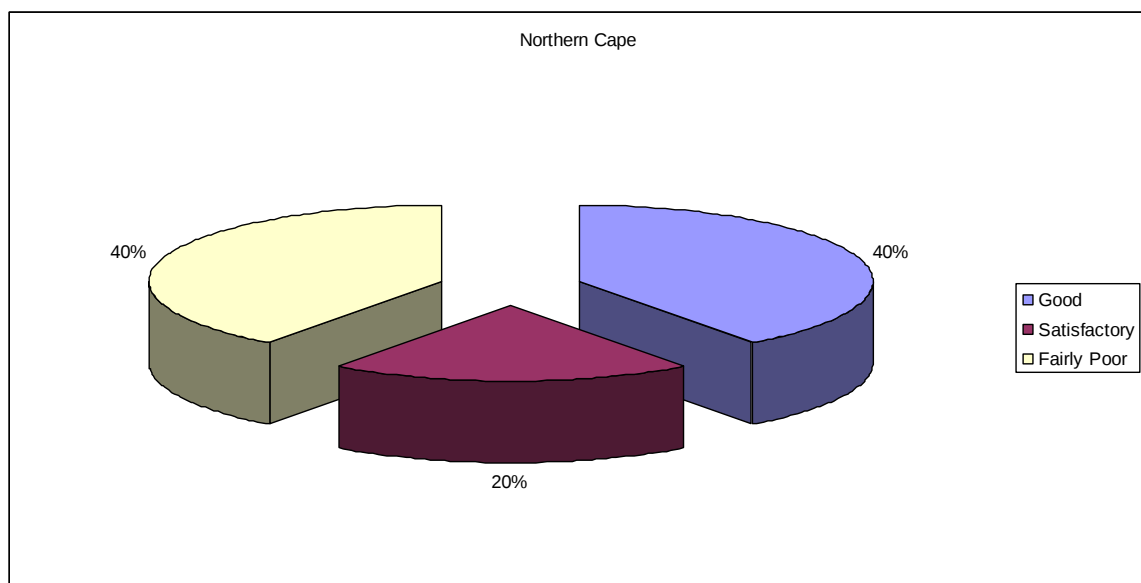
Mpumalanga



North West

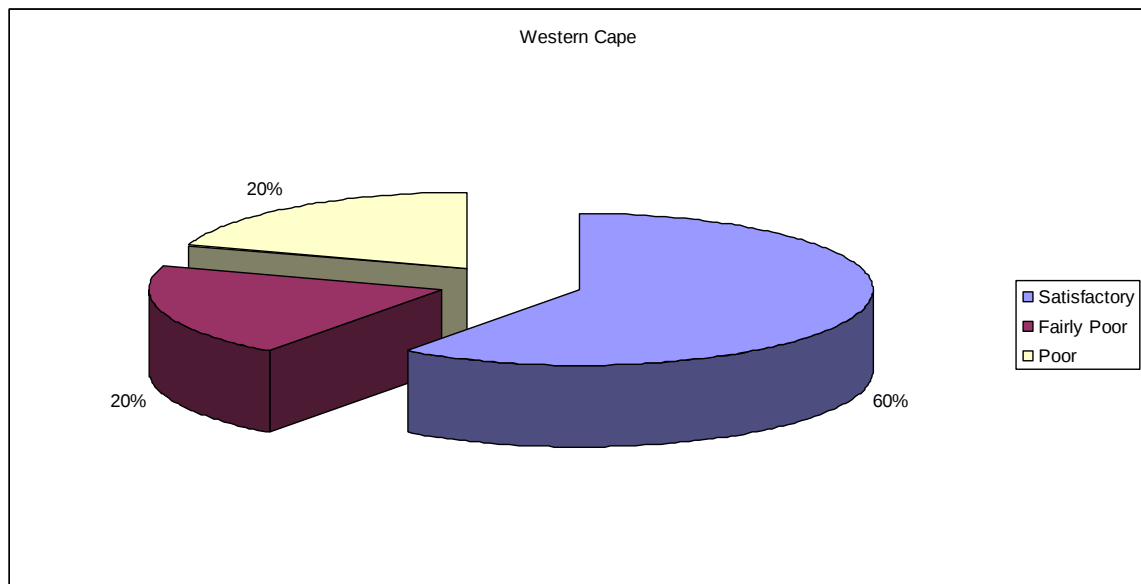


Northern Cape



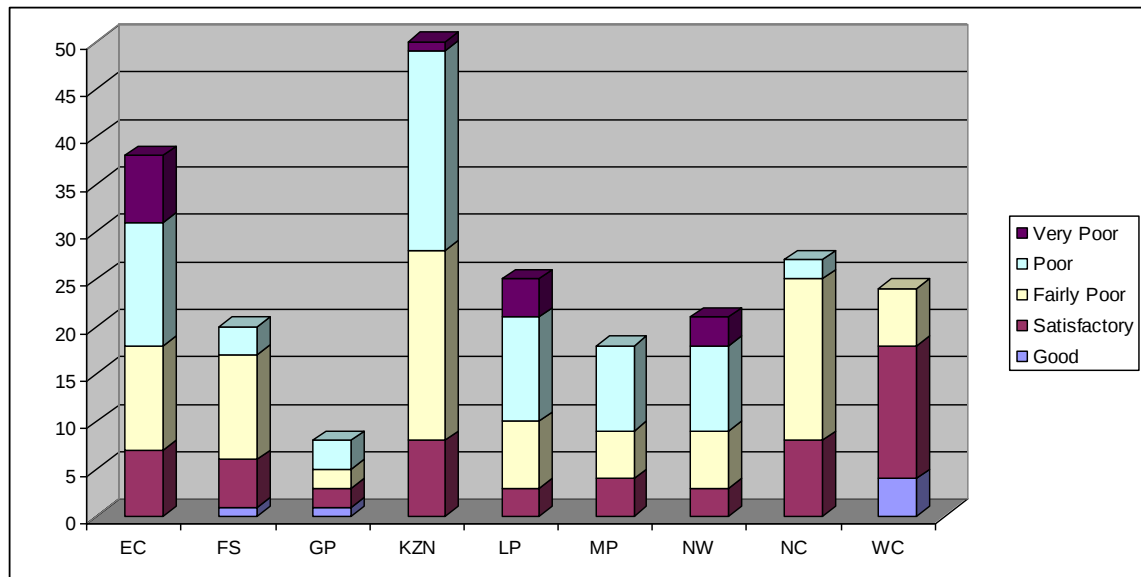
The Northern Cape is the only province that has district municipalities that can be defined as good.

Western Cape



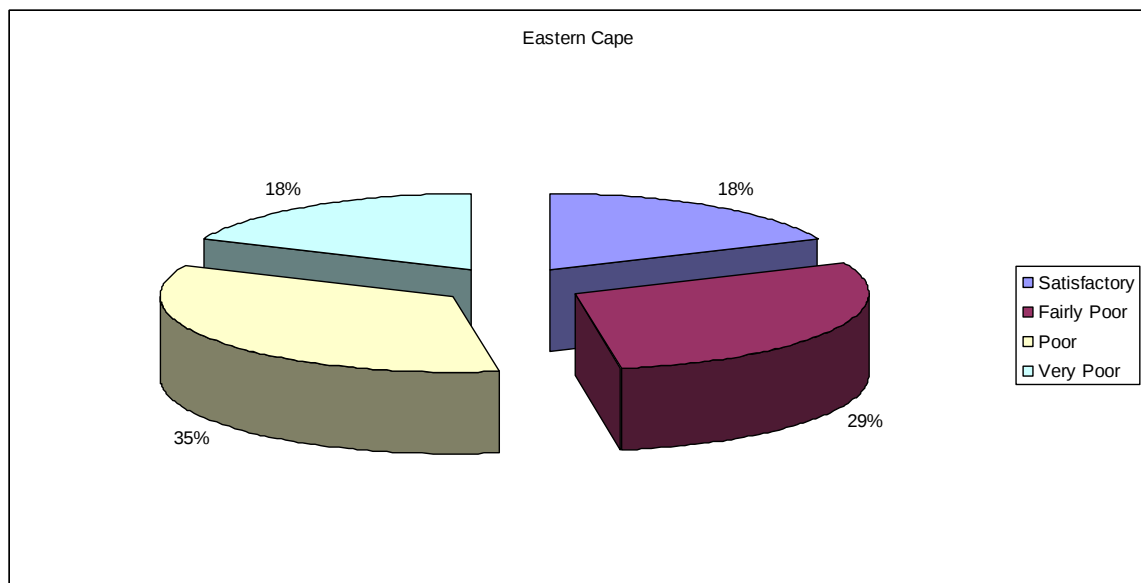
2.3.2 Local Municipalities

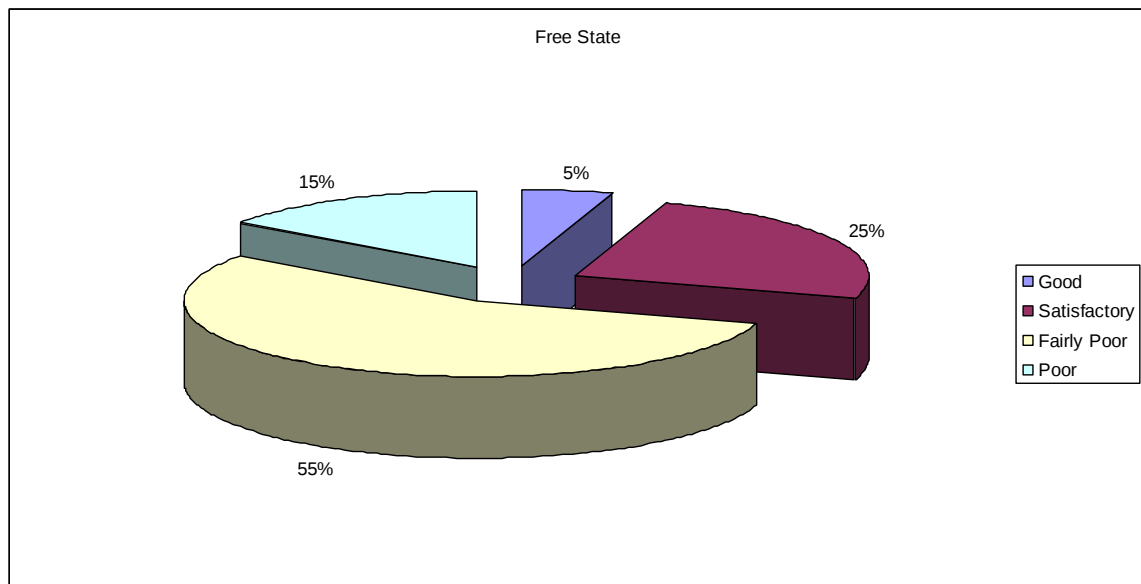
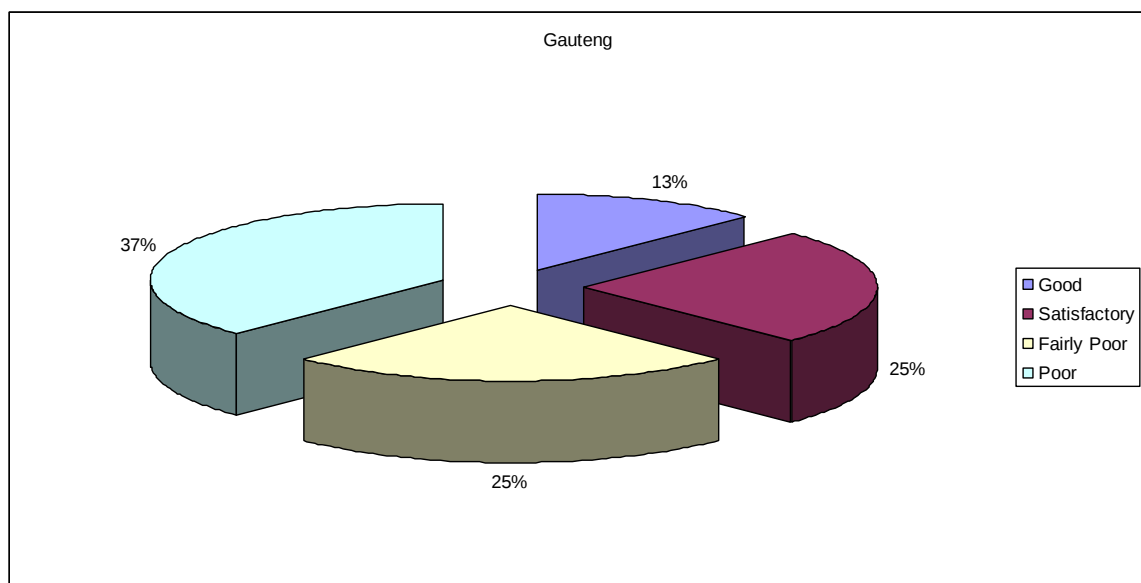
	Good	Satisfactory	Fairly Poor	Poor	Very Poor	Total Municipalities
Eastern Cape		7	11	13	7	38
Free State	1	5	11	3		20
Gauteng	1	2	2	3		8
KwaZulu-Natal		8	20	21	1	50
Limpopo		3	7	11	4	25
Mpumalanga		4	5	9		18
North West		3	6	9	3	21
Northern Cape		8	17	2		27
Western Cape	4	14	6			24



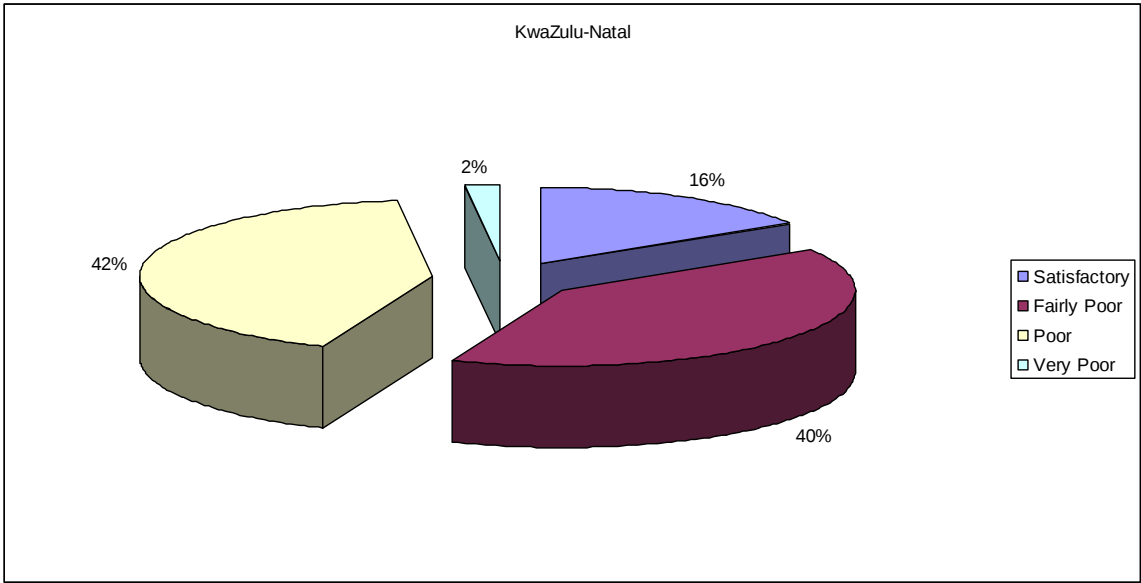
The detailed analysis of these figures is provided below:

Eastern Cape

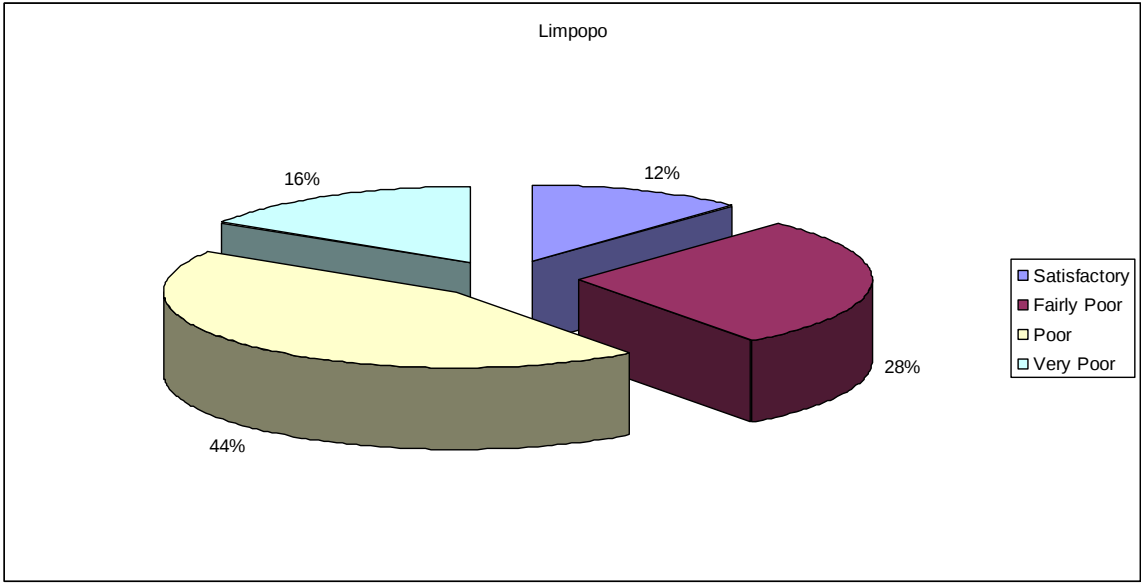


Free State**Gauteng**

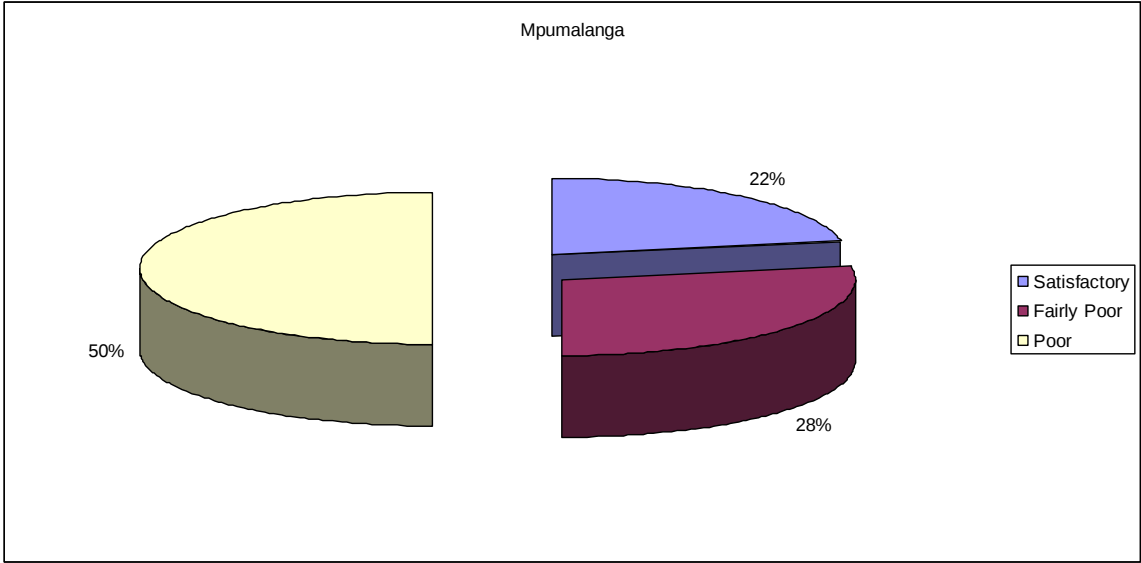
KwaZulu Natal



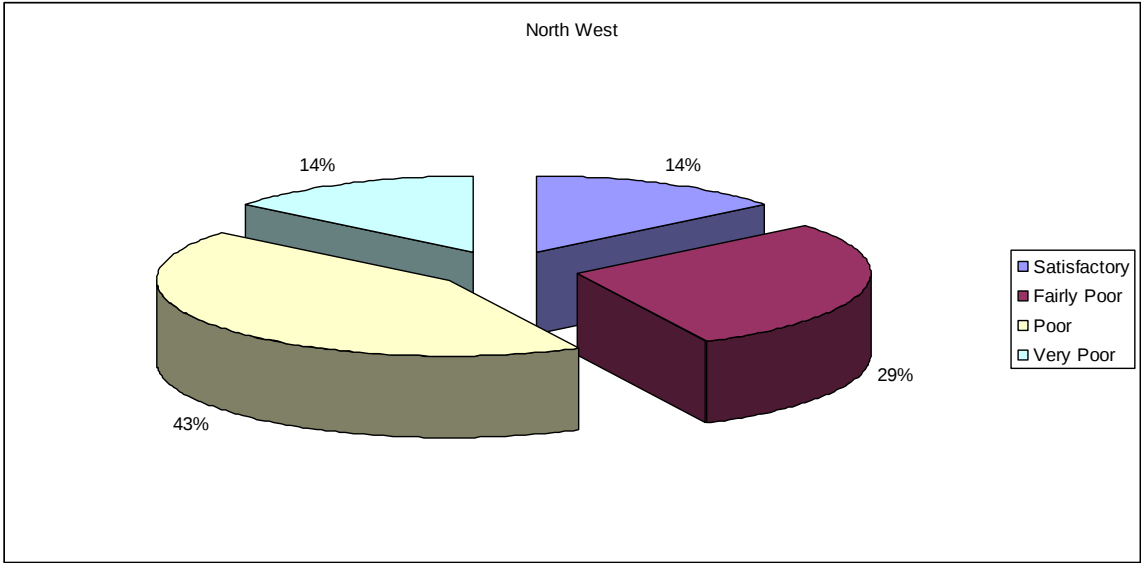
Limpopo



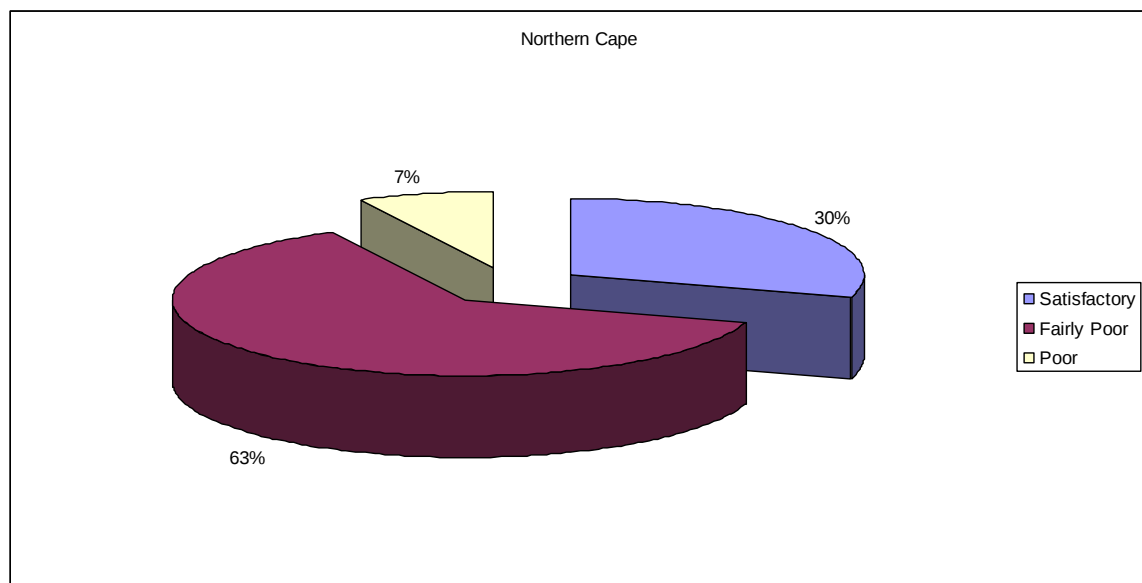
Mpumalanga



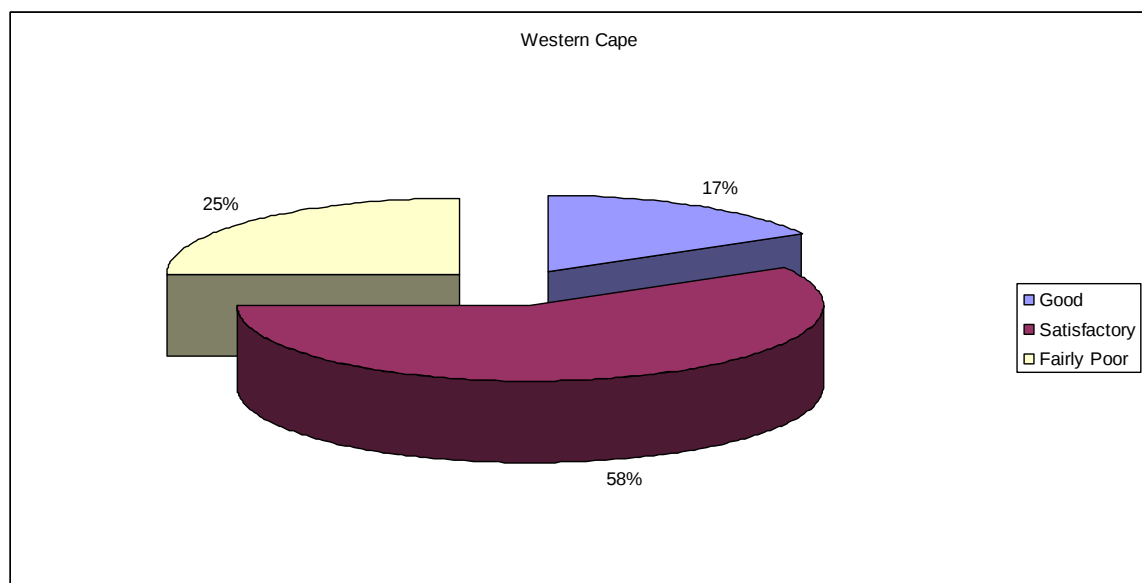
North West



Northern Cape



Western Cape



The Western Cape has the best performing local municipalities although its district municipalities are not doing as well.

These figures highlight the low percentage of municipalities that are performing at a level that can be considered 'good'. Of particular concern is that the provincial profiles do not lend themselves to networks that can provide support within the Province.

Of even more concern is that there are only two district municipalities that have a financial ranking of good; as this was based on data from the AG's office and the ability of the municipality to spend it indicates that there are very few district municipalities have strong financial systems. With regards to local municipalities there are a total of 13 local municipalities that have a rating of good.

Many of these municipalities also have management and technical staff without the required qualifications and with minimal experience. They also have a high ratio of population to municipal staff suggesting that staff may be stretched in terms of their ability to carry out their work.

Further, many of these municipalities are in areas where there are high levels of poverty which means that in many municipalities where the needs are greatest there are very low levels of capacity. The data also indicates that there is a positive correlation between under-expenditure and capacity challenges.

SECTION C: CONCLUSIONS

3 CONCLUDING COMMENTS

This report has presented a rating of the capacities of the municipalities based on a desk-top analysis of quantitative data drawn from a range of sources. This data highlights a concerning issue: that those municipalities that have very weak capacity are also those that are confronted with high levels of vulnerability (as evidenced by the vulnerability ratings in these municipalities). This suggests that there is likely to be increasing pressure for improved service delivery in precisely those areas where there are weak municipalities.

It is within this context that the case is made for the need for alternative delivery models to address these imperatives. These models should seek to maximize the usage of scarce capacity and should consider the most effective ways in which the public and private sectors can work together to address these priorities. However, it is noted that the broader evaluative work found that where institutions had limited capacity they also had reduced confidence with which to engage on an equal footing with the private sector making alternative delivery models more difficult to implement.

In conclusion, this report has highlighted the extent of the capacity challenges facing municipalities together with the high level of vulnerabilities in undertaken by SPAID highlights the complexity of addressing these capacity issues and of changing the roles of the public and private sector in the delivery of infrastructure. It was