

Working Together for Development

Understanding
Intergovernmental Relations

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the dplg

Department:
Provincial and Local Government
REPUBLIC OF SOUTH AFRICA

gtz

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ACKNOWLEDGEMENTS

The Department of Provincial and Local Government (**dplg**) and the German Agency for Technical Co-operation (GTZ) would like to thank the following people for their assistance with the production of this brochure:

The Honourable Minister for Provincial and Local Government, Mr Sydney Mufamadi

EISA
Promoting Credible Elections and Democratic Governance in Africa

GTZ Strengthening Local Governance Programme

Writing and compilation: **dplg**, GTZ and EISA

Layout and Design: www.intotheLimelight.co.za

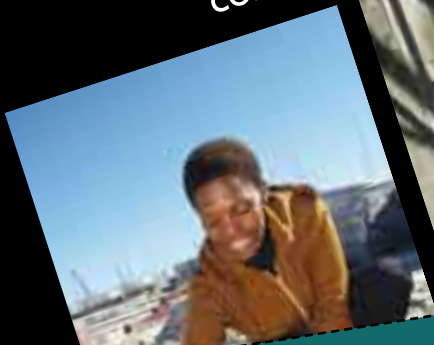
Photographs: **dplg** and **KfW** (German Development Bank)

Printing: Global Print

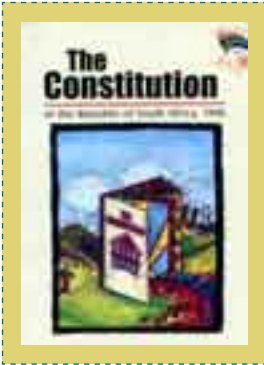
Working Together for Development

Understanding Intergovernmental Relations

governance, accountability, communication,
consulting, planning, implementing



THE GOVERNANCE SYSTEM IN SOUTH AFRICA



The Constitution of the Republic of South Africa, Act 108 of 1996

Before 1994 South Africa had fragmented administrations: this meant that citizens were divided geographically with different population groups living in different suburbs and areas and only a small minority of residents benefited from development. Now South Africa has a unitary, yet decentralised, state with nine provincial governments and 283 municipalities.

All societies need to put in place the model of governance that suits their social and economic developmental interests. South Africa adopted the democratic model of co-operative governance which is enshrined in the Constitution and provides the foundation for intergovernmental relations.

Chapter Three identifies three spheres of government: national, provincial and local.

NATIONAL SPHERE



PROVINCIAL SPHERE



LOCAL SPHERE



Each sphere is distinctive but at the same time interdependent and interrelated.

THIS MEANS THAT

South Africa has adopted a decentralised governance model

TO PROMOTE ITS NATIONAL DEVELOPMENT OBJECTIVES AND MEET THE NEEDS OF MUNICIPALITIES

Development objectives include a number of processes, such as:

1

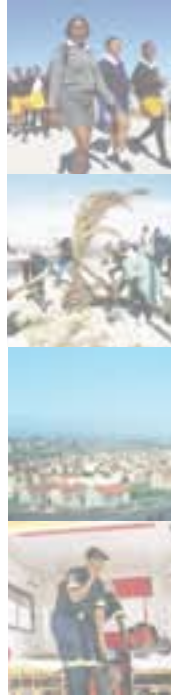
Satisfying the material needs of citizens (this includes access to housing, education, medical and health care, employment opportunities).

2

Creating the opportunity for citizens to make choices that affect their daily lives.

3

The equitable distribution of wealth so that all citizens can enjoy the benefits of democracy.



Chief Albert Luthuli,
Nobel Peace Prize winner

“The essence of development along your own lines is that you must have the right to develop and the right to determine how to develop.”

Chief Albert Luthuli, Nobel Peace Prize winner

Intergovernmental relations is intended to promote and facilitate co-operative decision-making and make sure that policies and activities across all spheres encourage service delivery and meet the needs of citizens in an effective way.

The IGRF Act establishes the provisions to guide the three spheres of government in terms of implementing policy and legislation, of establishing inter-governmental structures, managing the conduct of IGR, settling disputes and monitoring and reporting to Parliament.

Although each sphere has different roles and responsibilities our Constitution recognises that the spheres cannot work independently of each other. The three spheres of government are obliged to co-operate, negotiate and find ways of agreeing on administrative, political and financial issues. This co-operation must take place in mutual trust and good faith.

A serious breakdown of this trust and good faith may result in the declaration of an intergovernmental dispute. The IGRF Act provides for the management of such disputes, as well as for the key principles of IGR.

A decentralised governance model, with the instruments to support it, has been adopted to promote the national development objectives. These instruments guide and promote key processes of developmental and co-operative government. **Intergovernmental Relations is one of the instruments.**

Co-operative governance is based on the belief that all three spheres of government are able to work together by co-operating and to provide citizens with a package of services to the benefit of all citizens.

THE INTERGOVERNMENTAL RELATIONS FRAMEWORK ACT



INTENTIONS AND PRINCIPLES

“Integration of planning and implementation across the government spheres is therefore one of the prime areas of focus in our programme for the next term of local government. In this regard we will be guided by the Intergovernmental Relations Framework Act.”

State of the Nation Address of the President of South Africa, Thabo Mbeki: Joint Sitting of Parliament 3 February 2006



The Constitution and the new democratic government recognises that the three spheres of government cannot function in isolation. Decentralisation and co-operation is critical to the successful transformation of the state in the coming decades.

Chapter Three of the Constitution (s 41(2)) also requires Parliament to pass an Act that provides for structures and institutions that foster co-operative government and intergovernmental relations. The Act that regulates such relations is the *Intergovernmental Relations Framework Act, No 13, 2005*.

Intergovernmental relations are necessary for national priorities to be implemented. Some of the national priorities are :

All local government legislation can be found on the **dplg** website www.dplg.gov.za. Click on documents, then legislation.

For more IGR information refer to the **dplg** website www.dplg.gov.za. Click on IGR to source a variety of papers and documents.

Chapter 4 of the IGRF Act refers to the settlement of intergovernmental disputes.

- | | | | |
|---|--------------------------|---|----------------------------------|
| 1 | ECONOMIC GROWTH | 4 | POVERTY ALLEVIATION |
| 2 | CAPACITY BUILDING | 5 | JOB CREATION |
| 3 | SYSTEMS SUPPORT | 6 | ENHANCED SERVICE DELIVERY |

The three spheres of government need to work in partnership and constantly communicate with each other so that each sphere is aware of their own roles and responsibilities in driving national development priorities and to ensure that local needs are considered in national and provincial decision-making processes.

Dialogue and co-operation are necessary if intergovernmental relations are to have meaning in provincial and municipal spaces.

Working co-operatively

The Intergovernmental Relations Framework Act provides ways for local, national and provincial government to work together effectively to interpret national priorities. The aim is to find strategic consensus when planning activities. This co-operation promotes the provision of important services that are at the heart of the developmental agenda of the state.

IGR is about the relations between democratically elected governments, each with its own political mandate — national, provincial and local — in the conduct of their affairs.

Resolving disputes

Intergovernmental relations includes all spheres of government, each with its own interests and needs and each striving to meet national priorities of development and governance. The Act recognises that this could lead to disagreements or disputes. The Act stresses that Organs of State must make all reasonable efforts to resolve any disputes without resorting to judicial proceedings.

If a formal intergovernmental dispute is declared, the parties involved must meet as soon as possible to define areas of agreement and also agree on the process that they will use to resolve the dispute. The parties must also agree on a person to act as a facilitator. If this is not done the Minister of Provincial and Local Government or the MEC for Local Government can intervene.

Participation of local government

The Act recognises the importance of local government's full participation in intergovernmental relations, as it is the key site of service delivery and development.

Local government has the responsibility and autonomy to manage its own affairs. It therefore plays an important role in intergovernmental relations. It is a vital component in promoting development, enabling effective service delivery and performing as a viable financial and administrative entity.

Co-operative governance is particularly important where there are national or provincial programmes that may not be easily implemented without the participation of the local municipalities and the traditional leadership.



Examples of provincial or national programmes are the Extended Public Works Programme (EPWP) and the Housing Subsidy Scheme.



CO-OPERATION: HOUSING

- National government establishes and facilitates a sustainable national housing development process. It does this by determining the national housing policy.
- Provincial government creates an enabling environment. This means it does everything in its power to facilitate the provision of adequate housing in its province within the framework of national housing policy, for example by providing the funding.
- Municipalities must pursue the delivery of housing. They must work within the policy framework of national and provincial housing. They must address issues of land management and usage, services and infrastructure provision and create an enabling environment for housing development.



CO-OPERATION: LOCAL ECONOMIC DEVELOPMENT - GALESHEWE URBAN RENEWAL PROGRAMME (SOL PLAATJE MUNICIPALITY)

Galeshewe is one of eight Presidential urban nodes and is the oldest black township in Kimberley. It has a political champion from each sphere of government, and is fully mainstreamed as part of the IDP, but with its own nodal business plan. The imperative to develop Galeshewe in the face of a declining local economy is a challenge that the **dplg**, together with a range of economic and social partners, is managing through a number of intergovernmental activities. These include integration and co-ordination of the LED and IDP plans, mobilization of technical capacity and liaison with the private sector on the Nodal Investment Atlas.

THE ROLE OF COUNCILLORS

Councillors must recognise the importance of implementing policy. They need to be fully informed about national and provincial plans so that effective and sustainable development, poverty alleviation and economic growth is translated into commitments in municipal spaces.

See the Municipal Systems Act, 2000.



THE ROLE OF CITIZENS:

Citizens also play an important role in identifying their own development priorities. Councillors encourage citizens to participate through Ward Committees and public meetings called by the council. The Municipal Systems Act provides for a process of public participation in the affairs of local government. This promotes accountability in the IDP process, public participation in the process of analyzing the spatial economy, and consensus on growth and development priorities.

ROLE OF FORUMS

WHAT ARE INTERGOVERNMENTAL FORUMS?

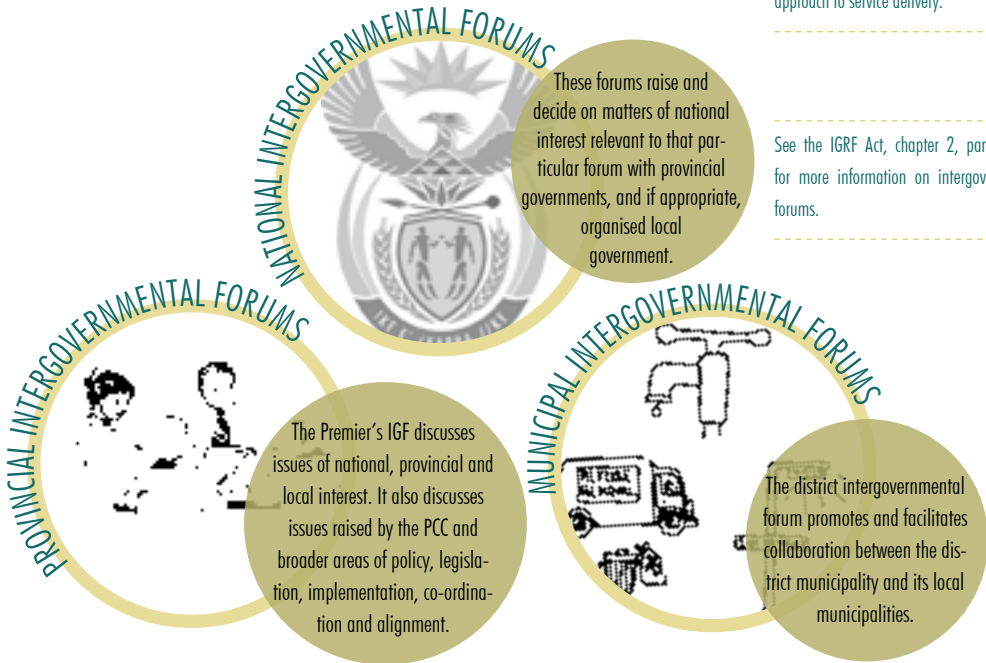
The challenge for all spheres of government is to put the intention of the IGRF Act into practice to ensure a co-ordinated and integrated approach to service delivery. IGR Forums are meetings where regional development issues are discussed at a strategic level, including the impact of legislation, policies and other matters of mutual interest. Forums are consultative bodies designed to facilitate intergovernmental dialogue on matters of mutual interest, such as the implementation of national policy and legislation, the co-ordination of development planning and the co-ordination and alignment of provincial and local strategic and performance plans.

Forums are in place so that the various role-players work closely together and that the activities they plan are integrated. Forums need to have clear channels of communication between them. Proactive communication is the key for good IGR and efficient implementation of government programmes. It helps spread information to relevant stakeholders in time so that all stakeholders are on track and are able to contribute to service delivery.

The Act makes provision for national inter-governmental forums, provincial and inter-provincial intergovernmental forums, district intergovernmental forums and inter-municipality forums.

The challenge for all spheres of government is to put the intention of the IGRF Act into practice to ensure a co-ordinated and integrated approach to service delivery.

See the IGRF Act, chapter 2, parts 2 to 5 for more information on intergovernmental forums.



THE PRESIDENT'S CO-ORDINATING COUNCIL

See the IGRF Act for the composition of the PCC and other IGR structures.

THE MINMECS (NATIONAL MINISTERS AND PROVINCIAL MECS)



National IGR structures:

The President's Co-ordinating Council (PCC)

The PCC is a consultative forum for the President attended by senior representatives from all spheres of government. The forum allows for the President to raise matters of national interest with provincial governments and organised local government (SALGA) on the implementation of national policy and legislation and the co-ordination and alignment of priorities, objectives and strategies across the three spheres of government.

The effective delivery of services is a key item on the agenda, and corrective actions may be recommended by this forum, which also broadly reviews the performance of provinces and municipalities in the effective delivery of their mandate.

The MinMECs (national ministers and provincial MECS)

MinMECs are committees of Ministers and members of the provincial Executive Councils and the South African Local Government Association (SALGA). The aim of MinMec is to improve co-ordination of their activities across all spheres of government. MinMec gives provinces an opportunity to interact with the relevant Ministers. Each MinMec focuses on a specific sector area such as health, agriculture, education, housing.

An example of how MinMec aims to improve co-ordination can be seen in the following words:

Our most pressing priority is the targets. However, before a municipality can begin planning or implementing projects, they need to make decisions about levels of service. Choosing the appropriate level of service, especially for sanitation, is a difficult choice for any municipal council. If we don't make the right choices, we run the risk of services that are not sustainable. Unfortunately there are too many examples of taps running dry and sewage spills in our streets and rivers.

The Honourable Ms BP Sonjica, Minister of Water Affairs and Forestry, in a speech delivered at a Joint MinMec meeting, dplg premises, Pretoria, 5 July 2005.

THE BUDGET COUNCIL AND THE BUDGET FORUM

The Budget Council and the Local Government Budget Forum

These forums are established in terms of the Intergovernmental Fiscal Relations Act of 1997, and act as advisory bodies on matters of national finance for MinMec members.

National Council of Provinces (NCOP)

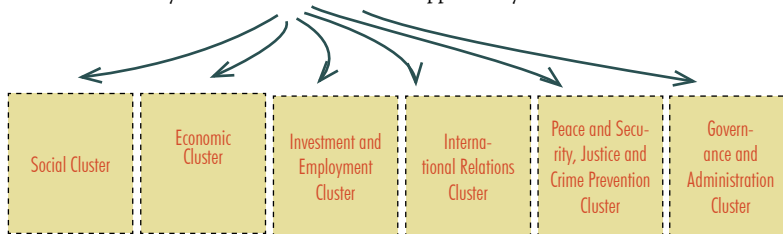
The NCOP represents provinces to ensure that provincial interests are taken into account in the national sphere of government. It does this mainly by participating in the national legislative process and by providing a national forum for public consideration of issues affecting the provinces.

One example of this is the 'Taking Parliament to the People' schedule of the NCOP, which brings together many political and executive members of the government into a forum with the people, for discussion and debate on key development issues.

The Cabinet Cluster system

The IGRF Act focuses on the core executive institutional structures within and across spheres of government. Although Clusters are not recognised by this legislation, they are nevertheless key co-ordination institutional arrangements sanctioned by Cabinet. The whole Cabinet system is cluster-based, in terms of ensuring integration, alignment and implementation of Cabinet decision by departments.

Six Cabinet cluster committees were created with their own technical teams to provide informed support to government, especially to the National Programme of Action (PoA). The Cabinet clusters are chaired by the President, co-ordinated by the relevant Minister and supported by the DG.



The Forum of South African Directors-General (FOSAD)

FOSAD brings together the South African Directors-General (DGs) who bring valuable "hands-on" experience to intergovernmental issues as it includes national and provincial DGs. It improves the co-ordination of policy-making and implementation across government.

All spheres of government may set up technical support forums. These forums may be constituted according to the IGRF Act and function as technical, preparatory and consultative bodies to the political forums.

NATIONAL COUNCIL OF PROVINCES (NCOP)

CABINET CLUSTERS

You can view the Programme of Action on the government website: www.gov.za



THE FORUM OF SOUTH AFRICAN DIRECTORS-GENERAL (FOSAD)

TECHNICAL SUPPORT FORUMS

IGR IN PRACTICE

MANAGING POWERS AND FUNCTIONS

IGR is a bridge between all three spheres of government to ensure that all our citizens benefit from development and enjoy efficient and effective service delivery.



See the Assignment Guidelines, Government Gazette No 27518, 22 April 2005.

Spheres of government need to co-operate and co-ordinate their activities, particularly in the exercise of powers and functions. Most policies cannot be implemented successfully by one sphere of government or organ of state acting alone. The effective provision of a service usually needs the participation of more than one organ of state.

One of the biggest co-operative challenges facing local government, therefore, is the management of their powers and functions for effective service delivery. Chapter 7 of the Constitution (S 156) provides for municipal executive authority for constitutionally assigned powers and functions, and also provides for the assignment of powers and functions to a municipality by national or provincial government. This therefore allows for the principle of subsidiarity within a decentralized model of government. Since the year 2000, there has been a two-tier system of local government that is structured for both local and district municipalities (this excludes metros and district management areas). It is important to define the functions each must perform.

Within this system districts were given major responsibilities and powers relating to water and electricity, but local municipalities were also given authority to manage such district functions (as defined in the MSA), therefore allowing for asymmetry in allocation of powers and functions. Currently, there are many local authorities managing electricity, water and sanitation functions, therefore retaining some dominance in the management of service delivery overall. The distinction between these categories of municipalities is often referred to as powers between the B's (locals) and C's (districts).

In addition, many sector departments in provinces 'devolve' functions to local authorities, with the prerequisite that capacity assessments have been conducted to ensure institutional capability to perform a particular function.

Examples of efforts to devolve sector functions include:



- 1
- 2
- 3

ALLOWING FOR PROGRESSIVE DELEGATION OF THE HOUSING FUNCTION

THE ESTABLISHMENT OF LOCAL 'TRANSPORT AUTHORITIES'

THE ASSIGNMENT OF PRIMARY HEALTH CARE FROM PROVINCES TO MUNICIPALITIES.

In respect to planning, sector departments have a critical role to play in ensuring that policy, oversight and technical assistance is forthcoming for the local sphere in the performance of their powers and functions (e.g. DWAF and water services). Sometimes sector support is necessary to manage non-legislated or non-assigned functions, sometimes called unfunded mandates, an example of which could be road maintenance.

The critical competencies to manage the assignment of powers and functions (as authorised by the MECs for Local Government) depend also on the fiscal framework. The management of an assignment initiated by the executive to municipalities generally is outlined in the Municipal Systems Act, Chapter 3, Municipal Powers and Functions.

INTERGOVERNMENTAL FISCAL RELATIONS

Government in all three spheres needs money to facilitate development. The questions about who receives the money, where it is raised and how the state's revenues are divided up between the different spheres and sectors of government are therefore a critical matter.

Revenue-raising in South Africa is by and large reserved for national government. All broad-based taxes such as income and corporate taxes, VAT, fuel levy and customs revenue are assigned to national government. Intergovernmental relations involves transfers of such funds between the spheres to achieve the developmental objectives of the state. For South Africa, intergovernmental finance is a matter of fulfilling developmental and social obligations and is based on a revenue-sharing model, which is negotiated annually, taking local needs into consideration.

The revenue collected by national government is divided equitably amongst the three spheres and amongst municipalities and provinces (Equitable Share). While the provinces largely depend on the unconditional equitable share and conditional grants, local government can raise much more of their own revenues (such as property tax, user charges), although there are big variances among the municipalities.

The Division of Revenue Act, published annually by The National Treasury, sets out the allocations between national, provincial and local government, and details the various conditional grants to provinces and municipalities. The total main budget for 2006/07 was R418 billion.

The yearly Budget Speech further details the division of revenue each year, in line with the respective functions and fiscal capacity of each sphere. For example, allocations for the 2006 / 07 financial year for national departments were R215 billion (51,4%) , provinces received R176,7 billion (42,3%) and local government received R26,5 billion (6,3%).



The Division of Revenue Act (DORA) provides for the division of revenue raised nationally among the national, provincial and local spheres of government for each financial year. See website of the National Treasury www.treasury.gov.za

The Financial and Fiscal Commission is a statutory institution, established in terms of section 220 of the Constitution of South Africa. It is a permanent expert commission to provide advice with respect to the equitable sharing of revenue and other intergovernmental fiscal issues, and to limit subjective political decisions regarding the allocation of public resources in the spheres of national, provincial and local government. For further information on intergovernmental fiscal relations see www.ffc.co.za

See Municipal Finance Management Act at www.treasury.gov.za

The IDP process includes interpreting national policy into an investment plan for local infrastructure. The implementation of the IDP must be supported by appropriate budgetary and resource allocations.

The IDP provides the infrastructure and creates a conducive environment for local economic development to take place.

www.idp.org.za is a website that belongs to the intergovernmental IDP Nerve Centre, which is a tool to support intergovernmental planning.

Local Government is also entitled to an equitable share of national revenue, including transfers to allow people to receive a minimum basket of free basic services such as water and electricity. In addition, there are capital transfers made to local government for example, via the Municipal Infrastructure Grant (MIG).

The equitable share is unconditional: provinces and local government can spend it as they need, within national guidelines, plans and priorities, while the conditional grants require specific monitoring provisions, specifications relating to the purpose for which the grants are to be used and timelines for implementation.

The Municipal Finance Management Act, 2003 spells out the necessary interaction between the three spheres and the need for assistance and capacity-building. It regulates the timing for intergovernmental grants to assist municipalities in preparing multi-year budgeting.

THE INTEGRATED DEVELOPMENT PLANNING PROCESS

The IDP process is a good example of IGR in practice, because the IDP plan is a government-wide expression of development commitments aligned to a number of national and regional objectives.

A local IDP is a strategic planning tool. A credible IDP requires skills and capacity. The ability to manage its implementation intergovernmentally is a mutual challenge across all spheres. This is the core of the challenge of co-operative governance and finds strategic expression in the work of the IGR Forums.

Ideally, municipal IGR and IDP co-ordinators should lead the policy analysis and co-ordination process to ensure regional and local cohesion.



...It is critically important that our system of co-operative governance must continually operate in ways that result in better co-ordinated 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. (Address by President Thabo Mbeki at the sitting of the National Council of Provinces in Ngwathe Municipality, Free State, 10 November 2006).

Integrated Development Plans

Municipalities develop Integrated Development Plans to assist them in preparing a strategic plan for a five year period. The IDP is the principal strategic planning instrument that guides and informs all planning, budgeting, management and decision-making in the municipality.

IDPs must serve as the basis for:

1

**ALIGNING THE
POLICIES**



2

PLANNING



3

**BUDGETING OF ALL
THREE SPHERES OF
GOVERNMENT**



Policy alignment

- **MTSF** (Medium Term Strategic Framework)
- The **NSDP** (National Spatial Development Perspective)
- **ASGI-SA** (Accelerated and Shared Growth Initiative - South Africa)
- **PGDS** (Provincial Growth and Development Strategy)
- 5 Year **Local Government Strategic Agenda** 2006-2011
- **LED** (Local Economic Development)
- **JIPSA** (Joint Initiative for Priority Skills Acquisition)

The National Spatial Development Perspective (NSDP)

The Presidency launched the NSDP in 2003 to promote informed economic investment profiling to guide regional growth and development planning within a socio-economic framework. The NSDP therefore acts as an indicative planning tool for the three spheres of government.

Provincial Growth and Development Strategies (PGDS)

Provincial governments also play an important role in making sure that economic planning, infrastructure investment and development spending is in place. Their plans link to national and local government plans. The PGDS is a tool that guides and co-ordinates the allocation of national, provincial and local resources and private sector investment to achieve sustainable development outcomes.

Both the NSDP and the PGDS must be contextualised and aligned with IDPs in order for regional and spatially-aligned planning to have meaning.



IMPLEMENTATION PROTOCOLS

Implementation Protocols:

- Set out clear outcomes of the joint work of the three spheres of government
- Detail who is responsible for what task
- Determine what resources are required for the task at hand and who will provide them
- Set performance indicators
- Put in place oversight mechanisms to ensure that outcomes are achieved.

The implementation of the protocol may be co-ordinated by an appropriate intergovernmental forum.



Implementation protocols are frameworks between organs of state designed to meet the challenge of joint work. This framework is a tool or instrument for the practical application of co-operation and co-ordination between organs of state, stakeholders or other agencies.

These are the steps to follow when putting in place an Implementation Protocol :

1

PREPARING AND INITIATING

Preliminary scoping to check who the partners are that need to be involved and what the extent of their involvement should be. Effective joint work requires a feasibility analysis, consultation and planning to facilitate budgeting and implementation later on. Resources should be made available to support these preliminary processes.

2

CONTENT AND OUTCOMES

Joint work is undertaken so that a set of outcomes are achieved which reflect the priorities and aims of the parties to the Implementation Protocol.

Always ask: What is the core business or focus of the joint work? This will ensure that the focus remains on the core business and does not get sidetracked by secondary objectives.

3

ADDRESSING THE OBSTACLES

Identify the challenges that stand in the way of achieving the outcomes. How will these challenges be addressed?

4

ROLES AND RESPONSIBILITIES

An Implementation Protocol sets out who does what and when.

Each party must have an implementation plan

Each party must know what they want to achieve

Each party must outline a clear set of deliverables

Each party must agree on who takes the lead in the project. Taking the lead depends on which organ of state is in the best position to help explain cross-cutting goals and objectives so that the broader goals of co-operative governance are met.

5

CONTRIBUTION OF RESOURCES

Successful joint work means the people must match the resources.

If the task needs a certain number and calibre of people on a fulltime basis this must be reflected in the Implementation Protocol.

Successful joint work needs to be included when the budgets are prepared.

Integrate the funding of joint work into the mainstream planning, budgeting and reporting processes of each party to the Implementation Protocol. Medium-term spending proposals are based on strategic plans covering three- to five-year periods. The allocation of resources for joint work requires timeous planning in order to make it part of each party's strategic plans and budgets.

6

MEASUREMENT INDICATORS

The parties should also incorporate an *evaluation process* of the joint work: what worked well, what could have been done better? Accountability for joint work runs two ways.

First, the primary responsibility of a party is to its governing structure. Clear points of accountability for implementation by each party must be in place once performance targets have been agreed upon during the joint planning stage.

Second, the line of accountability is to the parties of the Implementation Protocol.

The Implementation Protocol should indicate a joint structure that will oversee the implementation of the Protocol. For example, a panel comprising the political principals – the Ministers, MECs and Mayors whose departments and institutions have a role in the joint action – could be considered. The panel and the steering committee will receive reports from the project team and participating Organs of State so that they can monitor progress.



“Local Economic Development (LED) is not about local government as such. Rather, it is about what the entirety of government does in local spaces. In other words, our collective efforts must be directed towards ensuring optimization of intergovernmental impact on every part of our space economy.”

The Honourable Minister Sydney Mufamadi, Minister of Provincial and Local Government, National Conference on Developing Local Economies, opening remarks, 14 August 2006.

CASE STUDY

COEGA INDUSTRIAL DEVELOPMENT ZONE (IDZ), EASTERN CAPE

The Coega IDZ was established as a viable destination for foreign direct investment, which can act as a springboard to international trade. The project is integrally linked to other programmes of government aimed at national economic development and the development of the Eastern Cape.

The project is driven by national government and it established the Coega Implementing Authority (CIA) to spearhead the process. The national, provincial and local spheres of government are drawn together by the CIA. The Coega Development Corporation (CDC) was established to implement the strategy for the development of the IDZ.

Intergovernmental relations

The Coega IDZ involves a large number of institutions at all spheres of government as well as parastatals, like the National Ports Authority, Spoornet, the National Roads Agency and Eskom. The conduct of, and relationship between, the various spheres of government as shareholders is regulated through a formal shareholders agreement.

The lead national department is the Department of Trade and Industry (**dti**). The Department of Economic Affairs of the Eastern Cape provincial government was primarily responsible for the implementation of the policy framework and for the bulk of the funding for the project.

The Nelson Mandela Metropolitan Municipality (NMMM) facilitated local community and business involvement, and championed, and provided strategic support to, the project. The NMMM worked closely with the CDC to ensure the IDZ aligns with the municipality’s long-term framework plan.

Key success factors

- Good stakeholder management. It was a strategic aim of the project to keep the three spheres informed of the progress, constraints and difficulties with the project
- Leadership. Project leadership by the Coega Implementing Authority (CIA) successfully transferred government’s strategic intent to create jobs and attract investment in the business environment in which they were operating
- The support of the three spheres of government. All spheres of government have shown clear ownership of the project. This served as a basis to obtain the support of all spheres of government to ensure a successful outcome.

Source: Study conducted by dplg Research Unit in 2003 and adapted for this purpose.



For more information see www.coega.co.za

IGR AND STAKEHOLDER RELATIONSHIPS

Intergovernmental relations promote relationships with a wide range of stakeholders, through multi-sphere dialogue. This includes liaison with local government, provinces, sector departments and other state and non-state actors to promote service delivery, economic growth and social upliftment.

For example, the IDP focuses on development outcomes in a particular geographical space. These outcomes must be socio-economically and environmentally sustainable, and also be supported by appropriate institutional arrangements. Forceful partnerships and networks of organisations in a district or regional space economy will also support and maximise its development potential.



LOCAL STAKEHOLDER RELATIONSHIPS

SALGA

The South African Local Government Association (SALGA) was established in terms of the Organised Local Government Act (Act No. 52 of 1997) to assist in the “wholesale transformation of local government”. Key services and products include policy formulation, advocacy, negotiations, international representation and supporting and strengthening municipal capacity.

Ward committees

The Constitution of South Africa, 1996 and other key legislation provides a framework to encourage participatory local democracy. The Municipal Structures Act, 1998 provides for ward committees to be set up in category A and B municipalities. Their primary function is to act as a formal communication channel between the community and the municipal council. They support councillors by representing the community and building relationships with communities. They also assist in giving input to the IDPs and highlighting priorities for development.



A category A municipality is a metro.
A category B municipality is a local entity.





“Government will create a public service echelon of multi-skilled community development workers (CDWs) who will maintain direct contact with the people where these masses live.”

President Mbeki in his State of the Nation address on 14 February 2003.



Community Development Workers

Community Development Workers (CDWs) work with municipalities to help bridge the gap between service provision by government and access to these services by communities.

The tasks and roles of CDWs include:

- assisting communities in explaining their needs to municipalities
- facilitating the participation of the public in development projects
- developing and supporting existing community structures
- identifying service blockages in the community
- interacting with government structures to meet the community's needs and solve problems that have been identified.

Traditional leaders

In terms of legislation, the Traditional Leadership has an important democratic role to play in traditional communities, many of which practice customary law, which is constitutionally recognized and managed by the traditional councils. The councils have an important role to play in administering the affairs of the community, and assist and support the traditional leaders, such as the kings and queens, the senior traditional leadership and the headmen and women.

The stakeholder relationships between the National, Provincial and Local Houses of Traditional Leaders are particularly important when it comes to the advisory relationships between municipalities, provinces and national bodies. The allocation of particular functions to the Traditional Leadership is also vested in consultative procedures with the relevant Minister or MEC, and SALGA. These stakeholder consultations ensure consistency with the Constitution and embrace the spirit of co-operative governance within traditional structures.

Social partnerships

Cross-cutting issues of concern to all stakeholders include policies for gender equity, managing equity for persons with disabilities, and for those living with HIV and AIDS.

Promoting equitable access to services requires conscious and co-ordinated policy effort, and stakeholders are often in a good position to assist – this may be in the form of specialist NGOs, Associations, Institutions, and Advisory or Research bodies.

Chapter 12 of the Constitution entrusts traditional leaders with “those functions which are customary in nature”.

Section 81 of the Local Government: Municipal Structures Act (No. 117 of 1998) provides for traditional leaders to make up 20% of municipal councils (without voting powers) in the spirit of co-operative governance.

See the Traditional Leadership and Governance Framework Amendment Act (No. 41 of 2003).





CASE STUDY

CACADU DISTRICT MUNICIPALITY (CDM)

The Cacadu District Municipality (CDM) has undertaken the following initiatives to address HIV in CDM:

- HIV/AIDS has been located within the Office of the Mayor and Municipal Manager in recognition that HIV/AIDS is not a health issue alone
- The Performance Contracts of all CDM Directors reflect how they have responded to HIV and AIDS.
- Establishment of District Aids Council
- Formulation of HIV and AIDS Strategic Policy and Workplace Policy
- Inclusion of HIV and AIDS in the IDP
- Role of the CDM in respect of the Local Municipalities' Mainstreaming of HIV/AIDS
- Establishment of Local AIDS Councils in all nine local municipalities
- Eastern Cape Aids Council (ECAC) will support the appointment of the HIV/AIDS Co-ordinator

Source: <http://www.cntp.org.za/focusHome.php> HIV/AIDS Report April 2006, by Umhlaba Development Services

Chapter 7 (Section 152) of the Constitution, Chapter 4 of the Municipal Systems Act, 2000 and Chapter 4 of the Municipal Structures Act, 1998 provide a framework for citizen participation.



Public participation

Community participation is an essential element of effective and accountable governance. It promotes local democracy and people's engagement with local development challenges. Citizens frequently take the lead in defining and shaping their priorities through Izimbizos, Ward Committees and public meetings between municipalities and the community. At this level, IGR provides the government interface for local needs and concerns. The public participation phase in the IDP process is legislated through the MSA and is scheduled between October and December each year.

Economic partnerships

Creating strong stakeholder partnerships with the private sector can facilitate growth and investment opportunities. Such partnerships are vested in mutual interests, so a common understanding of the space economy between stakeholders is essential. A credible IDP must reflect economic development choices that are based on joint and strategic analysis of the NSDP, the LED plan, the Spatial Development Framework, the Land Use Management Plan and the broader economic growth objectives of government as reflected in the ASGISA and MTSF policies.

THE INTERGOVERNMENTAL PLANNING AND REPORTING CYCLE

The Intergovernmental Planning Framework aligns government's planning cycles and procedures and ensures that policy and planning are taken into account in the budgetary process. Monitoring and evaluation measures are also put in place to measure and determine the success or failure of developments.

ADVANTAGES OF PLANNING FRAMEWORK

The Planning Framework will:

- Help departments, provinces and local governments spend their budgets effectively
- Assist spending agencies develop clearer implementation plans
- Help agencies examine carefully their capacity to implement
- Reduce duplication because it is consultative
- Enhance service delivery as it creates linkages between different priorities in the three spheres of government.

PLANNING CYCLES

Co-ordination has to take into account that government works in different cycles.

Programme of Action

Every year in the first week of February, the President makes a State of the Nation speech at the opening of Parliament. The President gives the country an overview of government's Programme of Action for that year. Each Programme builds on the Programme of the previous year and also introduces new aspects to government's overall vision.

The "pull out and keep" poster in this brochure explains the importance of the Planning Cycle for policy alignment and for giving the strategic direction of government within a given timeframe.



The Planning Cycle is an annual sequence of events. Every September departments start with evaluating the previous year's priorities as a base for forward planning. They plan their priorities for the medium term. The priorities are communicated to the clusters in October.

All these planning processes - including the sector department plans - need to feed into each other. They do not necessarily have to be synchronised. However, of particular importance is the sequencing of the planning and budgeting schedules. The District's IDP processes play a crucial role in this regard.

The five pillars of alignment:

- **Shared visions and values** – all role-players should broadly share the same values and visions in terms of the desired outcomes of development in a certain area
- **Sequencing of processes** – planning processes need to feed into each other (not synchronizing, but sequencing of schedules)
- **Information sharing** – the right information must be made available to the right decision-maker at the right time
- **Relationships** – intergovernmental and stakeholder relations need to be built and sustained
- **Institutional arrangements** – the appropriate institutional arrangements need to be developed to facilitate alignment of processes and outcomes.

For more information on national planning and policy see the **dplg** publication, 'Intergovernmental Relations in South Africa: A Practitioner's Guide'.

Annual budgeting cycles

The national and provincial budgeting cycle runs from 1st March to 28th February each year, within the context of the three year Medium-Term Expenditure Framework (MTEF).

The municipal budgeting cycle runs from 1st July to 30th June each year and is informed by the IDP (adoption in June).

A three year rolling budget

This budget is reviewed each year. It starts in September/October of each year and departments and provinces develop their cluster priorities and submit them to the Presidency.

IDP Cycle (Municipal Integrated Development Planning)

The IDP is a five-year municipal strategic plan, which is reviewed annually.

IDP STRATEGIC CALENDAR		
Cycle	Phases	Strategic input/outcome
July - Sept	Preparation phase	Reflection on information available at all levels, joint district spatial analysis, progress on previous commitments, confirm/change strategic direction of development in line with PGDS-NSDP.
Oct-Dec	Consultation phase	Strategic discussion based on information from phase 1 - decisions on where investment would go or not, trade-offs. Indicative budgets (municipalities and sectors) and programmes based on consultation process with communities.
Jan-March	Drafting phase	Sectors embark on strategic sessions and feed local analysis into sector strategic plans. Municipalities work sector commitments into draft IDPs.
March - June	Adoption phase	Sectors confirm commitments (verify budgets) made in consultation phase. Final adopted IDP becomes true integration of government action in impact area.

It is important that all public servants, including local government councillors, members of parliament and members of provincial legislatures understand government's Programme of Action, as it directly affects the work of municipalities and provincial departments.

IGR – IMPACT ON DEVELOPMENT

We have seen how the effective conduct of IGR can significantly enhance the achievement of government's development objectives. These national objectives include:

- Accelerated and shared growth beyond 6% per annum by 2010
- Halving poverty and unemployment by 2014
- Improving the macro-social environment
- Increasing capacity to implement services and programmes.

We have seen how the IGRF Act directs that we establish the institutional machinery through which all spheres of government must co-ordinate and integrate plans, budgets and service provision. There should be clear plans at the local level, in which the strategies and programmes of all the spheres of government and public entities find co-ordinated expression.

If government works according to co-ordinated intergovernmental principles, jointly and in an integrated way, wasteful risks can be avoided: for example, schools being built without water provision and sanitation, or without access roads, or without electricity; clinics being built without a supply of medicines or health workers.

It is clear that implementing the programmes that give effect to national objectives (The Programme of Action, the Five Year Local Government Strategic Agenda, The Urban Renewal Programme, The Integrated Sustainable Rural Development Programme, Siyenza Manje, MIG, Project Consolidate, the NSDP and the intergovernmental planning policies and tools – requires a responsive government, informed by local conditions and committed to improving the lives of the people of South Africa. This is the challenge for each and every one of us – working together for development.



Guide to the Intergovernmental Planning Cycle



**ENVELOPE WILL BE PASTED HERE CD TO
GO INSIDE**

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