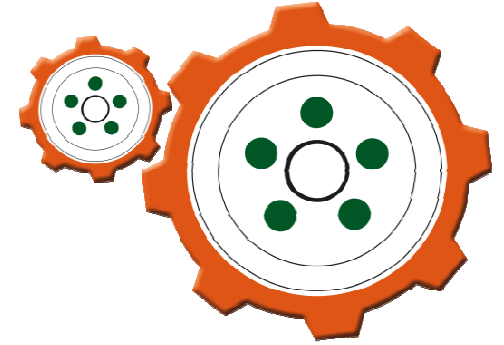




cooperative governance
& traditional affairs

Department:
Cooperative Governance and Traditional Affairs
REPUBLIC OF SOUTH AFRICA



Infrastructure Dialogue

Public sector perspective on what are the key issues, challenges, opportunities and weaknesses in respect of municipal infrastructure capacity.

Presenter: Yusuf Patel

Designation: Deputy-Director-General; Free Basic
Services and Infrastructure

Date: 1 October 2009





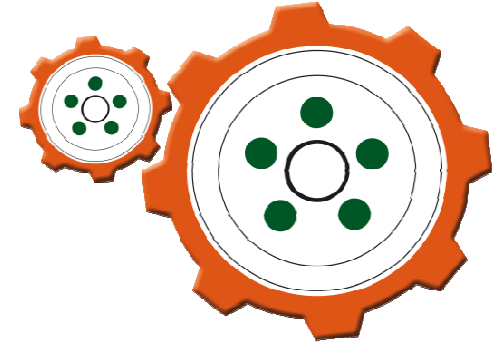
Key issues

- **High delivery rate required in many municipalities to meet access to universal services by 2014**
- **Further exacerbated by:**
 - **Poor infrastructure programme and project planning capacity**
 - **Identification of inappropriate projects**
 - **Lack of technical and financial skills across infrastructure life cycle**
 - **High vacancy levels or inappropriate skills levels**
 - **Staff overloaded with work**
 - **Staff move between different municipalities**
 - **Inability to attract correct skills due to space economy constraints or inappropriate appointments**
 - **Pressure to operate and maintain infrastructure**
 - **Poor financial base of municipalities**
 - **Infrastructure lifecycle considerations seldom considered**
 - **Low ability to generate own income, and low commitment to prioritising funds for maintenance**

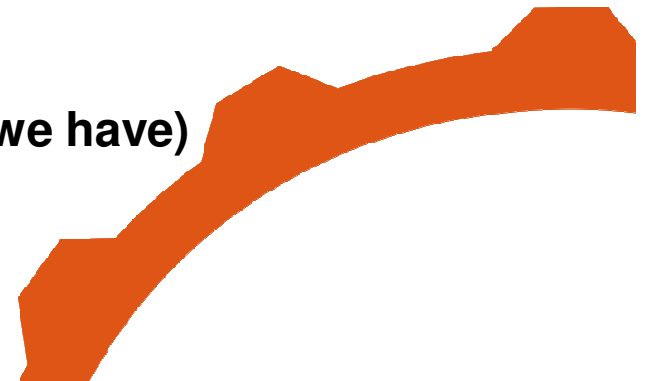




Key issues

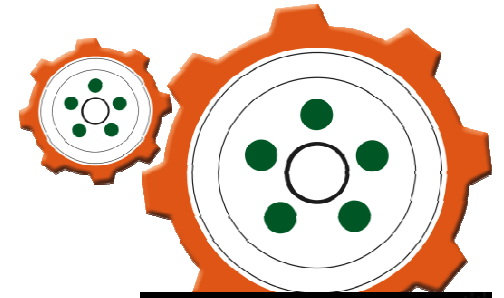


- **Governance issues**
 - **Processes create delays in delivery programmes i.e. supply chain management, environmental impact assessments etc**
- **Uncoordinated capacity support across the three spheres**
 - **Not focussed towards the real needs of municipalities and are often too general**
- **Lack of financial expertise and inability to widen infrastructure funding envelope**
 - **Grant dependant municipalities**
 - **Economic recession (need to optimise what we have)**





Key issues



Demarcation board 2008 data:

- The figure indicates the skills level of the persons appointed as technical director in municipalities.
- The technical director is the head of the technical departments in a municipality responsible for water and sanitation services.
- Only in two provinces namely Kwa-Zulu Natal and Western Cape a significant number of engineers occupy the technical director's posts.
- All the other provinces have a variety of skills that occupies this important technical post

- Other
- Planners, QS
- Other engineering Technologists
- Degree engineers

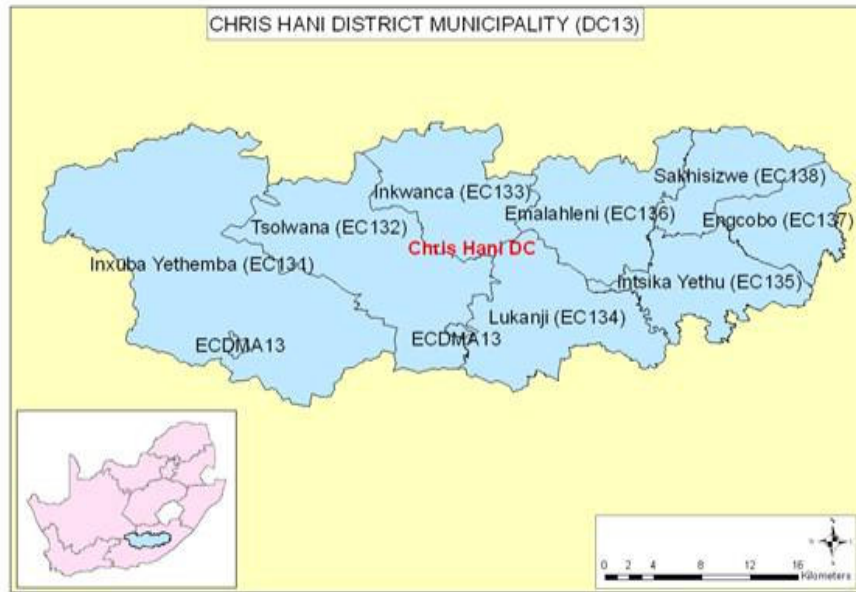
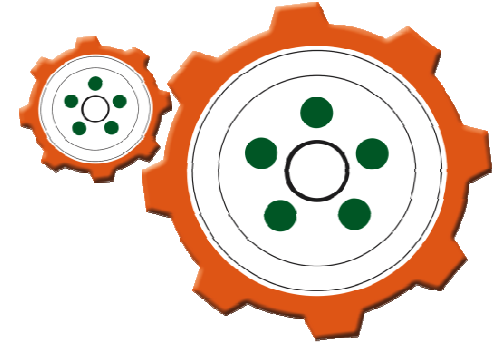
Eastern Cape
Free State
Gauteng
KwaZulu-Natal
Limpopo
Mpumalanga
North West
Northern Cape
Western Cape
Grand Total



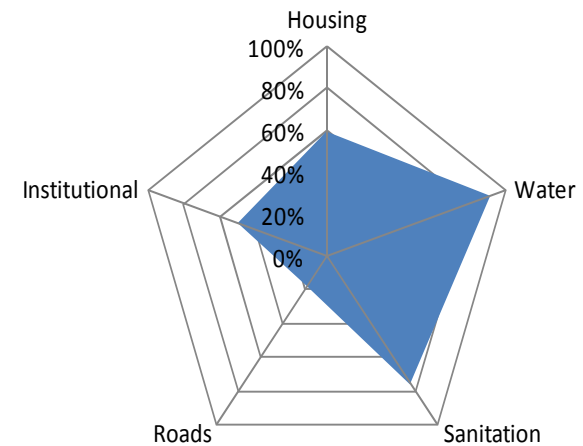
cooperative governance & traditional affairs

Department:
Cooperative Governance and Traditional Affairs
REPUBLIC OF SOUTH AFRICA

Chris Hani CIP

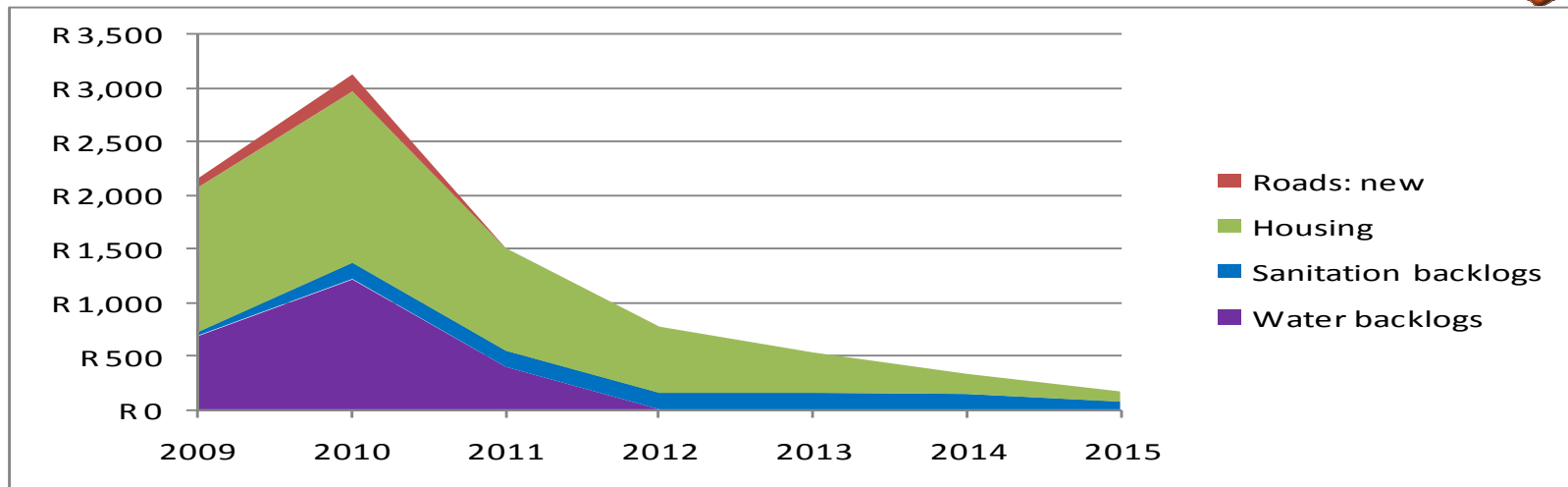
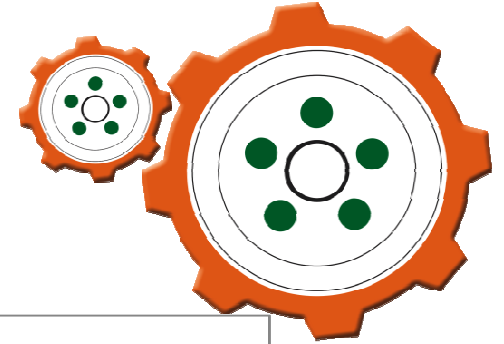


Service delivery status





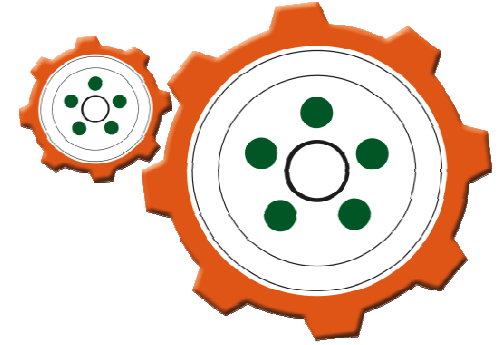
Chris Hani CIP



- **Total capital requirements to meet backlogs for water, sanitation, housing and roads = R8,6 billion**
 - Significant backlogs in some services exist
 - There is an urgent need for refurbishment
 - Bulk services need additional investments
- **Exceeds total current capital budgets (R293 million per annum).**
- **Relatively small amounts are provided by MIG, and the municipalities rely on own sources to fund their capital investments**
- **MIG and other grant/donor fund allocations seem to be insufficient**
- **Own sources are not utilized in any significant way to access loan financing**



Chris Hani CIP



- **The institutional arrangements were assessed in terms of the general management of infrastructure, and the capacity of the municipalities to implement projects**
- **This showed the following:**
 - **2 of the municipalities scored acceptably well with their ability to manage infrastructure**
 - **7 experienced different levels of challenges**
 - **lack of policies and processes,**
 - **staff with insufficient training**
 - **large numbers of vacancies.**
 - **In terms of their ability to implement projects, most of them had limited capacity, showing lacking processes, skills, etc.**





Chris Hani CIP

- Typical intervention for implementation (note many relate to capacity)

Area	Score	Proposed Intervention
Budgeting	61%	Assist in Budgeting through secondment of DBSA or other staff.
Staffing	49%	Training and mentoring of all new appointments.
Community	51%	Launch programme to address community involvement.
Design	44%	Technical experts need to be provided through secondment, outsourcing or DBSA to assist the DM.
EIA	42%	Technical experts need to be provided through secondment, outsourcing or DBSA to assist the DM.
Planning	44%	Technical experts need to be provided through secondment, outsourcing or DBSA to assist the DM.
Processes	41%	Set up proper processes for project implementation, using model processes adapted for local use.
Project Management	31%	Technical experts need to be provided through secondment, outsourcing or DBSA to assist the DM.
Resources	29%	Technical experts need to be provided through secondment, outsourcing or DBSA to assist the DM to ascertain that sufficient resources are available.
Sector Support	8%	Facilitate improved sector support



Opportunities and weaknesses

- **Assist municipalities to facilitate proper programmes and projects**
 - Improving sector planning that would assist municipalities to comprehend national and provincial service priorities
 - Determine the appropriate sequencing of investment to maximise impact with limited resources
 - Introduce infrastructure asset management practices (define roles and responsibilities and skill requirement against set or proposed infrastructure)
- **Space economy realities need to be addressed. However, in the short term**
 - Alternative service delivery models a prerequisite for sustainable service delivery (capital and O&M);
 - Scarce skills incentives need to be scaled up
- **Technical solutions and innovation should be seen as approaches to address technical skill shortages**





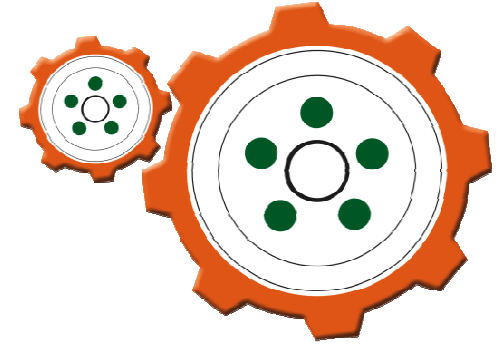
Opportunities and weaknesses.

- **Exploring the technical skill surplus after 2010 to be redirected to municipal delivery**
 - **Appropriate municipal investment scale to be guaranteed**
- **Differentiation between municipalities wrt institutional and investment interventions needs to be strengthened**
 - **Some municipalities need more direct technical support interventions and others financial support**
 - **Due to poor capacity of many municipalities, the private sector and civil society need to be more appropriately engaged in capital and O&M arrangements**
- **Current support programmes need to be coordinated and start to deal with municipal specific issues**
 - **Type of support should be a collaborative decision between stakeholders**



cooperative governance & traditional affairs

Department:
Cooperative Governance and Traditional Affairs
REPUBLIC OF SOUTH AFRICA



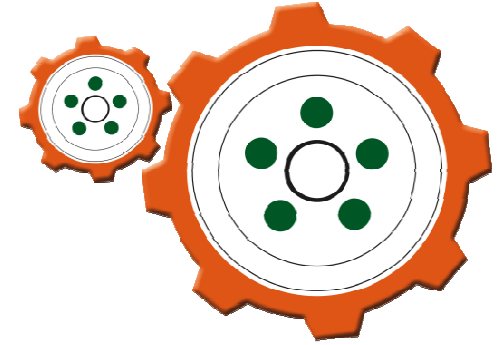
THANK YOU





**cooperative governance
& traditional affairs**

Department:
Cooperative Governance and Traditional Affairs
REPUBLIC OF SOUTH AFRICA



Infrastructure Dialogue

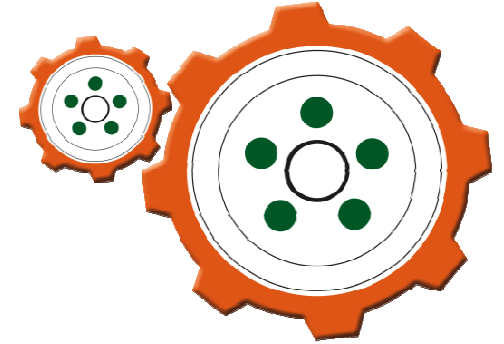
**Key themes and issues going forward respect of municipal
infrastructure capacity.**

Presenter: Yusuf Patel

Designation: Deputy-Director-General; Free Basic
Services and Infrastructure

Date: 1 October 2009





Key themes

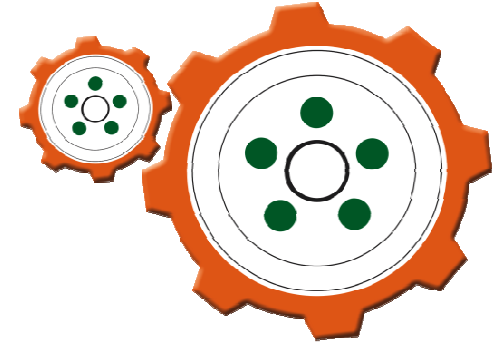
- **Effects of the space economy of municipalities is a reality which government and its delivery programme needs to deal with.**
- **Support efforts should be scaled up to an appropriate level to ensure efficiencies**
- **Not all municipalities are the same and capacity support and interventions should be appropriated designed to talk to the requirements of a specific municipality**
- **Government need to move surplus capacity opening within a year towards addressing local government delivery challenges**
- **Delivery should not be jeopardized whilst municipal capacity is built – alternative delivery approaches must be explored**





cooperative governance & traditional affairs

Department:
Cooperative Governance and Traditional Affairs
REPUBLIC OF SOUTH AFRICA



THANK YOU

