WPLG
WHITE PAPER ON
LOCAL GOVERNMENT

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Foreword by the Minister



At the outset of this review, I made it clear to the drafting team that there could be “no holy cows.” I am pleased that this principle has guided the process. We have taken an open and honest look at the local government system, confronting difficult questions about municipal failures, but also about the responsibilities of national and provincial government. This candour is necessary to rebuild public trust and make local government work better for the people of South Africa.

Too many South Africans still experience local government through unreliable services, deteriorating infrastructure, and institutions that do not respond effectively when problems arise. At the same time, we must recognise and protect the democratic foundations and service-delivery gains established over the past three decades. Our task is not to abandon developmental local government, but to renew it so that its promise can be realised more consistently in every community.

This White Paper therefore sets a direction for renewing the whole local government system. It calls for ethical, accountable political leadership; professional municipal administrations; stronger financial and infrastructure management; clearer responsibilities across government; meaningful partnerships with communities; and more effective cooperation between municipalities and the other spheres of government. It also recognises the important contribution of traditional and Khoi-San leadership institutions and the need for local government to respond to changing settlement patterns, economic realities, and climate and disaster risks.

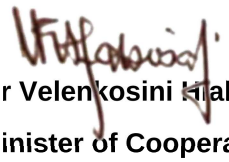
However, we must be clear that policy reform alone will not change people’s lives. South Africa has not lacked policies, laws, plans, support programmes or diagnoses. Our recurring challenge has been implementation: fragmented responsibility, weak execution, delayed intervention and insufficient accountability for results. For this reason, this White Paper places implementation at its heart, linking the immediate task of stabilising municipalities and services with the longer-term institutional, fiscal and

legislative reforms required to build a capable and sustainable local government system.

Ultimately, we will not measure this White Paper's success by the policy document itself. It will be measured in our communities: by whether water flows more reliably, refuse is collected, roads and other public infrastructure are maintained, public money is properly managed, complaints receive attention, and people can once again have confidence in the institutions established to serve them.

I sincerely thank the Department of Cooperative Governance and the entire drafting team for their dedication and hard work. I also thank the researchers, members of the public who made submissions, municipalities, organised local government, traditional and Khoi-San leadership institutions, and the many stakeholders within and outside government who contributed their knowledge and perspectives. Their contributions helped us test the proposals against evidence, practical experience and the realities facing communities across our country.

The review has given us a clear direction. Now we must turn that direction into visible, lasting change. We must bring the same candour, resolve and commitment that shaped this White Paper to its implementation.



Mr Velenkosini Hlabisa, MP

Minister of Cooperative Governance and Traditional Affairs

Foreword by the Deputy Minister



The final White Paper on Local Government responds to a fundamental reality: municipalities operate in different circumstances and require arrangements suited to their capacity and the communities they serve. Moving away from a one-size-fits-all approach, the White Paper advances differentiation that recognises variations in institutional capability, geography and revenue. This creates scope for capable municipalities to take on greater responsibility, while ensuring that municipalities requiring support receive assistance appropriate to their circumstances. Regardless of these differences, all communities are entitled to accountable government and reliable services.

The White Paper also promotes more structured partnerships between municipalities and traditional and Khoi-San leaders. Compacts between municipalities and legally constituted traditional and Khoi-San councils can provide a practical basis for cooperation on planning, settlement development and service delivery. Such partnerships must respect constitutional responsibilities and ensure that affected communities are meaningfully included. Clear roles, sustained engagement and mutual accountability will be essential to their success.

Successful reform will depend not only on the policy direction, but also on how change is managed. Institutions across government have different mandates, resources and starting points. Transition management can help sequence reforms, align budgets and address implementation challenges across spheres of government. A mechanism such as the Transition Management Body can support coordination, track progress and make obstacles visible, while ensuring that the institutions responsible remain accountable for delivery.

I welcome the White Paper's emphasis on learning through implementation. Reforms must be tested in practice, informed by the experiences of municipal practitioners and communities, and adjusted where evidence shows that they are not achieving the intended results. Ultimately, these reforms will be meaningful when residents experience tangible and lasting improvements in the services and governance they receive.



Dr Namane Dickson Masemola, MP

Deputy Minister of Cooperative Governance

Foreword by the Director-General



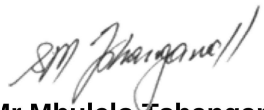
The final White Paper on Local Government extends public administration reforms initiated at national and provincial levels into the municipal sphere. Its emphasis on professionalisation gives practical effect to the principles set out in the National Framework Towards the Professionalisation of the Public Sector. Municipal administrations need the skills, competence and institutional stability to convert public resources into effective governance and dependable services.

The White Paper reinforces the distinction between political leadership and administration. Elected councils are responsible for setting policy, approving budgets and exercising oversight, while municipal managers and their teams are responsible for implementing lawful council decisions and managing municipal operations. Respect for this distinction protects professional judgement and strengthens democratic accountability. Councillors must exercise oversight through lawful channels, and officials must remain accountable for their conduct and performance.

Professionalisation must extend beyond formal qualifications and training. Appointments must be guided by merit and integrity; municipalities must retain technical expertise, invest in staff development and maintain systems that support sound, evidence-based decisions. Changes in political leadership should not disrupt lawful administration or lead to the loss of institutional knowledge and capacity.

The Department of Cooperative Governance has a central role to play in translating these policy directions into practical guidance, coordinated support and consistent monitoring. This work requires close collaboration with provincial governments, organised local government and the institutions responsible for public administration reform.

The research and consultation that informed this White Paper provide a strong foundation for the next phase of reform. Our responsibility now is to bring the same rigour to implementation and assess progress by examining the quality of municipal administration and, above all, the services and outcomes experienced by communities.



Mr Mbulelo Tshangana

Director-General: Department of Cooperative Governance

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The Department of Cooperative Governance extends its sincere appreciation to the researchers, review team, reference group members and supporting experts whose contributions informed the development of this White Paper on Local Government. The research programme, policy review, drafting, coordination and editorial work brought together evidence and specialist knowledge from across the local government system.

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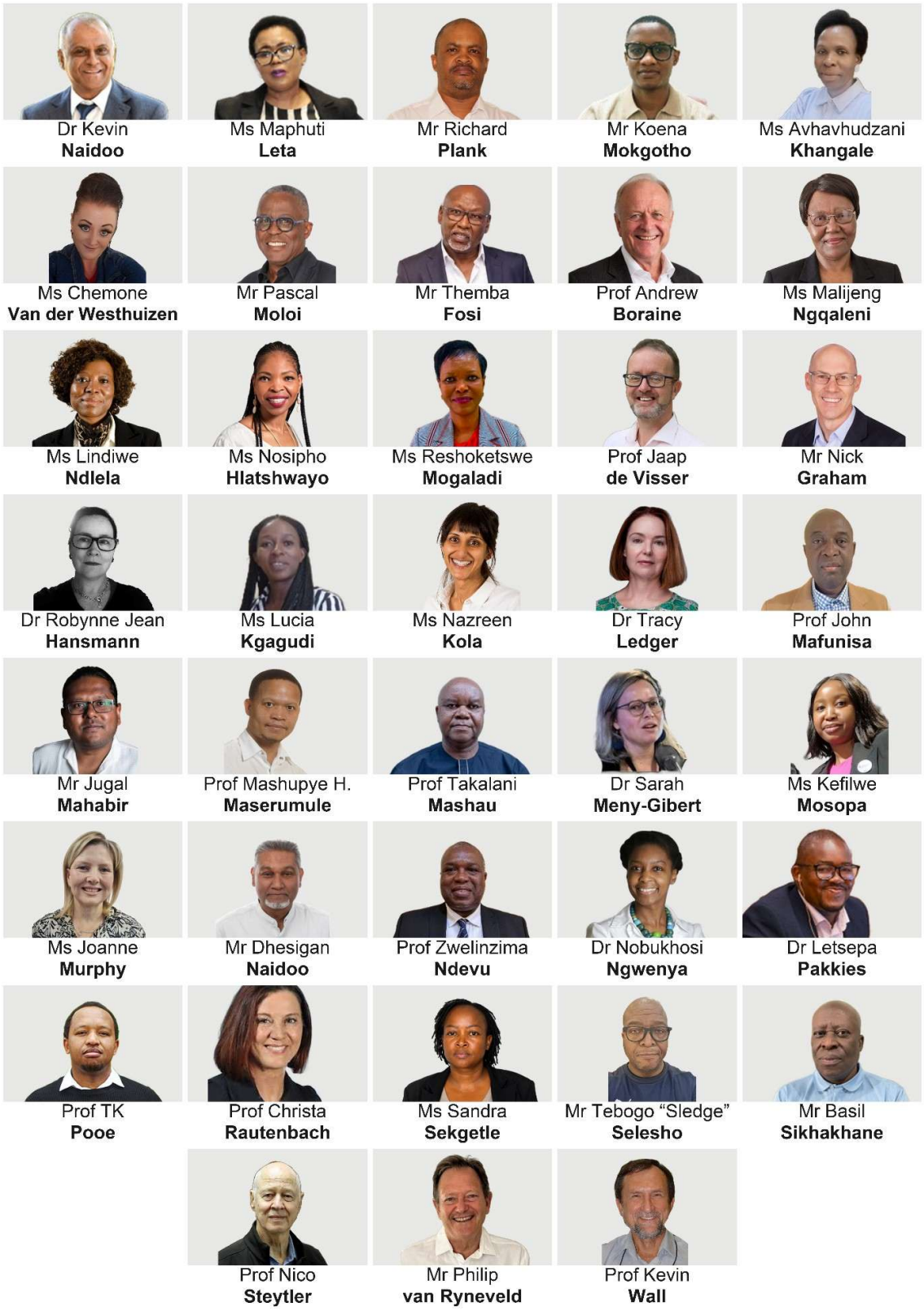
The research authors and contributors whose work helped establish the evidence base underpinning the White Paper's policy proposals are also acknowledged: Prof Jaap de Visser; Prof Zwelinzima Ndewu; Prof Mashupye H. Maserumule; Prof John Mfanufisa; Dr Robynne Jean Hansmann; Dr Nobukhosi Ngwenya; Prof TK Pooe; Prof Nedson Pophiwa; Dr Derek M. Powell; Mr Nick Graham; Prof Kevin Wall; Dr Sarah Meny-Gibert; Prof Jonathan Klaaren; Mr Ryan Brunette; Dr Tracy Ledger; Prof Christa Rautenbach; Prof Mashau Takalani; Mr Basil Sikhakhane; Mr Jugal Mahabir; Mr Phillip van Ryneveld; Mr MC Greatwood; and Ms Nazreen Kola. Prof Nico Steytler is recognised for his advice on constitutional and local government law and his contribution to the chapter on intergovernmental relations and cooperative governance; Mr Tebogo "Sledge" Selesho for research and policy inputs on local government structure, powers, functions and intergovernmental relations; and Mr Dhesigan Naidoo for specialist content support on growth, the economy, climate change and spatial transformation.

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WHITE PAPER DRAFTING TEAM



Chapter 1: Why now, what it aims to achieve and how reform will be implemented

1.1 Purpose of the White Paper

South Africa has reached a point at which local government reform can no longer be postponed or approached as another limited support programme. The local government system has delivered democratic inclusion, extended services and built institutions that did not exist before 1994. It has also accumulated deep governance, financial, administrative and infrastructure weaknesses. In many places, residents experience local government through unreliable water and electricity, sewage spills, deteriorating roads, refuse that is not collected, unsafe public spaces, inaccurate bills, councillors who are not accountable, unanswered complaints, and repeated and unaffordable tariff increases that are not matched by improved services.

This White Paper sets the policy direction for renewing the whole local government system. It does not abandon developmental local government or weaken the constitutional status of municipalities. It protects the democratic gains of the past three decades while confronting the failures that now threaten those gains. Its central purpose is to restore democratic, accountable and capable local government that provides reliable and accessible services, maintains public infrastructure, supports social and economic development, involves communities in decisions and acts lawfully in the public interest.

Research, stakeholder engagement and two public comment processes support the direction of reform, but require government to make it practical, lawful, funded, sequenced and enforceable. They also require an honest account of why earlier reforms did not produce lasting change. South Africa has not lacked policies, laws, plans, support programmes or diagnoses. The recurring problems have been weak execution, fragmented responsibility, non-collaborative attitudes and behaviour, late intervention, poor enforcement, limited consequence management and failure to hold all parts of the system accountable for results.

This is not a municipal turnaround programme located in one department. It reforms the relationship between municipalities and the national and provincial institutions that assign functions, regulate, fund, support, monitor, intervene and deliver in municipal areas. It also reforms the relationship between municipalities and residents. Change is required within municipalities and across the wider local government system at the same time.

The reform programme is organised around five connected areas: one coherent local government system; ethical, capable and accountable political and administrative governance; practical differentiation of municipal powers and functions, including a pathway towards simpler institutional arrangements; partnership-based governance in local places; and financial, infrastructure and service delivery reform. These areas cannot be implemented in isolation. They form one reform package in which governance, finance, capability, services and public trust reinforce one another. This White Paper therefore does more than state a reform direction. It defines the principles, policy choices and implementation machinery required to move from adoption to visible change. It links immediate stabilisation and recovery to longer-term changes in institutions, powers and functions, finance, administration, cooperative governance, service delivery and accountability. Chapter 11 establishes the transition management arrangements through which government will sequence the programme, assign responsibilities, track milestones, remove blockages, involve stakeholders and report publicly on progress.

1.2 Constitutional achievement and the unfinished democratic task

South Africa has established the democratic form of local government. The Constitution recognises local government as a distinct sphere of government. Municipalities have original executive and legislative powers and may govern local affairs on their own initiative within the law. Wall-to-wall municipalities replaced fragmented and racially segregated local authorities. Metropolitan municipalities were established as single-tier governments for the largest urban areas. An independent demarcation system was created. Municipal councils are elected, municipal budgets are debated in public, and communities have legal rights to participate in municipal affairs.

The 1998 White Paper gave this constitutional design a developmental purpose. It called on municipalities to work with residents and community organisations to meet social, economic and material needs, and improve quality of life. Since then, municipalities and the other spheres of government have extended access to water, sanitation, electricity, roads, refuse removal and other public services. Across 257 municipalities, approximately 10 400 councillors were elected in 2021, and 282 000 municipal employees form the human base of the local government system. Many councillors and municipal officials continue to serve with integrity and competence under difficult conditions. There are municipalities that maintain sound governance, protect professional administration, manage finances responsibly and provide reliable services. These achievements show that democratic local government can work and that reform must protect the foundations that make good performance possible.

Democratic form, however, is not the same as democratic substance. Democratic form concerns the constitutional design of local government: decentralisation, a distinct sphere of government and municipalities with original powers and functions exercised on their own initiative within the law. Democratic substance concerns whether that design produces results in people's daily lives: whether municipalities can respond quickly when water systems fail, keep streets safe and clean, maintain infrastructure, resolve billing problems, and respond to hardship in ways that residents can see and feel.

South Africa has largely established democratic form. The main task now is to restore and deepen democratic substance. Institutional autonomy does not, on its own, satisfy the Constitution. It must be matched by accountable government, sustainable services, social and economic development, a safe and healthy environment, and meaningful community involvement. The White Paper therefore protects local government's constitutional status while insisting that this status must translate into visible and reliable improvements in the lives of residents, especially where crisis, delay and system failure have weakened public trust.

Municipal autonomy and national fiscal intervention are both legitimate constitutional concerns. Autonomy protects local democracy, responsiveness and the ability of municipalities to adapt decisions to local conditions. It also creates a direct line of accountability between councils and communities. National and provincial government, however, cannot ignore persistent breaches of financial law, unfunded budgets, unpaid statutory obligations, institutional collapse or the deterioration of basic services. The consequences of municipal failure often extend beyond municipal boundaries and can threaten public health, regional economies, bulk service systems and national fiscal stability. The White Paper rejects two false choices. Municipal autonomy cannot mean immunity from the law, oversight or consequences. National intervention cannot become routine central control that empties local democracy of meaning. Support, regulation and intervention must be lawful, transparent, proportionate, time-bound and directed at restoring municipal capability and protecting services. Fiscal measures must be applied within

the constitutional and legislative framework, with clear reasons, fair procedures, service protection measures and public accountability. The purpose of intervention must be correction and recovery, not punishment of residents or permanent displacement of municipal authority.

1.3 Reform urgency

1.3.1 Financial and service failure

Local government is now under severe strain. The pattern is not uniform, but failure is no longer confined to a small number of failing municipalities. Years of weak governance, political instability, poor revenue collection, unpaid bulk accounts, unlawful expenditure, deferred maintenance, low capital spending and underinvestment in technical capability have placed many municipalities in persistent financial and operational distress. In some municipalities, the deterioration has reached a point where the normal instruments of support, recovery planning and intervention have not restored basic functionality. Repeated findings in many municipalities on unlawful expenditure, procurement and consequence management show that financial control remains uneven across the system.

The crisis is visible in the condition of municipal infrastructure and in the declining reliability of services. Infrastructure that was built through large public investment is ageing and is not being maintained or renewed at the required rate. Financial stress pushes repairs, maintenance and capital investment to the back of the budget. Today's underspending becomes tomorrow's burst pipes, failed substations, damaged roads, sewage spills and service interruptions. These failures impose direct costs on households and businesses, and weaken public health, local production, investment and employment.

The dysfunction in many municipalities is most keenly felt in water, sanitation and electricity distribution services. Average non-revenue water now stands at almost 50 per cent nationally, largely as a result of failing infrastructure, which reflects years of underinvestment. This causes water outages and deprives residents and businesses of this essential service. A similar pattern is evident in electricity distribution, where regular outages reflect a lack of investment in the maintenance and upgrading of infrastructure.

Residents understand that services cost money and that infrastructure must be maintained. What they increasingly reject is being required to pay more while receiving less. Households and businesses that pay their accounts experience tariff increases, inaccurate billing, service interruptions and deteriorating quality. Public money collected for services is not always used for its intended purpose, while bulk suppliers and contractors remain unpaid. The public cannot be expected to carry indefinitely the cost of corruption, incompetence, poor planning and weak financial control. The state cannot rebuild trust by demanding more from residents while demanding too little from itself.

1.3.2 Weak enforcement and mutual accountability

The problem is not mainly the absence of rules. South Africa has an extensive constitutional, legislative and regulatory framework for municipal government, financial management, procurement, ethics, oversight and intervention. The deeper failure is inconsistent application and the absence of timely consequences. Financial misconduct is repeated. Audit findings remain unresolved. Unlawful appointments are tolerated. Councillors interfere in administration and procurement. Municipal officials who resist improper instructions may be isolated or threatened. Councils, provinces and national departments often act late or not at all.

The White Paper therefore places enforcement at the centre of reform. Political leaders across all parties must uphold the rule of law and stop excusing non-compliance. Consequence management must be lawful, fair and consistent. It must apply without fear or favour to councillors, political office-bearers, municipal officials, contractors and any other person who abuses public power or public money. It must also apply to national and provincial institutions that fail to perform their support, monitoring, oversight, funding or intervention duties. Accountability cannot be demanded only from municipalities while departments and public entities escape scrutiny for delayed decisions, fragmented regulation, poorly designed grants, failed support programmes or failure to act when legal thresholds are met.

Accountability must flow in two directions. Municipalities must account downward to communities for decisions, money, service standards, complaints, contracts and performance. They must also account upward through council oversight, provincial monitoring, national regulation, audits, legislative scrutiny and the courts. National and provincial departments must account for the conditions they create for municipal performance, including the clarity of functions, the adequacy of revenue instruments, the extent and timing of funding, the coherence of regulation, the quality of support, the removal of blockages and the use of intervention powers. Shared responsibility must not become no responsibility.

1.3.3 Leadership, institutional culture and public trust

Weak accountability is closely linked to weak leadership. The local government system requires ethical and competent councillors, political office-bearers and municipal officials who understand that public office is a duty to serve. A service mentality means listening to residents, treating people with dignity, protecting public assets, making lawful decisions, accepting responsibility and acting quickly when services fail. It also means placing the long-term interests of the whole municipality above personal, party-political, factional or commercial interests. Technical and legal reform will fail where leadership tolerates corruption, protects poor performance, manipulates appointments or treats the municipality as a source of patronage.

The reform must also confront the institutional cultures that reproduce failure. These include the cultures of impunity, upward accountability (especially to narrow party political considerations) at the expense of communities, an inward-looking ‘government for government’ approach, compliance reporting that displaces performance, and rivalry between institutions that should be solving problems together. Structural and technical reforms will not hold if these patterns of behaviour remain unchanged.

Local government reform is taking place within a wider national crisis of trust in public institutions. Recurring corruption, state capture, weak enforcement, failures of ethical leadership and a culture of impunity have damaged institutions across the state and weakened confidence in democracy and the rule of law. Municipal failure cannot be separated from this

broader environment. It is experienced most directly by poor and marginalised communities through unreliable services, administrative indifference, unsafe living conditions and the absence of timely redress. The local government transition must therefore be understood as more than an institutional or technical reform programme. It forms part of a wider democratic task to restore ethical public leadership, rebuild capable institutions, enforce the law consistently and demonstrate that government can act with care, competence and accountability in the daily lives of residents.

The local government crisis is thus also a crisis of trust. Trust is weakened each time a municipality fails to provide a service, ignores a complaint, conceals information or fails to act against wrongdoing. It is weakened when residents see consequences for non-payment but few consequences for those who waste or steal public money. It is weakened when participation is reduced to meetings that do not influence decisions, when commitments are not reported back and when protest becomes the only way to obtain a response. Loss of trust contributes to declining payment, damage to public assets, disengagement from formal participation and a wider weakening of confidence in democratic government and the rule of law.

Rebuilding trust is therefore not a communications exercise added after policy decisions have been made. It is an outcome of lawful conduct, reliable services, honest information, fair treatment, visible consequences and consistent follow-through. Government must show what it will do, who is responsible, what has been completed, what remains blocked and what corrective action will follow. Trust will return only when institutions become worthy of it.

Rebuilding trust in government through reliable services, transparent billing and accountable administration is essential to improving willingness to pay. At the same time, government, political parties and residents must confront a culture of non-payment that has taken hold in some communities, where genuine inability to pay has sometimes become blurred with an expectation that services should be provided without payment, irrespective of a household's means. Political opportunism has at times reinforced this expectation. A sustainable local government system must distinguish clearly between indigent households that require protection and residents who can pay but do not. Democracy depends both on government fulfilling its obligations and on citizens recognising their responsibility to pay for services where they are able, to comply with lawful requirements and to contribute to sustaining the institutions on which communities depend.

1.4 A country that has changed since 1998

The 1998 White Paper was written for a country with a different population distribution, settlement pattern, economy, infrastructure base and institutional environment. Nearly three decades later, the distribution of economic activity and population has shifted. These changes affect the revenue available to individual municipalities, the scale and location of infrastructure demand, and the developmental pressures that councils and municipal administrations must manage.

Urbanisation has continued, but it has not followed a simple movement from rural areas to large cities. Metros and secondary cities face population growth, densification, informal settlement expansion, congestion, ageing networks, land constraints and rising demand for housing, public transport and basic services. Small towns often carry regional service and economic functions that extend beyond their revenue base. Some mining and industrial towns are

exposed to economic transition. Climate change, drought, flooding, fires and extreme weather place additional pressure on municipal infrastructure and disaster systems.

A defining change is the accelerated growth in population and household investment in former homeland areas. The 1998 White Paper stated that the population of rural areas concentrated in the former homelands was 'not expected to grow substantially, either as a proportion of the total population or in absolute terms'. In the early post-apartheid period, there was a proportionate decline. Migration to cities reduced the former homelands' share of the national population from 40.8 per cent in 1996 to 35.1 per cent in 2011. These areas were also disproportionately affected by HIV and Aids. Between 2001 and 2011, their population grew by only 0.4 per cent, compared with 2.1 per cent for the rest of South Africa.

The pattern changed in the following decade. A combination of official and private data indicates accelerated population growth and household investment in former homeland areas. Official statistics indicate that their population increased by about 3.8 million people between 2011 and 2022. Other data sources and the visible scale of new construction support this finding. These areas are marked by expanding residential development, new houses, shopping centres and other investments. The pace differs across the country, with particularly rapid change in parts of Limpopo and Mpumalanga, but the pattern is widespread.

Several factors contribute to this growth. Land access and home construction are often easier and less costly in areas under traditional authority. Households also invest in places with cultural and family connections, including as a response to insecurity and high living costs in large cities. The result is a more complex pattern of multi-local households, circular migration, rural investment and extended urbanisation that does not fit a simple urban-rural divide.

Municipalities in these areas face intense development and service pressures but have limited ability to convert settlement growth into revenue. In many traditional custodianship areas, property rates revenue cannot be raised in the same way as in conventional property markets, and service charge collection is very low. Municipalities remain responsible for planning, roads, water, sanitation, waste, public facilities and other services across their whole jurisdiction. The gap between responsibility, revenue and authority creates a structural fiscal and governance problem.

The implications for reform are direct. Differentiation must respond to actual settlement patterns, capability, economic base, geography, infrastructure need and revenue potential. It must be practical, not a new system of labels. Finance must follow function, including the cost of services in dispersed and low-revenue areas. The revised local government fiscal framework must account for population change, poverty, indigence, infrastructure maintenance, climate risk, traditional tenure and the cost of providing services across polycentric urban and large rural jurisdictions. Municipalities and traditional and Khoi-San leadership institutions must establish strong, lawful compacts for planning, land administration, infrastructure, service delivery, local development, information sharing and dispute resolution. These compacts must respect municipal constitutional authority and the lawful role of traditional institutions while creating a shared programme for the places and communities they serve.

1.5 What the evidence and public submissions require

The evidence base supports continued reform of local government. It supports neither a shift to centralised administration nor leaving the current system unchanged. It points to a 'both-and' approach. Government must protect municipal autonomy and strengthen local accountability

while building a more effective and decisive national and provincial system of support, regulation, fiscal alignment, early warning, intervention and enforcement. Failures inside municipalities and failures in the wider system must be addressed together.

Boundary changes, new municipal categories, revised powers and functions and constitutional amendments may be required in some areas where the evidence shows that reform cannot be achieved adequately through existing constitutional powers, legislation and practice. Reform must also address leadership, culture, political conduct, administrative capability, procurement, revenue, asset management, data, community relations, provincial performance and national coordination. Changes that can be made within the current constitutional framework should begin while longer-term options are tested through legal, fiscal and institutional work.

The public submissions and stakeholder engagements repeatedly ask for clearer accountability and enforcement. They call for stronger council oversight, accessible public information, complaints and redress systems, transparent procurement, referral and case tracking arrangements, protection for ethical councillors and municipal officials, and consequences for persistent non-compliance. They also ask for accountability of provincial and national departments, especially where support is late, regulation is contradictory, decisions are delayed or intervention duties are not performed.

The submissions and engagements support professional municipal administrations that are appointed on merit, protected from improper political interference and held to clear performance standards. They emphasise the need for engineering, financial, planning, infrastructure, procurement, data and management capabilities. They also stress that professional autonomy is not freedom from accountability. Municipal officials must implement lawful council decisions, account for performance and act in the interests of the whole community.

The submissions ask government to place the lived experience of residents at the centre of reform. Clean audits and compliance remain necessary, but they are not a complete measure of good government. Performance must be tested against service reliability, affordability, infrastructure condition, complaint resolution, safety, environmental health, local economic opportunity, dignity and the quality of engagement between municipalities and communities. The community of the municipality must be treated as a partner in governance, not merely as a consumer of services or an audience for consultation.

The public submissions also point to the implementation risk. They welcome a clearer reform direction but question what will make this process different from earlier programmes. Their answer is consistent: reform needs a funded plan, named responsibilities, credible timeframes, public milestones, escalation routes, dedicated implementation capability and consequences when institutions do not deliver.

Reform in a contested and low-trust environment must meet three tests if it is to command support: the change must be necessary, likely to be effective, and fair in its effects. The White Paper meets these tests by grounding the case for change in research and evidence, placing implementation and enforceability at the centre of the programme, and taking a balanced and even-handed approach where evidence, interests or policy choices remain contested.

1.6 Policy intent, vision and outcomes

The policy intent is to renew the local government system so that constitutional authority, public resources and institutional capability produce democratic substance in every community. The

White Paper retains developmental local government but updates how it must work. Municipalities remain the primary democratic institutions closest to communities. They cannot, however, produce local outcomes alone. National and provincial departments, public entities, traditional and Khoi-San leadership institutions, business, labour, civil society, professional bodies and communities all influence what happens in a place. Developmental local government must be supported by developmental governance across the local government system.

The White Paper uses the term 'local government system' deliberately. It includes municipalities and the local sphere, but it is broader. It includes national and provincial institutions that regulate, fund, support, oversee or deliver services in municipal areas. It includes public entities and bulk service providers, as well as the community of the municipality: residents, organised communities, traditional leaders, business, labour, faith-based organisations, civil society, service users, investors, professional and academic institutions, temporary residents and visitors. The purpose of the system is to combine democratic proximity with the scale, resources and authority needed to solve problems.

The vision is for ethical, democratic, non-racial, responsive, accountable, capable and financially sustainable municipalities that work with the other spheres of government and the community of the municipality to provide reliable and accessible services, maintain resilient infrastructure, support inclusive local economies, advance spatial justice, protect the environment and create safe and healthy places. Municipalities must be institutions in which residents can see how decisions are made, how money is used, who is responsible and how problems will be corrected.

The outcomes are system-wide. They are not a scorecard for municipalities alone. The White Paper seeks:

1. reliable, affordable and accessible basic services, supported by maintained and renewed infrastructure;
2. ethical and competent political leadership and professional municipal administrations with a service mentality;
3. accountable institutions in which laws are enforced, wrongdoing has consequences and public information is available by default;
4. financially sustainable municipalities supported by an interim stabilisation package and a revised fiscal framework that aligns functions, revenue instruments and grants;
5. differentiated municipal arrangements that reflect local conditions and capability without weakening democratic representation;
6. cooperative governance that produces binding commitments, aligned budgets and shared accountability in local places;
7. strong municipal-traditional and Khoi-San leadership compacts in areas where both institutions carry responsibilities and influence development outcomes;
8. active communities that can shape priorities, monitor delivery, obtain redress and participate in protecting public assets;
9. inclusive local economies, spatial justice and climate-resilient, safe and healthy environments; and
10. an implementation system that converts the White Paper into measurable progress and publicly accounts for delays and failure.

Good governance must be understood in these terms. It includes lawful financial management and sound audit outcomes, but it is not reduced to them. Good governance is present when

public power is exercised ethically, responsibilities are clear, institutions can plan and deliver, communities are heard, services work, rights are protected, trade-offs are explained and failures are corrected. Its test is whether people can rely on their local institutions and whether those institutions are worthy of public trust.

1.7 Principles that govern the reform

The following principles guide the policy choices in the White Paper.

1.7.1 Democratic authority, public service and accountability

The community comes first. The constitutional purpose of local government is realised through the lives of residents. Municipal decisions must be tested against service reliability, affordability, dignity, inclusion, safety and the long-term interests of the whole community.

Local government remains a distinct sphere. Municipalities must retain meaningful authority to govern local affairs within the law. Decentralisation supports responsiveness, learning, innovation and downward accountability. Reform must not turn municipalities into administrative branches of national or provincial government.

Authority carries responsibility. Municipal authority must be exercised lawfully, competently and transparently. Persistent non-compliance, financial misconduct and service failure require support, correction and, where necessary, proportionate intervention and consequences.

Accountability is mutual and two-way. Municipalities are accountable to communities and oversight institutions. National and provincial institutions account for policy, funding, support, regulation, coordination, intervention and enforcement. Each reform stream must have a named lead institution so that shared responsibility remains traceable.

The law must be enforced. Existing laws and regulations must be applied consistently. Consequence management must be timely, fair and independent of political affiliation or status. The White Paper will not create new rules where the main problem is failure to apply existing ones, but it will close gaps where present law and institutions are inadequate.

Leadership is service. Councillors, political office-bearers and municipal officials must place the public interest above personal, party-political and factional interests. Ethical conduct, transparency, competence, humility, responsiveness and willingness to accept responsibility are requirements of public leadership.

Municipal administrations must be professional and protected. Appointments must be based on merit and integrity. Councils set policy and exercise oversight. Municipal officials manage administration and operations within lawful delegations. Improper political interference and administrative overreach must both lead to consequences.

1.7.2 Differentiation, finance and reliable services

Differentiation must work in practice. Municipal powers, functions, support, regulation and institutional arrangements must reflect geography, settlement pattern, economic base, capability and performance. Differentiation must simplify the system and improve services. It must not become another central classification exercise that adds complexity without changing delivery. Differentiation in authority must be distinguished from differentiation in service delivery. A municipality may retain authority and accountability while using a shared, regional or external provider where this improves scale, specialist capability or service performance. The

approach to differentiation must ensure that municipalities exercise those functions that they have the capacity to fulfil effectively.

Finance follows function. A municipality or other institution cannot be held accountable for a function without the revenue authority, transfers, staff, systems and infrastructure needed to perform it. Assignments and changes in responsibility must be costed, funded and sequenced.

Services must be reliable and accessible. Access is not enough where supply is intermittent, unsafe, unaffordable or unresponsive. The system must protect basic access, set clear service and infrastructure standards, maintain assets and act early when failure threatens health, dignity or economic activity.

1.7.3 Binding cooperation and structured partnership

Cooperative governance must bind institutions. Coordination cannot depend only on meetings and voluntary goodwill. Intergovernmental protocols, development agreements, aligned budgets, shared milestones, dispute resolution routes and escalation mechanisms must turn joint plans into commitments that can be monitored and enforced.

Partnerships must be structured and accountable. Municipalities must work with communities, business, labour, civil society and professional institutions through clear arrangements. In areas under traditional leadership, formal compacts must define shared planning, service, development and accountability arrangements without confusing constitutional and customary roles.

One local government reform process, not parallel programmes. Sector reforms, grants, support programmes, regulatory changes, data systems and interventions that affect municipalities must operate through a common local government reform logic. They must not create contradictory mandates, duplicate institutions or reporting requirements, or shift costs and responsibilities without agreement.

1.7.4 Implementation discipline and public trust

Implementation must be evidence-led and outcomes-focused. The test is not whether government produces new structures, policies, systems or reports, but whether governance, financial sustainability, service reliability, infrastructure condition, community accountability and institutional capability improve. Course correction may change sequencing and method, but it may not reopen settled policy without authority.

Reform must be funded, sequenced and implementable. Immediate actions must produce visible improvement while longer-term legal, fiscal and institutional changes are prepared. Each reform must identify responsibility, resources, dependencies, time horizon and accountability.

Trust must be earned through performance. Transparency, participation and communication matter, but trust depends on reliable services, honest information, fair treatment, lawful conduct and visible follow-through.

1.8 Immediate and longer-term reform commitments

1.8.1 Two connected reform horizons

The White Paper links an immediate reform agenda to a longer-term systemic reform agenda. The two must be pursued together. Immediate action without deeper reform will not last. Longer-term reform without early improvement will lose public support.

Stabilisation is a bridge to reform, not a substitute for it. Crisis response must protect residents and restore basic functionality, but the policy, fiscal, institutional and capability reforms needed to prevent recurrence of the crisis must proceed at pace. The transition management system must prevent urgent rescue from consuming the entire reform programme.

1.8.2 Immediate stabilisation and electoral transition

The immediate agenda must stabilise failing services, restore basic financial control, strengthen consequence management, protect professional administration, improve public information and complaints systems, and prepare municipal political and administrative leadership for the next term. It must also bring all current local-government-related reforms, stabilisation and recovery programmes, fiscal and grant measures, debt resolution processes, statutory and municipality-specific interventions, and sector programmes into one integrated local government reform portfolio.

The municipal electoral transition creates an early implementation opportunity. The incoming council term must begin with a shared understanding of the White Paper, ethical leadership, downward accountability, the political-administrative boundary, enforcement of rules and the responsibilities of councils and municipal administrations. Councillor induction and municipal leadership orientation must therefore be treated as part of implementation, not as separate training events (see Chapter 11).

1.8.3 Interim rescue and fiscal reform

A central part of the immediate agenda is agreement on an interim municipal service delivery and financial rescue and stabilisation package. This package is necessary because some municipalities cannot restore services and financial control through ordinary budget adjustments alone, while delays in wider fiscal reform would leave residents exposed to further decline. The package must be differentiated and directed at transforming institutions into high-performing, integrity-driven organisations, while restoring service continuity, financial control, revenue management, maintenance and a credible path to recovery. It must not become unconditional financial assistance or a transfer of the cost of misconduct to taxpayers and ratepayers.

Access to the package must be linked to lawful and transparent conditions. These may include credible funded budgets, recovery plans, protection of service revenue, payment arrangements with bulk suppliers, action on unauthorised, irregular, and fruitless and wasteful expenditure, functioning disciplinary and oversight arrangements, improved billing and collection, protection of indigent households, maintenance commitments and measurable service targets. The package must distinguish structural revenue constraints from distress caused mainly by governance failure, poor management or unlawful conduct. It must support recovery while ensuring personal and institutional accountability where wrongdoing has occurred.

At the same time, government must agree on the process, evidence base and decision route for a revised local government fiscal framework. The final framework must align functions, revenue powers, transfers, borrowing and other alternative financing mechanisms, grant design, affordability, indigent support, infrastructure maintenance, climate risk and the cost of services in different municipal contexts. It must address the fiscal position of municipalities with a low-revenue base and traditional authority areas, the dependence of municipal finances on trading services, the treatment of bulk service debt and the fiscal consequences of differentiated powers and functions. The process must include National Treasury (NT), the Presidency, the Department of Cooperative Governance (DCoG), provinces, organised local government,

sector departments, the Financial and Fiscal Commission (FFC) and municipal practitioners, with transparent options and clear decision milestones.

1.8.4 Longer-term systemic reform

The longer-term agenda must address the institutional and fiscal features that continue to reproduce failure. These include practical differentiation, the district-local relationship, powers and functions, the assignment of functions, the local government fiscal framework, the national and provincial system of regulation and support, intervention law, professionalisation, digital and data systems, infrastructure governance and the permanent arrangements needed for coherent local government policy and oversight. Constitutional amendment should be considered only where the evidence shows that reform cannot be achieved adequately through existing constitutional powers, legislation and practice.

1.9 Making reform happen

The White Paper will matter only if it changes how the local government system works. Cabinet adoption begins a disciplined implementation process in which every reform has a named lead institution, an authorised time horizon, clear dependencies, adequate capability and funding, and visible accountability for progress or delay.

Chapter 11 establishes detailed transition machinery. It provides for a time-bound Local Government Transition Management Body, supported by an implementation team and secretariat, and a single Local Government Transition Plan. The Plan brings current reforms, stabilisation and recovery measures, the Priority Projects in Chapters 2 to 10 and longer-term restructuring into one traceable programme. The transition arrangements must coordinate implementation across the three spheres, remove blockages, report publicly, protect the distinction between settled policy and matters requiring further work, and transfer responsibility into ordinary government systems. Statutory responsibilities remain with the institutions that hold them in law. Chapter 11 sets out the detailed mandate, leadership, sequencing, reporting and handover arrangements.

1.10 How the White Paper was developed

Cabinet decided in 2022 that the 1998 White Paper should be reviewed. The process was publicly launched by the Minister of Cooperative Governance and Traditional Affairs in May 2025. It was designed as an evidence-led and consultative process with two stages of public input.

The first stage began with the publication of the Local Government Discussion Document in April 2025. The Discussion Document set out the main questions facing the local government system and invited public debate on the performance of the post-1998 model and the direction of reform. Public Process 1 included written submissions and stakeholder engagements across government, municipalities, organised local government, traditional and Khoi-San leadership institutions, civil society, communities, business, labour, professional bodies, academics and practitioners. The process received 266 public submissions. These inputs helped define the diagnosis, identify areas of agreement and disagreement, and shape the research programme.

The research process tested the assumptions behind the reform options. It examined institutional arrangements, powers and functions, cooperative governance, political and administrative systems, municipal finance, citizen and community relations, traditional leadership, service delivery and infrastructure, spatial and economic development, climate

resilience and implementation. Research and engagement were used to distinguish problems caused by policy design from problems caused by weak implementation and enforcement. A Research Compendium containing the research commissioned to inform the development of the White Paper is annexed to this document.

The second stage began when the draft White Paper was gazetted for public comment in May 2026. Public Process 2 invited written submissions on the draft policy proposals and was supported by further stakeholder engagements. The 170 submissions received broadly confirmed the need for reform while asking for stronger accountability, enforcement, fiscal realism, legal clarity, administrative professionalisation, reliable services, practical differentiation and a more credible implementation mechanism. They also raised contested questions about municipal autonomy, fiscal intervention, institutional redesign and the relationship between municipalities and traditional authority areas. The final White Paper reflects this evidence and engagement. It does not treat the number of comments as a substitute for policy judgement. Government must make choices that are constitutional, lawful, affordable and implementable and must explain where comments have been accepted, where policy has been revised, where further work is required and where government has decided not to adopt a proposal.

The test of the White Paper is not whether it describes the crisis accurately, but how it restores trust by making local government work. That requires ethical leadership, professional administration, reliable services, financial recovery, law enforcement, binding cooperative governance and a transition system that makes responsibility and progress visible. The public has carried the cost of failure for too long. Government must now account, act and deliver.

1.11 Declaratory statement on the use of artificial intelligence

Artificial intelligence tools were used as drafting and analytical support in preparing this White Paper. This included grouping and summarising public submissions and stakeholder engagement outcomes, synthesising research and technical inputs, identifying possible repetition, inconsistency or omission, restructuring chapters, and improving consistency in terminology, format and drafting style.

Artificial intelligence was not used to determine government policy, resolve contested policy questions, make legal or fiscal findings, or replace the judgement of responsible officials and decision-makers. All AI-assisted outputs were subject to human review, verification and revision.

The officials responsible remain accountable for the accurate representation of public inputs, the reliability of the evidence, the correctness of legal and fiscal references, the preservation of policy meaning and the integrity of the final text. Final responsibility for approving and adopting the White Paper rests with the authorised institutions of government.

Chapter 2: Institutional system: a differentiated two-tier system, and differentiated powers and functions

2.1 Problem statement: why change is necessary

2.1.1 Foundations of the current system

Municipalities were established across three categories (A, B and C), merging fragmented local authorities into inclusive local government systems. In parts of the country, traditional authorities have continued to operate alongside municipalities, providing critical community services, performing land allocation functions, and often being the closest form of government to communities. An independent Municipal Demarcation Board (MDB) was established, among other functions, to determine municipal categories and demarcate boundaries, thereby depoliticising these decisions. The introduction of single-tier Category A municipalities recognised the pivotal role played by cities and enabled city-wide planning and budgeting.

Municipalities were granted constitutionally protected powers, enabling them to deliver municipal services and manage local development. National and provincial governments may regulate the exercise of municipal executive authority within the limits of section 155(7) but may not ordinarily take over and perform the municipal function. The allocation of these matters to local government may be permanently altered only by constitutional amendment. In the circumstances provided for in section 139, responsibility for a specified municipal executive obligation may be assumed temporarily as part of an intervention. This constitutional protection was intended to allow municipalities to tailor service delivery to local realities and to assert their relative autonomy.

2.1.2 Current municipal categories respond poorly to local conditions

The current statutory definition of Categories A, B and C produces two structural options:

1. Single-tier municipalities defined with reference to criteria such as high population density, multiple business districts and intense movement of people, goods and services; and
2. District and local municipalities that share authority.

Municipalities vary substantially in size, population, distance, topography, economic base, rurality, infrastructure connectivity, development levels and capability. They also operate across different land systems, including communal and traditional land systems, restitution and land reform areas, private agriculture and mining land, state land and urban land systems. The location of a municipality in a former homeland area, where no formal local government existed before democracy, is also important.

The statutory definitions of the constitutional categories do not deal adequately with this variation. The two-tier system outside Category A municipalities is a particular pressure point. Where local municipalities are weak, an effective district municipality can provide additional capacity. However, where local municipalities are strong, the district tier adds too little value to justify its cost. District municipalities in any case are not inherently more capable than the local municipalities within them. The original objective of the district municipality was, at least in part, to coordinate and support the local municipalities in the district. This objective has not materialised for several reasons:

1. Legislation guiding municipal demarcation contains criteria suited to Category A and Category B boundaries, but no equivalent criteria to guide the demarcation of Category C district municipalities.
2. District councils comprise 40 per cent directly elected councillors and 60 per cent delegations from local municipalities. In practice, the directly elected councillors and their party mandates dominate the district council's political direction, rather than mandates from local municipalities. Party politics therefore overrides the interests of the local municipalities on the district council.
3. The original mandate of district municipalities to coordinate and support local municipalities was changed in the Municipal Structures Act by charging districts with service delivery to end users.
4. Fiscal reforms made district municipalities grant-dependent and reduced their ability to redistribute resources within districts.
5. The mechanisms for changing the district-local division of powers in the Municipal Structures Act (authorisations, adjustments and temporary allocations) are controlled by the Minister and the nine MECs. Decisions are taken in the absence of a clear conception of the role of the district, without objective criteria for function shifts, and often without sufficient data on municipal capacity and performance. The result has been an unprincipled and arbitrary distribution of powers, rather than an evidence-based and considered differentiation.

As a result, the district municipality became a separate government rather than a mechanism for bringing together the local municipalities in the district. The two-tiers create complexity, duplication, competition, overlap and friction. Leaving the system unchanged will continue to generate high transaction costs and negative performance effects.

2.1.3 The current approach to municipal powers and responsibilities is too rigid and fragmented

It sets many municipalities up for failure. The current one-size-fits-all allocation of municipal powers demands more than is realistic for some municipalities. This can arise from the local conditions described in section 2.1.2, such as a lack of economies of scale, or from a municipality's inability or unwillingness to perform. National or provincial government may want to respond by removing municipal authority, even temporarily. The Constitution does not permit government to shift a municipality's constitutionally protected powers unilaterally to national or provincial government, other than through an intervention under section 139 of the Constitution. However, these interventions are designed to address a few instances of failure, not widespread, systemic underperformance. While there is evidence of widespread failure by municipalities to deliver basic services, there is also no guarantee that shifting a municipal power upwards will improve service delivery.

The provision of municipal services will often benefit from partnerships with traditional authorities, public sector entities, private sector entities or civil society organisations. These partnerships could bring scale, expertise, efficiency, community involvement and innovation. National government has not done enough to establish a framework for licensing water and sanitation and electricity service providers, or to enforce compliance with licence requirements where licensing is already common. The legal framework for municipal service delivery partnerships must protect public asset ownership, affordability, municipal sustainability, procurement, performance, public reporting and termination. However, the current system is

too cumbersome and costly, and, partly as a result, municipalities are too reluctant to enter such partnerships (see Chapter 9).

The system must make provision for the licensing of service providers, the revocation of a licence where conditions are not met, and the appointment of alternative service providers where a municipality is unable to provide a service itself. In this regard, municipal service authority and service provision must be distinguished. A municipality may remain the authority responsible for a service while another municipality, public entity, shared service, regional utility or licensed external provider performs the service on its behalf. Economies of scale, specialist capability or operational failure may therefore require a different delivery mechanism without necessarily requiring a change in authority. This is addressed further in Chapter 9.

In other cases, failure is rooted in municipal governance and administrative problems. These may involve blatant malfeasance but may also reflect a still-maturing local government system facing severe capacity constraints or difficulty attracting professional staff. In such cases, the exercise or abuse of municipal authority is at the centre of the problem. The current law and practice governing section 139 of the Constitution, which is the only constitutional mechanism through which national and provincial governments may interfere with a municipality's constitutional authority, has not worked and is ill-suited to deal with systemic failure (see Chapter 3).

At the other end of the spectrum, capable municipalities are constrained from doing more. The current allocation of municipal powers restricts municipalities that want to and can assume additional responsibilities. The Constitution allows municipalities with the required capacity to perform functions beyond those listed in Schedules 4B and 5B. It even makes assignment of additional functions compulsory in certain circumstances. Local government legislation contains procedures and criteria for how government must do this. However, the transfer of key additional functions to capable municipalities has been slow, often politicised and too often underfunded.

Several sector-specific mechanisms have emerged for transferring additional responsibilities. They largely ignore the procedures and criteria in the local government legislation. These include statutory accreditation in human settlements, agency agreements for libraries and primary health care, and ad hoc delegations. Decisions about whether a municipality has the required capacity focus too heavily on capacity to perform the specific new line function. Too little attention has been paid to a municipality's generic capacity and track record, the appropriate location of the function, and its integration with other municipal functions. This has allowed vested interests in the existing allocation of national and provincial powers to prevail. Bypassing the constitutional and statutory rules for assignment has also produced fragmentation, underfunding and uncertainty.

The allocation of powers and functions to municipalities, their division between district and local municipalities, and the assignment of additional responsibilities from national and provincial government are fragmented and incoherent. These weaknesses can contribute to service delivery failure. This has resulted in an unclear distribution of responsibilities across the three spheres of government and within local government, creating confusion among government institutions and the public.

2.2 Policy intent and principles

2.2.1 Constitutional and democratic foundations

The White Paper is guided by three foundational principles.

First, it recommits South Africa to the constitutionally entrenched system of local government, comprising municipalities with democratically elected municipal councils across the whole territory of the Republic, functioning in communal land alongside traditional authorities performing limited governance functions. No part of the country may be removed from the democratic local government system. In the same vein, traditional authorities, functioning alongside municipalities, will continue performing critical community services and land allocation functions.

Second, further amalgamation of local municipalities will not necessarily make unviable municipalities viable or cause underperforming municipalities to perform. South Africa already has some of the largest local governments in the world. Making local municipalities still larger will compromise local democracy and cause further viability crises.

Third, under the current constitutional framework, municipal authority over functions constitutionally allocated to local government remains protected, subject to intervention in accordance with the Constitution. This does not preclude investigation through Pathway Three in Chapter 11 of whether the constitutional allocation of powers and functions should in future permit greater differentiation between municipalities. Any such investigation must be evidence-led and consider the constitutional, democratic, fiscal, institutional and service delivery implications. In principle, the assignment of powers and functions should be related to objective criteria, while national and provincial government must see to the effective performance by municipalities of their functions through appropriate regulation and adequate support.

2.2.2 Differentiated structures and differentiated municipal authority

Institutional solutions to the challenges described above can be pursued in two connected directions: reforming the current two-tier system and introducing differentiation in municipal powers and responsibilities.

Changing the existing categories of local government would require constitutional amendment and would only be possible in the long term if found to be required. In the short term, progress can be achieved through a differentiated two-tier system and clearer district roles. The problems in the two-tier system can be mitigated by maintaining the two-tier system only where appropriate and by reorienting district municipalities more towards coordinating and supporting local municipalities, as initially intended.

In some parts of the country, developmental governance at local level is best served by a single-tier system. In those areas, the two-tier system must be replaced with a single-tier local government system, and if a function, programme or activity requires a scale beyond a single local municipality, pragmatic alternatives to maintaining a second tier of government must be developed. These may include multi-jurisdictional service districts as already contemplated in the Municipal Systems Act, municipal service delivery partnerships, horizontal intergovernmental relations, regional non-political support agencies and other special purpose vehicles (see Chapters 3 and 9).

Two-tier local government may remain appropriate where local conditions and municipal capability justify it, including in some rural areas with less developed local municipalities.

Where two-tiers remain, the role of the district municipality must be clearly defined. District municipalities should be retained where the underlying local municipalities require support or are unable to provide the service, or where a regional-level service authority is needed. In these cases, district municipalities must coordinate and support, and not compete with, the local municipalities in the district. A formal nationwide review of authorisations for trading services should take place for areas where two- tiers exist. To avoid splitting the other functions, a minimal set of functions, outside of the trading services and focused on coordination and support, must be defined for district municipalities. All other functions must be allocated to local municipalities.

Depending on experience with single-tier local government outside the current Category A municipalities, the local government system may gradually shift over time to a single-tier structure across the country. The constitutional and statutory amendments required to enable such a shift can be considered at that stage.

Differentiation in municipal powers and responsibilities. Differentiation can be achieved through four mechanisms in the short term:

- More differentiated mechanisms for municipal service provision under municipal authority, i.e., public-public and public-private partnerships;
- Where two-tiers remain, an improved mechanism for dividing authority between district and local municipalities in response to local and regional circumstances;
- A different use of interventions under section 139 of the Constitution supported by strengthened licensing systems for electricity and water service providers to implement alternative service delivery mechanisms; and
- An objective and coherent framework for allocating additional responsibilities to municipalities beyond Schedules 4B and 5B.

In the long term, Pathway Three in Chapter 11 will include an evidence-led investigation of whether the constitutional allocation of powers and functions should in future permit greater differentiation between municipalities.

Municipalities must be enabled to enter into partnerships with nationally licensed municipal service providers to deliver key municipal services. Where necessary to protect residents against operational dysfunction, municipalities may be forced through an intervention to enter such partnerships.

Powers and functions must be shifted between district and local municipalities in response to the local and regional conditions described in section 2.1.2, municipal functionality, or both. The authority to shift powers and functions between district and local municipalities must be consolidated in the national executive, but based on provincial input, objective criteria and expert input.

National and provincial governments must be empowered to intervene in struggling municipalities by removing municipal authority and returning it gradually as municipal capacity improves.

Additional responsibilities must be allocated to municipalities in terms of one binding national statutory framework for assignment. The framework must elevate expert input and protect municipal financial sustainability.

2.3 Policy choices and key reforms

2.3.1 Differentiate municipal categories and reorient district municipalities

Maintaining two tiers in rural areas with less developed local municipalities and a single tier in other areas can be achieved by amending the current statutory definition of Category A municipalities in legislation. Municipal areas that do not qualify under the current definition but meet new Category A criteria can also be designated as stand-alone municipalities.

The MDB will then be empowered to determine municipal categories from a broader range of options, particularly additional Category A options. The MDB must be guided on how to do this. Government must therefore adopt a policy and statutory framework that supplements the current boundary determination criteria. This framework must define the circumstances in which two-tier local government is appropriate. Relevant considerations include the role and function of traditional authorities in that area, sparse population, the underdeveloped nature of local municipalities, the need for economies of scale, the ability to attract professional staff, the fiscal health and functionality of local municipalities, and the need for districts as service authorities. It must also clearly define the role of district municipalities in a two-tier system and, based on that, revisit the 'standard' list of powers and functions of district municipalities in the Municipal Structures Act. This standard division is not immutable because different contexts may require different solutions. It can be amended, but only under clearly defined circumstances and after expert input of the MDB.

Single-tier local government will be appropriate, for example, where there are strong urban centres and no need for an additional tier to enable coordination. Throughout the decision-making on municipal categories, a critical question is what type of land system or systems the municipality governs.

This enables differentiation in structures and powers because the MDB can establish single-tier local government in provinces, regions and parts of the country where that is appropriate. Similarly, it can maintain the two-tier system in provinces, regions and parts of the country where that remains appropriate. In those parts of the country, the national and provincial executives can tailor the precise division of authority between district and local municipalities to the local and regional context. Districts could be reoriented to serve as regional-level service authorities, bringing together multiple local municipalities and appointing and overseeing an appropriate service delivery provider on their behalf.

The legislation must state how a recategorisation procedure is triggered and how often municipal categories are reviewed. MDB decision-making must include public participation and the publication of reasons. The White Paper does not regard amalgamation of local municipalities as a solution to viability or capability problems, as stated in section 2.2.1. District and local boundaries will, however, need to be revisited where additional Category A municipalities are established. It is worth noting that, based on international comparison, districts in South Africa tend to have a low number of locals and may need to be expanded.

The reorientation of district municipalities more towards coordinating and supporting local municipalities can be pursued by strengthening the relationship between local councils and their district council. Legislation must be considered to ensure that senior office-bearers such as the mayor or executive mayor of each local municipality form part of its delegation to the district. Furthermore, delegations must receive proper mandates from, and report back to, their local councils.

2.3.2 Differentiate service provision and use interventions differently

National government must develop a framework to license entities to provide key municipal services. This aligns with ongoing reforms in the water and electricity sectors and with trading services reform. These entities may or may not be the municipality. They may include traditional authorities, multi-jurisdictional entities, state-owned entities such as water boards and Eskom, non-governmental organisations, and private companies operating under concessions, Public-Private Partnerships, or management contracts, as envisaged in section 78 of the Municipal Systems Act.

Chapter 2 is the lead chapter on the constitutional allocation of municipal service authority, and Chapter 3 leads on the use of intervention to alter the exercise of that authority. Chapter 9 is the lead chapter on section 78 processes, provider licensing, regional delivery and service provider regulation. A traditional or Khoi-San leadership institution may act as a service provider only through a lawful municipal arrangement and may not acquire municipal authority through a compact or customary role.

Where municipalities remain responsible for determining service delivery arrangements, they must be required to appoint a licensed provider to deliver the service. If service delivery failure triggers an intervention, the intervention may involve externalising the provision of the service to a licensed entity. The intervention framework must be amended to allow national and provincial governments to institute long-term, phased interventions in which authority is removed from a municipality and gradually returned, based on objective criteria, as capacity improves. It must also allow an intervention to compel a municipality to externalise a municipal service to a licensed provider (see Chapter 3). Moreover, even in the absence of intervention, a municipality must appoint an alternative service provider if it is unable to obtain a licence to provide the service, or if its licence is revoked.

2.3.3 Establish a coherent framework for powers, functions and assignments

A differentiated approach to powers and functions. Pathway Three in Chapter 11 will include investigation of whether the constitutional allocation of powers and functions should in future permit greater differentiation between municipalities. The criteria for differentiating between municipalities in the allocation of powers and functions should be compliant with section 156(4) of the Constitution, applied objectively and independently, and reviewable, taking into account local conditions in addition to capacity, capability, and performance. This investigation will assess the constitutional, democratic, fiscal, institutional and service delivery implications and any legislative or constitutional changes that may be required. The recommendation will be taken through the required decision-making processes.

Division of authority between district and local municipalities. Where the two-tier system remains, the mechanism for shifting powers between district and local municipalities must be improved and implemented. Decisions on the division of powers must:

- be made under a single government-wide statutory and policy framework with objective criteria focused on local and regional conditions;
- be taken by the national executive; and
- be informed by expert input of the MDB.

Assignment of additional responsibilities. Municipalities may receive authority beyond their constitutional powers through the constitutional rules for assignment. What is required is a national policy framework and legislation that are binding on national and provincial

governments when they allocate additional responsibilities to municipalities. The framework must address the following:

- national or provincial authority is transferred to local government by assignment, while other mechanisms are unconstitutional and are phased out;
- the policy gives expression to section 156(4) of the Constitution by stating when assignment of Schedules 4A or 5A functions is compulsory;
- the responsibilities of national and provincial governments in relation to assignment are delineated, particularly for Schedule 4A concurrent functions;
- assignment decisions continue to be taken by line Ministers, MECs, provincial legislatures and Parliament, but are subject to substantive and procedural rules;
- the Coordination Centre proposed in Chapter 3 must be consulted on proposed assignments;
- triggers, criteria and procedures are clearly formulated so that differentiation becomes more predictable and less political;
- no additional responsibility may be implemented without a costed funding pathway, a designated funding source, agreed institutional accountability and a transition plan;
- assignment is accompanied by the oversight and capacity building needed to secure adequate service delivery; and
- a municipality may never be compelled to accept an assignment.

One national policy framework for municipal authority. The statutory frameworks for the latter instruments for differentiation in municipal authority, namely the assignment of powers and functions to municipalities and the use of intervention to remove and gradually return authority to a municipality, should be guided by one policy framework.

This overall policy framework will then inform the national and provincial organs of state responsible for the following decisions:

- changes to the division of powers between district and local governments, decided by the national executive;
- intervention, to the extent that it is used to remove and gradually return authority to a municipality, decided by national and provincial cabinets; and
- assignments, decided by line Ministers, MECs, provincial legislatures and Parliament.

The relationship between the powers and functions at issue, the mechanism for differentiation and the relevant decision-maker is set out below.

Area of municipal authority	Mechanism for differentiation	Decision-maker
Changes within Schedules 4B and 5B, including water and sanitation services, electricity, refuse removal, municipal roads, municipal health and municipal planning	Changes to the division of powers between district and local municipalities.	National and Cabinet, informed by the MDB's capacity assessments
Authority affected through section 139 of the Constitution	Intervention used to remove and gradually return authority to a municipality	National and provincial cabinets

Area of municipal authority	Mechanism for differentiation	Decision-maker
Authority beyond Schedules 4B and 5B	National legislative assignment	Parliament
Authority beyond Schedules 4B and 5B	Provincial legislative assignment	Provincial legislature
Authority beyond Schedules 4B and 5B	National executive assignment	Minister; section 156(4) makes assignment compulsory where the function would be administered most effectively locally and the municipality has capacity
Authority beyond Schedules 4B and 5B	Provincial executive assignment	MEC; section 156(4) makes assignment compulsory where the function would be administered most effectively locally and the municipality has capacity

The framework must be developed through a process that brings together all national sector departments whose mandates reach into the local government system, all provinces and organised local government. DCoG must lead the process. Both the policy framework and the legislation that gives effect to it must pass through the Coordination Centre proposed in Chapter 3. Cabinet adoption and legislative implementation must bind government.

2.3.4 Make responsibilities transparent and use municipal typology more effectively

A powers and functions database and map. The distribution of responsibilities across spheres and tiers of government must be made more transparent to government institutions and the public. This can be achieved if government builds and maintains a powers and functions database and map. The database and map will clarify, for each major function, the roles of national, provincial and local government across the full delivery chain. It will be used:

- as a reference in legislative and regulatory review;
- when assessing assignment proposals;
- when reviewing the division of powers between district and local municipalities;
- to identify unfunded mandates;
- to inform fiscal, legal and institutional reviews; and
- for public accountability and dispute resolution.

The database and map clarify, but do not change, the existing distribution of powers and functions. They require a statutory basis to ensure that all relevant organs of state in all three spheres of government contribute to and use the database and map.

Municipal typology as a mechanism for differentiation. The Member of the Executive Council (MEC) responsible for local government determines a municipality's type under national and provincial legislation. At present, the municipal type is used only to determine whether a municipality has an executive mayor or executive committee, whether it may establish ward committees, and whether a metropolitan municipality may establish subcouncils. In practice, only the first of these distinctions is material.

Municipal typology is therefore underused. Better use must be made of this mechanism to attach institutional features to a municipality with practical or legal consequences. It can, for

example, be used to establish a differentiated regulatory regime, different public participation structures, or a differentiated oversight mechanism, depending on the local conditions described in section 2.1.2 or on municipal functionality. It can also be used to determine subcategories of Category A, B and C municipalities.

2.3.5 Constitutional and legislative implementation

The constitutional and statutory amendments set out below are not exhaustive, but they represent the main legal changes required to implement the policy choices in this chapter.

Municipal categories and district councils. Implementing a differentiated two-tier system does not require constitutional amendment. The Municipal Structures Act and/or the Independent Municipal Demarcation Authority Bill or Act, as applicable, must be amended to:

- broaden the criteria for Category A municipalities;
- bind the MDB to national criteria on where two-tier local government is appropriate;
- define the role of district municipalities; and
- define the standard division of powers and functions between district and local municipalities.

The Municipal Structures Act must be amended to regulate the composition of delegations from local municipalities and their reporting-back mechanisms.

Differentiated service provision. Enabling differentiated mechanisms for municipal service provision under municipal authority does not require constitutional amendment. National licensing of municipal service providers does not alter a municipality's authority over the function and is permitted under section 155(7) of the Constitution. A municipality retains authority to decide whether to use an external provider unless it is subject to an intervention. Differentiation at the level of authority for municipal functions would require a constitutional amendment should it be pursued.

Where existing legislation does not already provide for it, national legislation must be adopted to provide for the licensing, by national government or another appropriate national body, of entities that deliver municipal services under the authority of the relevant municipality or municipalities. The legal framework for appointing alternative service providers in the Municipal Systems Act and the Municipal Finance Management Act must be simplified (see Chapter 9).

The Municipal Systems Act and related legislation must be reviewed to ensure that a municipality that cannot obtain or retain a required provider licence promptly initiates and completes the applicable section 78 process to appoint an alternative licensed provider. Consideration should be given to statutory and, if need be, constitutional amendments that will enable the Minister to direct a municipality to do so if it fails to take the required action and service failure warrants compulsory action by another sphere of government.

Division and assignment of powers and functions. Improving the division of municipal authority over Schedules 4B and 5B between district and local municipalities and improving the allocation of additional responsibilities beyond Schedules 4B and 5B can be achieved within the Constitution.

Chapter 5 of the Municipal Structures Act must be amended to prescribe objective criteria for the national executive to amend the standard division by shifting powers between district and local municipalities. It must empower MECs to request a function shift, and it must make the

MDB's expert input, consultation with the Coordination Centre, the affected municipalities, organised local government and the public compulsory.

A single policy framework must be adopted to guide the allocation of powers and functions to local government. This will include the above criteria for shifting Schedule 4B and 5B powers between district and local municipalities, but also the use of intervention to remove and gradually return authority to a struggling municipality and the assignment of additional powers to municipalities.

A legislative system for assignment already exists in the Municipal Systems Act, complemented by the Intergovernmental Fiscal Relations Act and the Financial and Fiscal Commission Act. Where needed, these statutes must be amended, and government must commit to implementing this assignment framework.

Interventions. Revisiting interventions under section 139 of the Constitution may require amendments to section 139 and section 159 of the Constitution. This applies particularly to proposals to empower national government to intervene under section 139(1), to make intervention triggers objective, to lengthen the period of dissolution of council, and to enable long-term interventions with gradual return of authority to the municipality (see Chapter 3).

The Intergovernmental Monitoring, Support and Interventions Bill or Act, as applicable, and the Municipal Finance Management Act must be reviewed for alignment with a revised section 139 of the Constitution. Other legislation dealing with interventions, including the Water Services Act, will be reviewed and, if necessary, amended.

Municipal typology. The menu of municipal types in the Municipal Structures Act must be amended to enable meaningful differentiation. Within the new national framework for municipal types, provincial legislation must be adopted.

2.4 Implementation priorities

Priority Projects	Action required	Responsibility	Timeframe
Municipal categories policy and statutory framework (Section 2.3.1)	Develop legislation defining when two-tier local government is appropriate, broader Category A criteria, the role of district municipalities, recategorisation procedure, review intervals, public participation and publication of reasons.	DCoG as lead, working with National Treasury, national sector departments, provinces, organised local government, the Coordination Centre, the MDB, Cabinet and Parliament.	Immediate reform agenda: develop and approve the policy framework. Longer-term systemic reform agenda: enact the statutory framework.
One national policy framework for municipal authority (Section 2.3.3)	Develop policy framework on shifting district-local division of powers, interventions that remove and gradually return authority, and assignment. Review existing authorisations for trading services where two tiers exist.	DCoG as lead, working with National Treasury, national sector departments, provinces, organised local government, the Coordination Centre, the MDB, Cabinet and Parliament.	Immediate reform agenda: develop the national policy framework and secure Cabinet adoption. Longer-term systemic reform agenda: enact and implement the linked statutory frameworks.

Priority Projects	Action required	Responsibility	Timeframe
Category and boundary changes (Section 2.3.1)	Determine additional Category A municipalities where the approved criteria are met and revisit affected district and local boundaries.	MDB.	Longer-term systemic reform agenda after the categories framework and statutory amendments are in force.
Reoriented district councils (Section 2.3.1)	Develop legislation or regulations to strengthen the relationship between district and local councils and reorient districts to act as regional-level service authorities where appropriate.	DCoG, as lead, working with provinces; organised local government; the Coordination Centre; Cabinet and, if necessary, Parliament.	Immediate reform agenda: initiate the required statutory amendments or regulations.
Licensed municipal service providers (Section 2.3.2)	Establish the enabling national legislative framework for licensed municipal service providers. Chapter 9 leads the operational licensing, section 78 and service provider arrangements.	DCoG as lead, working with the Presidency, National Treasury, national sector departments, provinces, organised local government, the Coordination Centre, the MDB, Cabinet and Parliament.	Immediate reform agenda: design licensing framework and review Municipal Systems Act. Longer-term systemic reform agenda: enact and implement licensing and simplified externalisation arrangements.
Revised intervention model (Section 2.3.2)	Apply the Chapter 3 intervention reform to the removal and gradual return of municipal authority and to compelled externalisation to a licensed provider, subject to the required constitutional and legislative changes.	DCoG as lead, working with National Treasury, national sector departments, provinces, organised local government, the Coordination Centre, the MDB, and Cabinet. Department of Justice and Constitutional Development for constitutional changes. National and provincial cabinets to implement interventions.	Immediate reform agenda: complete the legal review and initiate the required amendments. Longer-term systemic reform agenda: implement the revised intervention model after the necessary constitutional and legislative changes.
District-local division of powers (Section 2.3.3)	Amend the Municipal Structures Act to ensure objective criteria, expert input by the MDB and independently sourced data for changes to the division of powers. Consolidate decision-making in the national executive.	DCoG as lead, working with National Treasury, national sector departments, provinces, organised local government, the Coordination Centre, Cabinet with input of the MDB.	Immediate reform agenda: develop the objective criteria, data requirements and institutional design. Longer-term systemic reform agenda: establish and implement the statutory decision-making mechanism.

Priority Projects	Action required	Responsibility	Timeframe
Differentiated approach to the assignment of powers and functions (Section 2.3.3)	Review the current model for assignment of powers and functions and consider the option of constitutional and legislative amendments for approval by Cabinet, in line with sector reforms.	The Presidency, Department of Justice, National Treasury, DCoG, Department of Water and Sanitation, Department of Electricity and Energy.	Immediate reform agenda: review evidence and assess options for differentiated assignment of powers and functions. Propose options to Cabinet for consideration.
Assignment of additional responsibilities (Section 2.3.3)	Review and amend legislation on assignment, including decision rules, funding pathways, institutional accountability, transition plans, oversight, capacity building and protection against compelled assignment.	DCoG as lead, working with National Treasury, national sector departments, provinces, organised local government, the Coordination Centre, Cabinet and Parliament.	Immediate reform agenda: develop and approve the binding assignment framework. Longer-term systemic reform agenda: enact and implement the statutory framework across government.
Powers and functions database and map (Section 2.3.4)	Legislate for, build, maintain and use the database and map for legislative and regulatory review, assignment proposals, district-local powers reviews, identification of unfunded mandates, fiscal, legal and institutional reviews, public accountability and dispute resolution. Integrate the database and map into the shared reporting and evidence system in Chapter 3.	DCoG as lead, working with National Treasury, national sector departments, provinces, organised local government, the Coordination Centre, the MDB, and Cabinet.	Immediate reform agenda: develop legislation and build the database and map and begin routine use.
Municipal typology (Section 2.3.4)	Amend the menu of municipal types and use typology for differentiated institutional features, regulation, oversight and possible Category B and C subcategories.	DCoG as lead, working with National Treasury, national sector departments, provinces, organised local government, the Coordination Centre, Cabinet and Parliament. Provincial governments are to adopt provincial legislation on typologies within the national framework, and MECs to implement.	Immediate reform agenda: develop the differentiated typology and statutory amendments. Longer-term systemic reform agenda: enact and apply the revised typology.

Chapter 3: Strengthening intergovernmental relations and cooperative governance

3.1 Problem statement: why change is necessary

3.1.1 Constitutional and institutional foundations

Section 151(3) of the Constitution gives municipalities the right to govern the local government affairs of their communities on their own initiative, subject to national and provincial legislation as provided for in the Constitution. Under section 155(7), national and provincial governments may regulate the exercise of municipal executive authority to secure the effective performance of municipal functions. The Constitution also assigns national and provincial government differentiated responsibilities to regulate, monitor, support and, where necessary, intervene in municipalities. Municipal autonomy therefore operates within a constitutional system of cooperative governance, not institutional isolation.

South Africa has built a substantial local government system over the past 30 years. It includes legislation, regulations, norms and standards, grant frameworks, planning requirements, reporting systems, audit and oversight processes, support programmes, sector regulatory frameworks and intervention powers, all set and executed by several national departments and the nine provinces. There are working examples of cooperation and alignment among the three spheres of government, including the national budget process, disaster management, Integrated Development Plans (IDPs) and the national framework for spatial planning and land use management.

3.1.2 Fragmented regulation, reporting and oversight

National and provincial governments regulate local government extensively. However, the arrangements needed to coordinate this regulation remain weak, dispersed and too dependent on voluntary cooperation. National departments tend to regulate municipalities vertically through their separate sector mandates, while no sufficiently strong transversal mechanism ensures coherence across the local government system. Municipalities experience the resulting fragmentation through duplicated reporting requirements, inconsistent regulations, misaligned planning cycles, unfunded or unclear responsibilities, inadequate support and uneven use of intervention powers. The same problem is reflected in Parliament, where departments are scrutinised separately even when their policies, laws, regulations and programmes have combined effects on local government as a sphere.

3.1.3 Support, intervention and recovery are late and fragmented

Support and capacity building for local government are fragmented between national and provincial programmes. Where municipalities have failed in their constitutional obligations, interventions, mainly under section 139 of the Constitution, have largely been unable to stabilise them. Interventions are often too political, too late, too short, under-resourced, fragmented and uncertain in legal effect. The current section 139 framework contributes to this weakness.

3.1.4 Planning and public investment do not consistently secure collective impact

Cooperative government mechanisms have also not aligned the resources of national departments, state-owned enterprises and provincial governments at municipal level to secure, collectively, economic and social developmental outcomes. Spatial Development Frameworks

and Integrated Development Plans are not always used as living tools to guide public investment, land use decisions, infrastructure sequencing, climate risk management and local economic development. The national District Development Model (DDM) has sought to improve cross-sphere planning, but the national One Plan for each locality must respect municipalities' planning authority as expressed in their IDPs.

3.2 Policy intent and principles

The diagnosis has three connected parts: weak horizontal coordination within national government and weak vertical coordination among the three spheres; a support and intervention system that has not turned around dysfunctional municipalities; and the absence of binding mechanisms to align planning and resource allocation in particular places.

The White Paper confirms the need for a permanent three-function coordination architecture, while the final institutional form, legal basis and relationship with existing structures remain subject to design and Cabinet decision.

3.3 Policy choices and key reforms

The reforms below translate these policy directions into an institutional programme. They establish a three-part coordination architecture and stronger parliamentary scrutiny; connect monitoring, support, capacity building, intervention and recovery; use municipal IDPs and binding cooperative instruments to align action in localities; strengthen provincial capability; and sequence the transition through Chapter 11.

3.3.1 Secure coherent national coordination and cooperation architecture

The need for cross-sectoral coordination has long been recognised. Divergent departmental approaches to common issues weaken the effectiveness of national government. Between 1999 and 2008, the Policy Coordination and Advisory Services (PCAS) in the Presidency promoted policy coherence, designed and serviced the Cabinet cluster system and used its proximity to the Presidency to influence line ministries without displacing their authority. Its work affected local governance through the Governance and Administration cluster, the National Spatial Development Perspective and the Intergovernmental Relations Framework Act of 2005.

A more recent precedent is the Border Management Act of 2020. It established an inter-ministerial coordination committee of specified departments to resolve policy differences and a technical committee of departmental heads to advise on implementation, including conflicts, duplication and gaps in legislation.

Fragmentation is acute across the local government system. The Department of Cooperative Governance, National Treasury, the Department of Water and Sanitation, the Presidency and other organs of state regulate, support or intervene in municipalities without a sufficiently coherent government-wide approach. Under its current mandate, the DCoG should lead the work to secure alignment, while sector departments and provinces retain their lawful responsibilities. However, DCoG's convening power is constrained by the same 'one among equals' syndrome that affects other sector departments.

Coordination is required across shared data and reporting, alignment and simplification of existing regulatory frameworks, local government impact assessment of new policies and measures, support and capacity building, and interventions in failing municipalities.

Drawing on these precedents, the White Paper proposes three connected core components: an administrative coordination centre, a dedicated local government inter-ministerial committee and a dedicated intergovernmental forum for local government. Work can begin immediately on data, regulatory coordination and intergovernmental alignment while the final architecture is designed. Parliamentary scrutiny must also reinforce the coordination duties of the executive.

3.3.1.1 Coordination mechanism

3.3.1.1.1 National local government coordination centre

A technical coordination unit should be established as the engine room of system coherence, but not as a decision-making authority. It would have no executive power over departments and would coordinate through evidence, persuasion and escalation. It is referred to in the White Paper as the National Local Government Coordination Centre (Coordination Centre).

Its mandate includes managing shared data, including a spatial map; reviewing sector legislation and regulation for duplication and misalignment; promoting simplification and avoiding overregulation; developing and managing a local government impact assessment process; aligning support and capacity-building programmes; and coordinating interventions in failing municipalities.

The Centre should have the support of the main national departments, provinces, municipalities and organised local government, the expertise and capacity to perform its mandate, and access to political principals through a dedicated inter-ministerial committee and intergovernmental forum. It would not be a bargaining forum between the spheres. Its political neutrality should enable it to provide objective advice and refer unresolved matters for political decisions.

3.3.1.1.2 Local government inter-ministerial coordination committee

A political escalation mechanism must be established by Cabinet or by legislation, creating a dedicated inter-ministerial committee to resolve horizontal alignment failures between national departments. The Local Government Inter-Ministerial Coordination Committee (IMC) must deal only with matters that cannot be resolved at the technical level.

3.3.1.1.3 Local government intergovernmental forum

A vertical intergovernmental forum dedicated to the local government system is required to align national, provincial and municipal programmes and actions. This Forum, established in terms of the IGR Framework Act of 2005, should comprise the relevant national departments, provinces, and organised local government, which must more adequately represent the diverse interests of local government. It is broader than the MinMEC, which brings only the Minister and MECs for local government together. Its mandate is to deal with alignment difficulties between the spheres which the Coordination Centre cannot mediate.

The primary instruments for vertical alignment are binding intergovernmental agreements and implementation protocols. These instruments must allocate responsibilities, align planning and reporting, set timeframes, identify resources, provide for monitoring, and establish escalation mechanisms where commitments are not met.

3.3.1.2 Immediate and complementary coordination and alignment measures

The permanent coordination mechanism will take time to design and establish. Measures should therefore begin immediately to advance coordinated regulation, shared information and stronger intergovernmental cooperation. Better use could be made of a Joint MinMEC between

the Department of Cooperative Governance and National Treasury. Some of these measures may continue as permanent arrangements where they perform a distinct and necessary function.

3.3.1.2.1 Shared data, reporting and evidence as the entry point

The new architecture must begin with shared datasets and reporting. Without a common evidence base, government cannot regulate, support, monitor, intervene or account effectively. Government must establish a shared data and reporting discipline for the local government system. This must include common definitions and indicators; standardised reporting templates; integration of financial, governance, service delivery, infrastructure, audit, spatial and risk data; fewer duplicate reporting requests to municipalities; the powers and functions database and map established in Chapter 2; and a spatially integrated evidence base for planning, investment and intervention.

Data alone does not improve decisions. All three spheres need the capability to analyse, interpret and contextualise information and use it for learning and corrective action. DCoG's National Strategic Hub is developing a Spatial Development Intelligence System that supports developmental local government through a Living Atlas of Places. This continuously updated and accessible spatial platform brings datasets together in a place-based information environment.

Shared data is the least contested and most practical starting point for system reform. It will support regulatory impact assessment, better targeting of support, earlier warning of municipal distress, stronger parliamentary oversight and clearer accountability.

3.3.1.2.2 Simplify and align regulation

Immediate work should reduce the burden of incoherent national regulation by reviewing sector legal frameworks for duplication and misalignment, simplifying requirements and avoiding overregulation.

3.3.1.2.3 Local government impact assessment

All national and provincial proposals that materially affect municipalities must be accompanied by a local government impact assessment. This applies to policies, Bills, regulations, norms and standards, grant conditions, reporting requirements, planning instruments, institutional reforms, sector intervention measures, data requests and other regulatory or fiscal measures that change municipal obligations, risks, powers, functions, finances, planning duties or reporting requirements. The assessment must not operate as a pre-clearance or veto. The DCoG should begin designing and testing the process.

3.3.1.2.4 Enabling legislative, technical and institutional work

Once the new coordination architecture is adopted, legislation will be required to establish its three core components (Coordination Centre, Local Government Inter-Ministerial Coordination Committee and Local Government Intergovernmental Forum) and define their respective roles. The design process must also clarify the relationship between these components and existing intergovernmental structures so that their mandates are complementary and do not duplicate one another.

Further technical work is required to design the local government impact assessment, regulatory burden review, simplification principle, integrated local government datasets, shared spatial data framework and a living spatial development framework.

3.3.1.3 Strengthen parliamentary oversight of local government coherence

In exercising its legislative and oversight roles, Parliament must advance the coherence of the local government system by scrutinising legislation and executive action for their overall effect on local government.

To avoid scrutiny in silos, a permanent joint committee must be established comprising the portfolio committees whose departments are members of the local government inter-ministerial committee. A similar joint committee must be established in the National Council of Provinces. The National Council of Provinces also has a particular role in overseeing the proposed Local Government Intergovernmental Relations Forum responsible for vertical coherence among the three spheres of government.

Parliament must also strengthen scrutiny of secondary legislation that affects local government. Regulations affecting municipalities must not be made or applied without a process that considers coherence across the local government system.

3.3.1.4 Enabling legislative and institutional work

The design of the parliamentary committee arrangements requires institutional work within Parliament.

Parliament should adopt legislation in terms of section 101(4) of the Constitution, which may specify the manner in, and extent to, which subordinate legislation is tabled and approved by Parliament. Since national proclamations, regulations and other instruments form a significant portion of the regulatory framework of local government, it could provide for processes to harmonise such subordinate legislation affecting local government.

3.3.2 Build a single differentiated monitoring, support, capacity-building and intervention system

Running alongside a municipality's right to govern its own affairs is the duty on both the national and provincial governments to ensure that municipalities use that right to protect, promote and fulfil the rights of their residents and communities to sufficient water and other basic municipal services. Section 154(1) of the Constitution imposes a duty on national and provincial governments to support and strengthen the capacity of municipalities to perform their functions. Section 139(1) empowers a provincial executive to intervene, including dissolving a council, where a municipality fails in fulfilling its functions, while sections 139(4) and (5) compel a province to intervene where a municipality fails to adopt a budget or experiences a financial crisis. Section 139(7), in turn, obliges the national executive to intervene in place of the province when the latter fails in its duty. The cooperation between provinces and the NT is evident in the case of section 139(5) intervention by the Financial Recovery Plans prepared by the NT's Municipal Financial Recovery Service. Support, capacity-building and intervention and recovery must be organised as connected parts of one system of supervision.

3.3.2.1 Support and capacity building

The White Paper proposes a single differentiated support and capacity-building system. Support and capacity building remain executive responsibilities. The Department of Cooperative Governance, National Treasury, provinces, sector departments, SALGA, professional bodies, training institutions and public entities must perform their support roles through one aligned system. Coordination must improve the targeting and effect of support without transferring the legal responsibilities of participating institutions to the Coordination Centre.

The Coordination Centre must provide the evidence base, standards, risk classifications, reporting framework and regulatory findings needed to make support more targeted and accountable.

Municipalities receiving structured support must enter time-bound improvement plans. Each plan must state what the municipality will do, what support will be provided, the expected results and how progress will be reported to the municipal council and communities. Support must not replace local leadership, council oversight or administrative responsibility.

3.3.2.1.1 Enabling institutional and technical work

Further institutional and technical work is required to design the single support system, define the roles of participating institutions, establish risk classifications, align reporting and connect support to municipal improvement plans. The system must use the evidence, standards and risk information generated by the Coordination Centre while preserving the executive support responsibilities of national and provincial departments.

3.3.2.2 Overhaul intervention and recovery framework

Section 139 interventions have not prevented or reversed failure in a substantial number of municipalities. Basic services, accountable governance, clean administration and institutional capability have continued to deteriorate in some municipalities, while repeat interventions have often failed to secure recovery. The main weaknesses are:

- Political considerations have influenced decisions to intervene and, more often, decisions not to intervene where the same party governs provincially and locally.
- Interventions often begin too late. Once a municipality has collapsed, recovery is more difficult and costly.
- The resources assigned to interventions are often too limited. A single administrator is seldom sufficient to turn around a failed municipality.
- Interventions are often too short to rebuild municipal capability where, in the case of the dissolution of a council, an administrator is appointed until a new council is elected within three months.
- Interventions are fragmented and do not bring provincial and national measures together as one recovery effort.
- Intervention powers are not used fully. Support is emphasised without equivalent action against councillors and municipal officials responsible for dysfunction.
- The powers and procedures are uncertain because legislation regulating the implementation of section 139(1), as contemplated by the Constitution, has not yet been enacted.

The White Paper proposes an intervention framework based on objectivity, predictability and recovery. When risk thresholds are met, responses must follow a prescribed four-stage pathway: mandatory early support and stabilisation; a time-bound support partnership and recovery plan; formal intervention where necessary; and enforcement, referral or national escalation where provincial action fails. The mechanisms that trigger and govern the last two stages must include the following:

- Intervention indicators should be developed with provinces and organised local government. They must cover service delivery, finance, governance and administration and draw on reliable information produced by bodies such as the Auditor-General, the South African Revenue Service (SARS), the Unemployment Insurance Fund (UIF),

Eskom, water boards, pension funds and medical schemes, as well as information from provinces, national departments and communities.

- Once a predetermined threshold is reached, the province must intervene or give reasons for not doing so. The provincial legislature and national government must be informed in either case. This should support earlier detection and action.
- Where an intervention entails the assumption of responsibilities, the intervening province must be capacitated, in cooperation with national departments, to command the resources required for an effective municipal rescue, including the development and implementation of recovery plans.
- Intervention powers must be targeted. Support measures must be balanced with action against office-bearers and municipal officials responsible for the dysfunction.
- The full range of intervention powers must be used. For example, a directive under section 139(1)(a) may require a municipality to use a different service delivery mechanism or subject appointments to provincial approval. Court enforcement of directives should be considered where necessary.
- The Intergovernmental Monitoring, Support and Interventions Bill must address uncertainties concerning monitoring, support and the administration of interventions.

Governance, financial and service delivery measures must operate through one recovery plan for each municipality. Section 139 interventions, financial recovery plans, stopped transfers, sector interventions, service delivery protection and law enforcement referrals must be coordinated rather than pursued as separate processes.

The Intergovernmental Monitoring, Support and Interventions Bill and the Municipal Finance Management Act can address immediate statutory and administrative weaknesses, but they cannot resolve the inherent limits of section 139.

3.3.2.2.1 Enabling legislative and constitutional work

Immediate technical work must develop intervention indicators and identify reliable data sources. In parallel, the section 139 framework should be overhauled as follows:

- The amended framework must entrench the objective triggers described above. They must be based on facts that are public and, where possible, produced by independent state bodies. Further work must determine the mechanism that formally starts the intervention process. Options include the Coordination Centre, public notice to the provincial executive and legislature, or public notice to national government and Parliament. Once the threshold is crossed, the relevant government must act or explain publicly why it is not intervening.
- Once an intervention decision is taken, it should not require further political approval by the Minister or the National Council of Provinces. Sections 139(4) and 139(5) already place the most intrusive interventions following a failure to adopt a budget or a financial crisis outside this approval process. Misapplication of the law remains subject to judicial review.
- National and provincial governments must have concurrent intervention powers. This follows the broader constitutional allocation of regulatory, monitoring and support responsibilities and is required where a province lacks the resources or willingness to intervene, particularly in a failing metropolitan municipality whose recovery may exceed provincial capability. National government must not have to wait for provincial failure or refusal before it can act. The amended section must also require national and provincial governments to coordinate their interventions.

- Interventions must last long enough to secure recovery. Their duration must reflect the scale and depth of failure and allow authority to be returned in stages. There must be an option to dissolve a council for a period longer than 3 months. The intervening authority must be able to conduct a long-term intervention with periodic reviews rather than continuous external control. An intervention must not end automatically when a new council is elected.
- National and provincial intervention powers must be clear, adequate and proportionate. Once the jurisdictional facts are present, the intervening government must have discretion, subject to proportionality, to use one or more lawful measures. These may include a directive, assumption of legislative or executive authority, dissolution of council and appointment of an administrator or administrators, externalisation of a service and appointment of a provider, suspension of officials, imposition of a budget or revenue measures, a recovery plan, business rescue or another lawful recovery measure.

3.3.3 Secure collective impact in localities

The District Development Model (DDM) was introduced in 2019 to overcome fragmented planning and delivery across national, provincial and local government. Its purpose was to organise government around each district and metropolitan area as a common place-based platform, with a One Plan that aligned long-term public investment, infrastructure, services and development priorities. The approach recognised that communities experience government as a whole and that many outcomes depend on coordinated action across institutions and municipal boundaries.

The experience of the DDM confirms the value of shifting from departmental to place-based planning. It has created useful forums for joint planning at the correct scale, improved visibility of interdependencies between projects and, in some areas, helped focus institutions on shared priorities and catalytic programmes. It has also shown that districts and metropolitan areas can provide a practical scale for coordinating infrastructure, service delivery, spatial development and economic investment.

Its weaknesses are equally clear. The One Plan has often operated as an additional planning layer rather than as a mechanism that binds existing plans and budgets. Participation by national departments and public entities has been uneven, budget alignment has been weak, responsibilities have not always been clear and commitments have depended too heavily on voluntary cooperation. Capacity, data quality and community involvement have also varied significantly. As a result, improvements in coordination have been more visible in planning and convening than in sustained collective impact in communities.

The lesson is not to abandon place-based coordination and planning but to strengthen it. Municipal IDPs must remain the statutory point of departure. Intergovernmental plans must align with them and translate shared priorities into clear commitments, named responsibilities, aligned investment, agreed timeframes, common reporting, binding protocols, and time-bound escalation where delivery is blocked. Place-based coordination should simplify the planning system, strengthen accountability and make the combined contribution of each sphere and public institution visible to communities.

Municipal IDPs must be strengthened as place-based guidance to the wider public investment system, not only as municipal compliance documents. They must guide public investment, infrastructure sequencing, service delivery improvement, climate risk management, land use

decisions and local economic development. The IDP system must be revisited to extend the planning and infrastructure investment horizon beyond five years, lock in the plans and projects of relevant national and provincial departments and state-owned enterprises, and incorporate private sector, traditional council and civil society initiatives.

Credible IDP priorities, spatial development frameworks and infrastructure pipelines must inform national and provincial planning, budgeting and implementation. The District Development Model is an intergovernmental alignment instrument that must be informed by municipal IDPs and must, in turn, inform their preparation and review. Agreed intergovernmental commitments must be incorporated into the statutory plans, budgets and performance instruments of the institutions responsible for implementation.

Binding cooperative governance implementation protocols and intergovernmental development agreements must be used where outcomes depend on joint action by national departments, provinces, municipalities, public entities or other organs of state. These instruments must state the agreed outcomes, responsible institutions, aligned investment pipelines, approval sequence, timeframes, reporting requirements, dispute resolution and escalation mechanisms, and consequences for non-performance where legally permissible. Binding intergovernmental development agreements must be used for priority programmes requiring coordinated action and budgets in particular places. These include housing and bulk services, transport and land use integration, electricity and economic development, water security, disaster readiness, climate resilience, informal settlement upgrading, shared infrastructure systems and regional economic corridors. These processes are discussed in more detail in Chapter 10, the outcomes chapter.

The Coordination Centre must support these arrangements by setting standards, registering agreements, monitoring compliance, providing data and reporting failures to implement. The organs of the state responsible must conclude and implement the agreements. This preserves executive responsibility while creating system discipline.

3.3.3.1 Enabling legislative, technical and institutional work

Legislative, technical and institutional work must determine the longer IDP horizon and the mechanisms that link municipal plans to national and provincial plans, state-owned enterprise projects and the private sector, traditional council and civil society initiatives described above.

Implementation protocols require further design. Minimum requirements must cover planning, investment pipelines, approvals, information sharing, reporting, dispute resolution, escalation, registration of agreements, compliance monitoring and reporting on failure to implement.

3.3.4 Strengthen provincial roles in support, oversight and regional coordination

Provincial government remains central to the local government system. Provinces are the first line of monitoring, support, oversight and many interventions. They are also central to regional planning, intermunicipal coordination and the alignment of provincial investment with municipal IDPs and Spatial Development Frameworks.

Each province must organise its local government support, oversight, spatial planning, monitoring and intervention functions coherently. Role boundaries between provincial treasuries, provincial departments responsible for local government, provincial planning authorities, sector departments and offices of Premiers must be clear but must not stand in the way of coordination and cooperation.

Provincial support must be resourced. The obligations placed on provinces must be matched by staff, technical skills, data systems, legal capability and budgets.

Where provinces lack capability, national government must strengthen them. Where provinces fail to perform their supervisory function, the escalation pathway must be clear, lawful and time-bound.

3.3.4.1 Enabling institutional, technical and fiscal work

Further institutional work is required within each province to clarify role boundaries and organise support, oversight, spatial planning, monitoring and intervention functions coherently.

Further technical and fiscal work is required to ensure that provincial supervisory obligations are matched by the staff, skills, data systems, legal capability and budgets required to perform them.

3.3.5 Sequence the new transversal architecture

The reforms in this chapter must be sequenced because they change the machinery through which government regulates, supports, plans, monitors and enforces the local government system. The form of the coordination mechanisms must be finalised and established in legislation where required.

The immediate reform agenda should begin with shared data, simplification of the regulatory framework and pilots of the local government impact assessment. This is the most practical entry point because it addresses a real system problem without immediately creating a new permanent institution.

As this work develops, the immediate reform agenda should establish operating rules for system coherence findings, escalation pathways and implementation protocols.

The longer-term systemic reform agenda should establish the permanent Coordination Centre in legislation once the model has been tested and refined.

Implementation requires national departments, provinces, organised local government and relevant public entities to work through common regulatory, data, support and recovery arrangements. The coordination mechanism must work with existing structures and have access to political forums that can resolve departmental and intergovernmental differences.

The transition must produce a local government system in which data is shared, regulation is coherent, sector reforms are tested before decisions are taken, powers and functions are clearer, spatial planning guides public investment, planning and budgeting are more predictable, reporting supports decisions, support starts earlier, interventions are better managed, persistent non-compliance is acted on and municipalities face fewer contradictory requirements.

3.4 Implementation priorities

The table below summarises the priority projects already stated in this chapter. It does not create additional policy, responsibilities or deadlines.

Priority Projects	Action required	Responsibility	Timeframe
Shared local government data and reporting (Section 3.3.1.2)	Agree on common definitions, indicators and templates; integrate financial, governance, service delivery, infrastructure, audit, spatial and risk data; reduce duplicate reporting; and integrate the Chapter 2 powers and functions database and map and spatial evidence base.	Lead: DCoG. Support: National Treasury, national sector departments, provinces, organised local government and relevant public entities. The Coordination Centre assumes the system-coordination role once established.	Immediate reform agenda: agree standards, begin data integration and reduce duplicate reporting. Longer-term systemic reform agenda: institutionalise the shared data and reporting system through the permanent coordination architecture.
Regulatory coherence and local government impact assessment (Section 3.3.1.2)	Review sector frameworks for duplication and misalignment; simplify requirements; and design and test the local government impact assessment, regulatory burden review and related technical instruments.	Lead: DCoG. Support: National and provincial departments, National Treasury and organised local government. The Coordination Centre and inter-ministerial committee perform their stated roles once established.	Immediate reform agenda: undertake the regulatory review and design and pilot the impact assessment. Longer-term systemic reform agenda: embed the regulatory disciplines in the permanent operating and legislative framework.
National local government coordination architecture (Section 3.3.1.1)	Consult on and finalise the Coordination Centre, inter-ministerial committee and intergovernmental forum; establish immediate coordination arrangements; clarify whether the joint MinMEC will continue as an additional permanent mechanism and define its relationship to the three core components; adopt operating and escalation rules; and legislate where required.	DCoG coordinates the design. Cabinet determines the executive architecture and establishes the inter-ministerial mechanisms, including the joint MinMEC. The participating spheres and organised local government constitute the intergovernmental forum. Parliament enacts legislation where required.	Immediate reform agenda: establish and test the coordination arrangements, including the joint MinMEC, consult on the permanent model and adopt operating and escalation rules. Longer-term systemic reform agenda: enact the required legislation, establish the permanent architecture and formalise the continuing role of the joint MinMEC where it adds distinct value.
Parliamentary oversight of local government coherence (Section 3.3.1.3)	Establish the joint committee arrangements, strengthen scrutiny of secondary legislation and develop the proposed framework under section 101(4) of the Constitution.	Parliament within their respective legislative and oversight responsibilities.	Immediate reform agenda: strengthen scrutiny and establish the joint committee arrangements. Longer-term systemic reform agenda: consider and adopt the proposed section 101(4) legislative framework.

Priority Projects	Action required	Responsibility	Timeframe
Single differentiated support and capacity-building system (Section 3.3.2.1)	Design the aligned support system, define institutional roles, establish risk classifications, align reporting and link structured support to time-bound municipal improvement plans.	DCoG coordinates the system. National Treasury, provinces, sector departments, SALGA, professional bodies, training institutions and public entities retain and perform their respective support responsibilities.	Immediate reform agenda: design the system, define roles, establish risk classifications and begin using municipal improvement plans. Longer-term systemic reform agenda: embed the differentiated support system across government.
Early warning and coordinated municipal recovery (Section 3.3.2.2)	Develop objective indicators and reliable data sources; implement the four-stage escalation pathway; resource interventions adequately; and coordinate governance, financial, service delivery and enforcement measures through one recovery plan.	Provincial executives lead interventions under the current constitutional framework. National government and responsible departments provide support and act within their lawful powers. DCoG, National Treasury and sector departments coordinate their measures; the Coordination Centre provides evidence and reporting once established.	Immediate reform agenda: develop and apply the indicators, escalation pathway and one-recovery-plan approach, and address statutory and administrative uncertainties.
Section 139 constitutional and legislative reform (Section 3.3.2.2)	Develop the amendments required for objective triggers, concurrent national and provincial powers, longer and phased interventions, including longer council dissolution, adequate intervention powers, coordinated action and the revised approval arrangements stated in this chapter.	DCoG coordinates policy and legal development. Cabinet and Parliament act through the applicable constitutional and legislative processes. National and provincial executives implement the revised framework once it is in force.	Immediate reform agenda: complete the policy, legal and institutional design and initiate the required processes. Longer-term systemic reform agenda: enact and implement the revised constitutional and statutory framework.

Priority Projects	Action required	Responsibility	Timeframe
Place-based IDP reform, DDM and One Plan reset, and binding cooperative instruments (Section 3.3.3)	Review and reposition the District Development Model and One Plan so that municipal IDPs remain the statutory point of departure; remove duplicative planning requirements; determine the longer IDP horizon; align municipal priorities with public investment; incorporate agreed intergovernmental commitments into the statutory plans, budgets and performance instruments of responsible institutions; and design implementation protocols and intergovernmental development agreements with registration, monitoring, dispute resolution and escalation arrangements.	Municipalities lead their IDPs. The responsible organs of state conclude and implement agreements. National departments, provinces, public entities and other participating institutions perform the commitments assigned to them. DCoG performs the standards, registration and monitoring role in the interim, and the Coordination Centre assumes it once established.	Immediate reform agenda: review and reposition the DDM and One Plan, remove duplicative requirements, and begin using the protocols, agreements, standards and monitoring arrangements. Longer-term systemic reform agenda: reform the IDP system and embed place-based planning, aligned investment and institutional commitments across the public investment system.
Provincial supervisory capability and regional coordination (Section 3.3.4)	Clarify provincial role boundaries; organise support, oversight, spatial planning, monitoring and intervention functions coherently; and match obligations with staff, skills, data, legal capability and budgets.	Lead: Provincial governments. National government must strengthen provinces where capability is lacking and apply the agreed escalation pathway where provincial supervisory duties are not performed.	Immediate reform agenda: clarify roles, reorganise functions and assess and strengthen provincial capability. Longer-term systemic reform agenda: sustain the institutional and fiscal reforms required for provincial responsibilities.

Chapter 4: Political system, leadership, ethics, anti-corruption and accountability

4.1 Problem statement: why change is necessary

4.1.1 Political instability, interference and weak ethical culture

South Africa's constitutional framework for democratic local government remains sound, and many councils, councillors and office-bearers continue to serve communities with integrity. The problem is that this does not happen consistently enough. In too many municipalities, the political system has become a driver of instability rather than a source of democratic accountability. Party and factional interference outside council structures, blurred political and administrative roles, weak discipline, opaque coalition bargaining, procurement interference, intimidation, lack of political will, corruption and poor consequence management have made it easier for dysfunction to persist and harder for ethical leaders and municipal officials to act in the public interest.

Many municipal matters that should be dealt with routinely through lawful council, committee and administrative processes become over-politicised. Decisions on appointments, procurement, maintenance, billing, enforcement, service priorities and community complaints are delayed, distorted or drawn into factional contestation. This weakens professional judgement, disrupts implementation and shifts attention away from the needs of the community.

Ethics has too often been treated as a narrow compliance matter rather than as a leadership and institutional culture issue. Weak ethical leadership, conflicts of interest that are tolerated, poor tone from the top, compromised oversight and failure to act against wrongdoing weaken the whole municipality. Ethical culture is not separate from governance performance. It shapes how power is exercised, whether appointments are made fairly, whether committees function with integrity, whether wrongdoing is confronted, and whether communities trust the municipality.

4.1.2 Misaligned accountability, weak oversight and loss of trust

Accountability has also become misdirected. In many municipalities, councillors account more upward to party structures and more formally to compliance systems than downward to communities. Oversight structures often act too late or too weakly. Communities struggle to obtain usable information about council decisions, contracts, complaints, disciplinary action and progress on commitments. This weakens trust, contributes to conflict and protest, undermines community responsibility to pay for services, and allows poor conduct and poor performance to survive for too long. The policy response must therefore restore council-centred decision-making, protect routine municipal administration from improper party and factional interference, strengthen in-year oversight and make accountability to communities more direct.

4.2 Policy intent and principles

4.2.1 Policy purpose and intended outcomes

As the sphere of government closest to communities, local government should strive for non-partisan, practical and evidence-based decision-making wherever possible. Political parties have a legitimate role in democratic competition and policy choice, but municipal governance should not be driven by rigid political dogma, factional loyalty or instructions from party structures outside the council. Councillors should seek workable solutions in the interests of the

municipality, while respecting lawful political differences and the democratic authority of the council.

The policy intent is to restore councils as the democratic centre of local government while making political power more ethical, more disciplined, more transparent and more accountable to communities. The White Paper, therefore, treats political reform not only as a question of values and leadership but also as an accountability system and culture reform agenda. It focuses on practical changes in how councils work, how misconduct is prevented and addressed, how procurement risk is reduced, how oversight is strengthened, how communities can see and test performance, and how ethical conduct is protected, institutionalised and reinforced.

The policy choice is to retain the constitutional commitment to democratic local government while tightening the rules, incentives, reporting disciplines and enforcement arrangements that shape political behaviour in practice. It is also to make stronger use of existing ethical leadership instruments such as the Code for Ethical Leadership in Local Government, launched in 2024, as an important instrument for strengthening tone from the top, community-centred leadership, respect for the political-administrative boundary, competent and ethical appointments, sound oversight and fair discipline.

Chapter 4 begins the process of restoring balance in the relational governance of the municipality between elected political leadership, the municipal administration and communities. It strengthens the authority of the council, protects the administration from improper political interference and redirects political accountability downwards to communities while reducing the influence of political party control exercised outside lawful council structures. Chapter 6 continues this reform by strengthening the practical systems through which communities participate, obtain information, raise concerns, receive responses and hold the municipality accountable between elections.

The White Paper also recognises that some political system questions remain contested. Where government has not yet settled a final position, the White Paper signals this clearly and identifies the further consultation or legal work required.

4.2.2 Reform choices and governing principles

The White Paper makes seven reform choices.

First, it places ethical leadership and ethical culture at the centre of political reform, including explicit recognition of the Code for Ethical Leadership in Local Government as an existing implementation platform that councils should actively use and institutionalise.

Second, it strengthens the integrity and accountability duties of councillors, office-bearers and councils through clearer conduct rules, enforceable separation between political office and administration, and a firmer accountability chain for misconduct, criminality, procurement interference, intimidation and repeat governance failure.

Third, it standardises the basic operating disciplines of democratic local government by requiring clearer delegations, stronger council rules, stronger committee practice, role-based councillor induction and development, and stronger support for speakers, whips, MPACs and section 79 committees.

Fourth, it introduces a more operational anti-corruption package built around municipal integrity arrangements, mandatory referral protocols, case tracking, recovery of losses where appropriate, and stronger coordination with external law enforcement and oversight institutions.

Fifth, it keeps councillors out of supply chain management and strengthens procurement transparency through open contracting, public disclosure, interoperable data, digital audit trails and automated red-flagging in higher-risk procurement areas.

Sixth, it strengthens downward accountability through public-facing performance commitments, complaint and grievance standards, public dashboards, ward-level usable information, and clearer expectations that councillors must account back to communities between elections.

Seventh, it provides for more disciplined management of coalition and minority governance while distinguishing clearly between reforms that government now settles, reforms still open for consultation, and reforms requiring later legislative or constitutional work.

4.3 Policy choices and key reforms

4.3.1 Place ethical leadership and ethical culture at the centre of political reform

Government will treat ethical leadership and ethical culture as practical governance matters that must be built into the way councils and political office-bearers work. The White Paper adopts the following reform direction.

Councils, office-bearers and councillors must lead in the long-term interest of the municipality and all its communities. They must place community interests above personal, party-political, factional or commercial interests.

Ethical leadership in local government must also be understood as a duty to protect constitutional rights and to avoid governance choices that deepen exclusion, unaffordability or retrogression in access to basic services. Councils and office-bearers must exercise their political and oversight responsibilities with regard to the lived effects of municipal decisions on poor and working-class households, including the consequences of service pricing, debt management, disconnections, failures in indigent support and barriers to accessing relief. Ethical governance is not only about compliance and integrity in process. It is also about whether political choices protect dignity, fairness and basic access in practice.

Government recognises the existing Code for Ethical Leadership in Local Government, launched in 2024, as a governance instrument for strengthening ethical leadership in the sector and will support its wider institutionalisation and use. At the time of final drafting, 100 municipalities had adopted the Code (Source: Department of Cooperative Governance, 2026). The Code is not a substitute for law. It complements the statutory Codes of Conduct for councillors and municipal staff members and the other legal duties that remain binding.

Municipalities that have not done so should formally adopt the Code by council resolution. Every municipality must institutionalise ethical leadership as part of its governance system. This includes clear ethics leadership responsibilities, regular discussion of ethics in councils and committees, and practical integration with oversight, performance, discipline and anti-corruption arrangements. The Code should guide ethical tone and leadership practice, councillor development, committee conduct, discipline, respect for the political-administrative boundary, integrity in appointments and oversight, and relations between councils, the municipal administration and communities. Municipalities must report publicly, in simple and usable form, on the ethics and integrity measures they have put in place and on progress in implementing them.

4.3.2 Rebuild political accountability and strengthen council discipline

Government will strengthen the accountability chain for councillor misconduct, abuse of office, procurement interference, intimidation and repeat governance failure.

The Councillor Code of Conduct must be strengthened so that prohibited conduct is stated more clearly. This includes conflicts of interest, abuse of office and the forms of improper political interference in administrative decisions set out in section 4.3.3.

Municipalities must apply standard procedures for receiving, recording, processing and deciding allegations of councillor misconduct, with defined timeframes and mandatory record-keeping. Serious allegations involving criminality, intimidation, extortion, corruption, repeated material irregularities or procurement interference must trigger mandatory referral to the appropriate external body and entry into a case-tracking register.

The accountability chain must also provide a clearer public-interest route for reporting suspected fraud, corruption, maladministration and related governance failure, with the status of non-confidential matters trackable through standardised integrity reporting arrangements. Ethical councillors, municipal officials, service providers and community members who disclose wrongdoing must receive practical protection. Where a municipality may be implicated or cannot provide effective protection, the reporting person must have access to a designated provincial or national reporting channel outside the municipality, with referral to the competent investigative or protection body. The receiving institution must assess risk, arrange interim protection, preserve and track the referral, and act where retaliation is threatened or occurs. Further protection and support arrangements are set out in section 4.3.4.

Extortion, organised crime, intimidation and violence that impair municipal governance or service delivery must be treated as system risks requiring coordinated law enforcement and intergovernmental action. Communities and municipal officials must also have access to practical and time-bound routes for triggering responses where serious governance failure, service collapse, corruption or persistent maladministration is evident. A political accountability system that cannot produce a timely response in the face of obvious failure will not rebuild public trust or institutional discipline.

Council discipline must connect to the municipality's wider oversight system set out in section 4.3.3. Material irregularities, audit findings and related corrective measures must form part of the accountability chain rather than operate as a separate technical process. Where required remedial action is not implemented within prescribed timeframes, the matter must trigger formal escalation.

Council speakers must table regular reports to the council on the status of misconduct matters while protecting confidential information where required by law. Provinces must monitor whether councils act on misconduct matters within required timeframes and must escalate where councils fail to act or where local processes are compromised. Persistent failure by a council to discharge its core oversight responsibilities must itself be recognised as a serious governance breach. This includes failure to address audit findings, properly investigate unauthorised, irregular, and fruitless and wasteful expenditure, table consolidated performance and accountability reports, or prevent the approval of unfunded budgets despite contrary advice.

Where municipalities show repeated material non-compliance, repeated failure to act on confirmed misconduct, repeated disregard of court orders, or continuing governance

breakdown linked to corruption, intimidation, procurement interference or abuse of office, escalation may not remain discretionary in practice. National and provincial oversight arrangements should therefore include clearer trigger criteria, stricter response timeframes, more disciplined escalation, and explicit identification of the responsible offices, task teams or authorities for receipt, triage, follow-through and interim remedial action.

4.3.3 Protect the political-administrative boundary and strengthen council oversight

Government will protect the authority of councils while enforcing a clear boundary between political leadership and the municipal administration. Councillors and political office-bearers may set policy, approve budgets, exercise oversight and represent communities through lawful council structures. They may not direct municipal operations or use political office, party position or factional influence to predetermine administrative decisions.

Rebuilding political accountability also requires a clear distinction between legitimate party-political accountability and the lawful exercise of municipal authority. Councillors may be accountable to their political parties for political mandates and conduct, but when exercising municipal powers, they hold public office in terms of the Constitution and the law and are accountable to the municipal council and the community of the municipality.

Political parties, caucuses, political advisers, support staff or other persons outside the lawful municipal decision-making structures may not substitute themselves for the municipal council, its political office-bearers or the municipal administration. They may provide political advice and guidance, but they may not exercise municipal decision-making powers or direct the municipal manager or municipal officials. Political mandates must be translated into municipal action through lawful council or executive decisions, delegations and administrative processes.

The Councillor Code of Conduct, municipal rules and national norms must identify prohibited political interference clearly. This includes interference in staffing and appointments, procurement and contract management, billing and debt enforcement, investigations, enforcement action and infrastructure project implementation. The prohibition applies equally to instructions or pressure from political party structures and other persons or institutions outside lawful council processes.

Any person who provides political or policy advice or support to a mayor, executive mayor, speaker, chief whip or other municipal political office-bearer acts in an advisory or support capacity only. Such a person has no independent authority over the municipal manager or municipal officials and may not issue administrative instructions, exercise management powers, direct appointments or procurement processes, or perform functions assigned by law to the municipal administration. Advice that requires municipal action must be channelled through the relevant political office-bearer and then through the lawful municipal decision-making, delegation and administrative arrangements.

A councillor or political office-bearer who attempts to manipulate recruitment, deployment, promotion, discipline, procurement or another administrative decision for personal, party-political or factional purposes commits a governance breach. The conduct must be reported through the councillor misconduct and integrity system in section 4.3.2 and referred, where warranted, for disciplinary, regulatory, civil or criminal action. Chapter 5 sets out the administrative instruction channels, records, evidence-preservation and protection arrangements needed to identify and respond to such conduct.

Councils must keep their political delegations, council rules and oversight responsibilities clear and publicly available. Delegations may authorise political decisions or oversight but may not be used to draw councillors into operational administration or supply chain management.

Councils must strengthen their oversight machinery so that financial, governance and performance failures are identified and corrected during the year, rather than only after the annual audit. This requires properly constituted and adequately resourced section 79 committees, Municipal Public Accounts Committees (MPACs), audit committees and internal audit units, with clear and complementary mandates.

Section 79 committees must scrutinise policy implementation, service delivery and departmental performance within their council-approved mandates and report their findings and recommendations directly to the municipal council. MPACs must focus on financial accountability, audit findings, reported performance and the investigation of unauthorised, irregular, and fruitless and wasteful expenditure. MPAC reports must be submitted to the speaker for tabling at the next council meeting. Neither section 79 committees nor MPACs should report through the mayor, mayoral committee or municipal administration or be controlled by them.

Audit committees and internal audit units must provide independent assurance on risk management, internal controls, financial reporting and performance information. Audit committees must have direct access to the council and must be able to report material control failures, repeat findings and failures by management to implement corrective action without interference.

National minimum standards should require these structures to have clear terms of reference, protected budgets, dedicated administrative support, timely access to documents and municipal officials, and access to technical, financial and legal advice. Councils should adopt fixed quarterly oversight cycles linked to in-year financial and performance reports, audit action plans, material irregularities and identified service delivery risks.

All recommendations should be recorded in a council oversight register that identifies the finding, required corrective action, responsible office, deadline and implementation status. The municipal manager should respond formally within the prescribed period. Unresolved or repeated failures should be escalated through the wider accountability system set out in section 4.3.2 and, where warranted, to the relevant provincial department, National Treasury, Auditor-General or law enforcement institution. Councils should publish the main findings, management responses, council decisions and final outcomes, subject to lawful confidentiality requirements.

Where municipalities fail to establish, resource or cooperate meaningfully with these oversight structures, the failure should trigger corrective escalation through the wider accountability system. National minimum standards must protect the functional independence of MPACs regardless of the party affiliation of the chairperson. Municipal rules must prevent the council majority, executive structures or the municipal administration from withholding information, blocking reports, delaying the tabling of findings or otherwise disabling the committee’s work.

Stronger council oversight must also reinforce visible lines of managerial responsibility so that councils and communities can see clearly which office, senior manager or responsible structure is accountable for service failures, maintenance failures, delayed responses, budget deviations or unresolved public complaints.

In municipalities that retain executive mayoral arrangements, stronger balancing disciplines are required to ensure that executive political authority does not weaken administrative neutrality, full council oversight or institutional continuity. National rules and municipal governance arrangements should therefore require clearer reporting lines between the municipal manager and the full council on core administrative performance, stronger in-year scrutiny by section 79 committees and MPACs of executive commitments and administrative implementation, and clearer accountability expectations for members of executive structures. These measures do not settle the wider constitutional question of municipal executive design, but they recognise that concentrated executive authority requires stronger practical checks if depoliticisation is to have real effect.

The White Paper does not propose a blanket pre-election qualification for municipal candidacy. All councillors must complete compulsory induction after election, followed by role-specific learning for mayors, speakers, whips, MPAC members and section 79 committee chairpersons. Learning must be differentiated according to municipal context and the responsibilities of each office. Any sanction for non-completion, and any additional competency requirement for a leadership or oversight office, must be subject to legal review and must not create an unreasonable barrier to democratic representation. Section 4.3.8 sets out the Chapter 4 matters that must be covered in the post-election induction programme.

4.3.4 Introduce a prevention-led, whole-of-society municipal integrity and anti-corruption package

Municipal anti-corruption reform must be grounded in the National Anti-Corruption Strategy 2020–2030 and the Local Government Anti-Corruption Strategy, supported by the Municipal Integrity Management Framework and the Code of Ethical Leadership in Local Government. The recommendations and research of the National Anti-Corruption Advisory Council (NACAC) must inform the further development of the municipal integrity system, subject to Cabinet decisions, applicable legislation and the mandates of the institutions concerned.

Corruption must be understood as both a governance failure and a societal problem. It involves conduct and relationships that may extend across political institutions, the municipal administration, suppliers, businesses, professional advisers, community organisations and criminal networks. The response must therefore combine decisive government action with a whole-of-society approach that enables law enforcement institutions, business, civil society, labour, professional bodies and communities to contribute to prevention, detection, reporting and public accountability.

The Municipal Integrity Management Framework translates the Local Government Anti-Corruption Strategy into practical municipal responsibilities for community oversight, integrity governance, prevention, detection, investigation, resolution and reporting. Ethical leadership remains a prerequisite for developmental local government. The integrity package must therefore be implemented with the ethical leadership reforms in section 4.3.1 and use the Code for Ethical Leadership in Local Government to strengthen ethical culture.

The municipal integrity system must place at least as much weight on preventing corruption as it places on investigation and enforcement. Every municipality must conduct regular corruption and integrity risk assessments and use the results to strengthen controls in appointments, procurement, contract management, revenue administration, land use decisions, licensing, grants and other high-risk functions. Preventive measures must include effective conflict-of-interest and disclosure systems, segregation of duties, reliable records and audit trails,

procurement transparency, supplier scrutiny, protection against inappropriate influence, ethics education and the use of digital systems to identify unusual transactions and patterns before losses occur.

Municipalities must apply risk-based lifestyle audits and related integrity checks to political office-bearers, senior managers in high-risk functions and municipal officials exercising delegated procurement authority. National standards must define the risk triggers, methodology, review and appeal rights, funding arrangements, reporting thresholds, record protection and compliance with the Protection of Personal Information Act. Universal routine audits of all councillors and senior managers are not proposed unless later evidence and legal review justify them.

Every municipality must have minimum institutional arrangements for integrity management, with clearly assigned responsibilities for prevention, ethics advice, disclosures, referral handling, record management, reporting and follow-up. Municipalities must maintain a secure integrity case register covering allegations, referrals, investigation status, outcomes, disciplinary or criminal action and, where applicable, recovery of losses. The register must support accountability and coordination without compromising confidential information, whistleblower identities or active investigations.

The external reporting route in section 4.3.2 must be supported by confidential and accessible municipal and external channels and by practical protection against retaliation, intimidation and occupational detriment. Protocols must provide for immediate risk assessment, protection of identity, preservation of evidence, referral to the appropriate authority and access to available legal, psychosocial, security and workplace support. Government must engage further with municipalities, organised local government, law enforcement institutions, civil society and whistleblower support organisations on the funding and institutional arrangements required to provide effective support. These arrangements must remain aligned with national reforms to the protected disclosures and witness-protection system. The Protected Disclosures Bill published in April 2026 proposes stronger confidentiality, anti-retaliation, investigation, legal assistance and witness-protection measures.

Serious allegations of corruption and related offences must not remain within compromised municipal processes. Standard referral and case coordination protocols must link municipalities to the Special Investigating Unit (SIU), the National Prosecuting Authority (NPA), the Directorate for Priority Crime Investigation (DPCI), the South African Police Service (SAPS) and other competent oversight or investigative institutions, according to their respective mandates. These protocols must provide for designated liaison officials, minimum referral information, preservation and transfer of evidence, tracking of referrals, regular status updates where lawful, escalation of unexplained delays and coordination between disciplinary, civil recovery and criminal processes. NACAC has specifically called for a more coherent multi-agency system and stronger protection for investigators, witnesses and whistleblowers.

Government must engage further with organised business, civil society, labour, professional bodies and community organisations on their practical role in municipal anti-corruption work. This should include corruption prevention, public education, procurement transparency, ethical business conduct, monitoring of municipal integrity commitments and support for people who report wrongdoing. These partners must not displace the statutory responsibilities of councils, municipal administrations, oversight institutions or law enforcement agencies, and they must not obtain access to confidential personnel or investigative information.

Councils must receive routine reports on corruption risks, integrity trends, referrals, outstanding cases, corrective action and recovery of losses. Communities must have access to non-confidential information on the operation and outcomes of the municipal integrity system. Integrity reform must remain linked to administrative professionalisation, procurement reform, financial oversight, digital governance and accountability to communities rather than being treated as a stand-alone compliance programme.

4.3.5 Keep councillors out of supply chain management and make procurement more transparent

Government will reinforce the principle that councillors must not participate in operational supply chain management and will make procurement more transparent and auditable in practice. Councillors must remain outside bid specification, bid evaluation, adjudication, contract administration and operational supplier management processes, except where the law expressly provides for political decision-making at a high level of policy or oversight.

Procurement transparency and auditable workflows must be achieved through clear municipal duties, interoperable data standards, routine digital audit trails, and practical publication requirements that can operate across different municipal systems. Municipalities must publish key procurement information proactively in accessible formats, including plans, tenders, awards, contract changes and implementation status. Higher-risk procurement categories must move first towards interoperable open contracting data standards, digital audit trails and automated red-flag alerts for missed milestones, irregular award patterns, repeated variations and supplier concentration risk.

Public procurement transparency should allow communities and oversight institutions to follow the life cycle of significant tenders and contracts in a more continuous and intelligible way, from advertisement through evaluation, award, variation, implementation and close-out, subject to lawful limits on confidential information. It should be linked to clear reasons for decisions, visible changes to contract scope or value, and a record of who is responsible for each stage. Procurement transparency must be designed as part of routine operational workflows, not as a separate compliance exercise after the event. Councils and oversight committees must receive usable contract performance information during the year, linked to financial oversight and service delivery oversight.

Municipal officials and councillors who obstruct oversight, withhold information from authorised oversight structures, or fail to cooperate with lawful procurement and contract performance scrutiny must face defined consequences. Where municipalities use outsourcing, external service arrangements or partnership models in high-value or high-risk service areas, the same transparency, accountability and public interest safeguards must apply with equal or greater force. Procurement and contracting arrangements must not weaken public oversight, obscure long-term fiscal obligations, reduce labour accountability, or make essential services less affordable or less accessible to communities.

National standards for procurement transparency should focus on outcomes, minimum data requirements, interoperability and public accessibility, while allowing municipalities flexibility in the operational design of systems that achieve those outcomes. This reform should reduce opacity and corruption risk without creating avoidable red tape that slows implementation and service delivery.

Government will consult further on whether additional council approval or notification thresholds are needed for very large or high-risk contracts, taking care not to draw councils back into operational procurement.

4.3.6 Strengthen downward accountability to communities

Government will strengthen the community-facing side of democratic accountability between elections. Chapter 6 is the lead chapter on citizen and community relations, participation, community partnerships, citizen care, complaints systems, transparency by default, civic education, inclusive engagement and digitally enabled citizen interface. This section therefore does not restate the full architecture of downward accountability. Its purpose is to set out the political accountability implications of those reforms for councillors, mayors, executive office-bearers and councils and to ensure that community-facing accountability is linked to political oversight, public reporting and consequence management.

Councillors must account back to communities more systematically through structured local reporting and engagement platforms rather than relying only on formal council processes and election periods. Structured reporting should include clearer ward-level visibility of funded projects, service issues raised, escalations made to the relevant municipal department or other sphere of government, and the status of follow-up action, so that communities can see what issues were raised, what was done in response, and whether commitments were honoured.

Mayors and other executive office-bearers must have mandatory public-facing performance commitments, and government will progressively develop a wider framework of public performance commitments for councillors in a manner that supports democratic accountability without undermining collective council government. These commitments must be linked to enforceable review and consequence arrangements and supported by practical scrutiny arrangements that extend beyond internal political processes, with progress reported regularly to the full council and communicated publicly in usable form.

An unqualified audit outcome should be treated as a minimum financial governance standard and as one measure within a wider assessment of accountable and effective local government. Audit status must be considered alongside service performance, protection of rights, responsiveness, affordability, implementation of corrective action and public trust. Community-facing accountability must therefore include clear reporting on audit status, material irregularities and corrective action, together with information that enables communities to assess performance against these wider measures.

Government will consult further on the extent to which public performance commitments should apply to all councillors and on the most appropriate institutional form for any stronger public redress or ombud-type arrangements, as set out more fully in Chapter 6.

4.3.7 Improve coalition and minority governance while keeping political system questions open

Coalition and minority governance are now a settled feature of the local government landscape in many municipalities. Government will therefore strengthen the governance discipline around these arrangements while acknowledging that not all wider political system questions have yet been settled.

Where no party has a majority, coalition or support agreements that affect the formation or sustainability of the municipal executive must be written, signed and made public. Coalition or support agreements must state at least the agreed executive arrangements, decision-making

principles, dispute resolution arrangements, commitments to lawful conduct and continuity of essential governance and service delivery functions.

Municipalities and provinces must be able to identify quickly when coalition instability is creating governance or service delivery risk so that support, mediation or escalation can happen earlier. A differentiated escalation approach is required where severe and persistent governance failure is already evident.

Guidance, templates and support arrangements must be developed to improve the quality and transparency of coalition practice. Coalition governance reform must reinforce professional and respectful conduct in council and must not normalise intimidation, disorder or violence as part of democratic contestation.

The White Paper does not settle a final position on wider political system reforms aimed at coalition stability. Possible electoral thresholds, constructive motions of no confidence, recall mechanisms, changes to executive arrangements and broader changes to the municipal electoral system remain open for further consultation and constitutional, legal and transition assessment. The assessment must consider constitutional compatibility, democratic representation, accountability, political stability, municipal autonomy, available evidence and the consequences of transition. The White Paper does not indicate a preferred outcome before this work has been completed.

4.3.8 Implementation

Implementation must begin after adoption of the White Paper and must produce visible changes in the operating environment of councils. The immediate focus is to prepare the model rules, minimum standards, induction material, reporting arrangements and support required for implementation from the beginning of the next municipal term, or as soon as possible thereafter. Municipalities must then institutionalise ethical leadership, strengthen misconduct and referral processes, clarify delegations, make oversight structures functional, protect lawful reporting, improve procurement visibility and strengthen accountability to communities. Most of these actions can begin under the current constitutional and legislative framework through stronger enforcement, municipal rules, guidance, norms, standards and transparent reporting.

DCoG must lead the Chapter 4 reform stream. Municipal councils, speakers, political office-bearers and municipal administrations must adopt and apply the required rules, systems and reporting practices within their respective mandates. Provinces must monitor compliance, provide differentiated support and escalate failures to act. National Treasury must lead procurement standards and system design. The Auditor-General, law enforcement bodies and other oversight institutions must be linked to material irregularity follow-up, municipal referrals and case tracking. SALGA and DCoG must support councillor induction and continuing development and the wider adoption and use of the Code for Ethical Leadership in Local Government. The Presidency and other national institutions must support coordination where reforms extend beyond the local government portfolio. Before Chapter 4 reform is mandated or rolled out, DCoG and the leading institution responsible must assess its staffing, systems and funding requirements and specify a differentiated implementation path for municipalities with limited capacity. The assessment must cover section 79 committee and MPAC support, internal audit and audit committee arrangements, integrity registers, case tracking, procurement data, councillor development, public reporting and whistleblower protection protocols. These requirements must be incorporated into the Local Government Transition Plan in Chapter 11.

The longer-term systemic reform agenda must carry the legislative, regulatory, technical and institutional work that cannot be completed at the start of the next municipal term. This includes uniform rules for councillor misconduct and council procedures, any mandatory national standards for oversight structures, risk-based lifestyle audit methodology and safeguards, interoperable integrity and procurement systems, recovery and protection pathways, the design of any public redress or integrity support mechanism, and assessment of contested electoral and executive system reforms. Technical work must give effect to, and must not reopen, the settled policy directions in this chapter. It must also preserve the links with Chapter 5 on administrative professionalisation and the digital backbone, Chapter 6 on community-facing accountability and Chapter 11 on transition management.

The integrated post-election induction and continuing development programme in section 11.5.1 incorporates Chapter 4 responsibilities and policy directions.

4.4 Implementation priorities

The implementation table breaks the reforms into specific priority projects. It summarises policy already stated in the chapter and does not introduce new policy, institutions, responsibilities, dates or conditions.

Priority Projects	Action required	Responsibility	Timeframe
Ethical leadership code adoption and governance (Section 4.3.1)	Support councils to adopt and use the Code for Ethical Leadership in Local Government, assign ethics leadership responsibilities and integrate ethical leadership with council, committee, performance, discipline and anti-corruption practice.	Lead implementation: municipal councils, mayors, speakers and municipal managers. Standards and support: DCoG and SALGA. Monitoring: provinces.	Immediate reform agenda: prepare support before the next municipal term; councils implement from the start of that term.
Public ethics and integrity reporting (Section 4.3.1)	Set a simple reporting standard and require municipalities to publish the ethics and integrity measures in place and progress in implementing them.	Lead: DCoG. Implementation: municipalities. Monitoring and support: provinces and SALGA.	Immediate reform agenda: issue the reporting standard before the next municipal term; begin reporting from the start of that term through the applicable reporting cycle.
Councillor Code of Conduct and misconduct procedures (Section 4.3.2)	Clarify prohibited conduct and implement standard procedures, timeframes, records, speaker reports and escalation for allegations of councillor misconduct.	Lead: DCoG. Implementation: councils and speakers. Monitoring and escalation: provinces.	Immediate reform agenda: prepare model procedures before the next municipal term; apply them from the start of that term.

Priority Projects	Action required	Responsibility	Timeframe
External protected reporting and whistleblower support route (Section 4.3.2)	Establish designated provincial or national reporting routes where a municipality is implicated or cannot protect the reporting person, with risk assessment, interim protection, evidence preservation, referral tracking and access to available support.	Lead: DCoG. Implementation and support: provinces, municipalities and competent investigative, protection and oversight institutions.	Immediate reform agenda: develop protocols as soon as possible after adoption; make the external route operational from the start of the next municipal term or as soon as possible thereafter.
Governance failure escalation triggers (Section 4.3.2)	Set clearer trigger criteria, response times and responsible offices for repeated non-compliance, failure to act on confirmed misconduct, disregard of court orders and governance breakdown linked to corruption, intimidation or interference.	Lead: DCoG. Implementation: provinces and competent national institutions. Municipal councils must cooperate and act on required measures.	Immediate reform agenda: issue interim triggers and escalation guidance before the next municipal term; apply them from the start of that term.
Councillor duties, political-administrative boundaries, prohibited interference and consequences (Section 4.3.3)	Clarify the lawful political role and the distinction between legitimate party-political accountability and the exercise of municipal authority; identify prohibited interference by councillors, political office-bearers, political parties, caucuses, political advisers, support staff and other persons outside lawful municipal structures; clarify that advisers and support staff have no independent authority over the municipal administration; align political delegations and council rules with that boundary; and require reporting, referral and disciplinary, regulatory, civil or criminal follow-up where warranted. Chapter 5 leads the administrative instruction, records, evidence-preservation and protection controls.	Lead: DCoG. Implementation: municipal councils, speakers and political office-bearers. Monitoring, referral and escalation: provinces and competent oversight, regulatory and law enforcement institutions.	Immediate reform agenda: issue the model political conduct, delegation and council-rule provisions before the next municipal term and apply them from the start of that term. Longer-term systemic reform agenda: strengthen statutory consequences where legal review shows that amendment is required.

Priority Projects	Action required	Responsibility	Timeframe
Section 79, MPAC, audit committee and internal audit standards (Section 4.3.3)	Set minimum standards for mandates, direct reporting routes, functional independence, protected resources, access to information and technical and legal support.	Lead: DCoG. Support: National Treasury and the Auditor-General, provinces and SALGA. Implementation: municipal councils.	Immediate reform agenda: prepare minimum standards before the next municipal term; councils implement them from the start of that term or as soon as possible thereafter.
Quarterly council oversight, material irregularity and corrective-action tracking (Sections 4.3.2 and 4.3.3)	Establish fixed in-year oversight cycles and a council oversight register recording audit findings, material irregularities, required corrective action, responsible office, deadline, management response, escalation and outcome. Failure to implement required remedial action within prescribed timeframes must trigger formal escalation.	Lead implementation: municipal councils, speakers, section 79 committees, MPACs, audit committees, accounting officers and senior management. Standards and monitoring: DCoG and provinces. The Auditor-General supports within its mandate.	Immediate reform agenda: establish the oversight cycle and register at the start of the next municipal term; continue quarterly and on an ongoing basis.
Executive mayoral checks and full council reporting (Section 4.3.3)	Strengthen reporting by the municipal manager to the full council, in-year scrutiny of executive commitments and accountability expectations for members of executive structures.	Lead: DCoG. Implementation: municipal councils, executive structures and municipal managers. Monitoring: provinces.	Immediate reform agenda: prepare guidance before the next municipal term; apply it from the start of that term in municipalities using executive mayoral arrangements.
Municipal integrity responsibilities and secure case registers (Section 4.3.4)	Assign responsibilities for prevention, ethics advice, disclosures, referrals, records, reporting and follow-up, and maintain secure case registers covering allegations, status, outcomes, action and recovery. Provide routine reports to councils on corruption risks, integrity trends, referrals, outstanding cases, corrective action and recovery of losses, and make non-confidential information on the operation and outcomes of the municipal integrity system available to communities.	Lead: DCoG. Implementation: municipalities. Monitoring and support: provinces.	Immediate reform agenda: establish the responsibilities and registers from the start of the next municipal term or as soon as possible thereafter; continue on an ongoing basis.

Priority Projects	Action required	Responsibility	Timeframe
Corruption risk assessments and preventive controls (Section 4.3.4)	Conduct regular integrity risk assessments and strengthen controls in appointments, procurement, contracts, revenue, land use, licensing, grants and other high-risk functions.	Lead implementation: municipalities. Standards and support: DCoG, National Treasury where financial and procurement controls apply, and provinces.	Immediate reform agenda: begin at the start of the next municipal term; update the assessments regularly and act on identified risks.
Risk-based lifestyle audit and integrity check framework (Section 4.3.4)	Develop national standards defining scope, risk triggers, methodology, review and appeal rights, funding, reporting thresholds, record protection and compliance with the Protection of Personal Information Act.	Lead: DCoG. Support: relevant legal, integrity, financial and oversight institutions. Implementation: municipalities once standards are approved.	Longer-term systemic reform agenda: begin legal and technical design after adoption; apply the framework prospectively once standards and safeguards are approved.
Law enforcement referral and case coordination (Section 4.3.4)	Establish standard protocols for liaison, minimum referral information, evidence transfer, case tracking, lawful status updates, escalation of delays and coordination between disciplinary, recovery and criminal processes.	Lead coordination: DCoG. Operational responsibilities: municipalities, provinces, the SIU, NPA, DPCI, SAPS and other competent institutions within their mandates.	Immediate reform agenda: develop protocols as soon as possible after adoption; implement them from the start of the next municipal term or as soon as possible thereafter.
Whole-of-society municipal anti-corruption participation (Section 4.3.4)	Develop practical, safeguarded roles for business, civil society, labour, professional bodies and communities in prevention, public education, procurement transparency, monitoring and support for people who report wrongdoing.	Lead: DCoG. Implementation: municipalities, with participating organisations. Statutory responsibilities remain with councils, municipal administrations, oversight and law enforcement institutions.	Immediate reform agenda: begin engagement after adoption; establish practical participation arrangements from the start of the next municipal term or as soon as possible thereafter.
Councillor separation from supply chain management (Section 4.3.5)	Apply and enforce the prohibition on councillor participation in bid specification, evaluation, adjudication, contract administration and operational supplier management, and impose consequences for obstruction or interference.	Lead: National Treasury with DCoG. Implementation: municipal councils, accounting officers and municipal administrations. Monitoring: provinces and relevant oversight institutions.	Immediate reform agenda: apply the prohibition from the start of the next municipal term under current law; continue enforcement on an ongoing basis.

Priority Projects	Action required	Responsibility	Timeframe
Minimum procurement and contract publication standards (Section 4.3.5)	Require accessible publication of procurement plans, tenders, awards, contract changes, reasons and implementation status, with usable in-year information for councils, oversight structures and communities.	Lead: National Treasury with DCoG. Implementation: municipalities. Support and monitoring: provinces.	Immediate reform agenda: issue minimum requirements before the next municipal term; implement them from the start of that term or as soon as possible thereafter.
Interoperable procurement data, digital audit trails and risk alerts (Section 4.3.5)	Develop open contracting data standards, contract identifiers, interoperable workflows, digital audit trails and alerts for missed milestones, irregular patterns, repeated variations and supplier concentration.	Lead: National Treasury. Support: DCoG, municipalities, provinces and relevant procurement and digital institutions.	Longer-term systemic reform agenda: begin technical design after adoption; phase implementation as standards and systems are approved.
Structured downward accountability and ward-level reporting (Section 4.3.6)	Require regular councillor reporting on funded projects, service issues, escalations, follow-up action and commitments, using accessible local and ward-level information.	Lead implementation: municipal councils, councillors and municipal administrations. Standards and support: DCoG and provinces, aligned with Chapter 6.	Immediate reform agenda: prepare reporting arrangements before the next municipal term; implement them from the start of that term.
Executive office-bearer public performance commitments and audit reporting (Section 4.3.6)	Develop public-facing performance commitments for mayors and other executive office-bearers and report on audit status, material irregularities and corrective action alongside service performance, rights, affordability and responsiveness.	Lead: DCoG . Implementation: municipal councils and executive office-bearers. Information support: municipal administrations and relevant oversight institutions.	Immediate reform agenda: prepare the framework before the next municipal term; apply it from the start of that term or as soon as possible thereafter.
Wider councillor commitments and public redress design (Section 4.3.6)	Consult on extending public performance commitments to councillors and on the institutional form, powers and safeguards of any stronger public redress or ombud-type mechanism.	Lead: DCoG. Support: provinces, municipalities, SALGA and relevant legal and oversight institutions, aligned with Chapter 6.	Longer-term systemic reform agenda: begin consultation and legal and institutional assessment after adoption.

Priority Projects	Action required	Responsibility	Timeframe
Coalition and support agreement rules and templates (Section 4.3.7)	Require written, signed and public coalition or support agreements covering executive arrangements, decision principles, dispute resolution, lawful conduct and continuity of essential governance and services.	Lead standards and templates: DCoG. Implementation: municipal councils and political parties represented in hung councils. Support: provinces and SALGA.	Immediate reform agenda: prepare guidance and templates before the next municipal term; apply them from the start of that term where no party has a majority.
Coalition early warning, mediation and intervention principles (Section 4.3.7)	Identify governance and service delivery risks early, provide support or mediation, and apply minimum principles for intervention, evidence of recovery and conditions for ending an intervention.	Lead: DCoG and provinces. Implementation: municipalities and responsible intervention authorities. Support: SALGA and other competent institutions.	Immediate reform agenda: put interim arrangements in place from the start of the next municipal term; strengthen them as soon as possible thereafter.
Assessment of contested electoral and executive system reforms (Section 4.3.7)	Assess electoral thresholds, constructive motions of no confidence, recall mechanisms, executive arrangements and wider electoral reform against constitutional compatibility, representation, accountability, stability, autonomy, evidence and transition consequences.	Lead: Government through the responsible national institutions, coordinated by DCoG. Support: provinces, SALGA, municipalities, political parties and relevant legal and electoral institutions.	Longer-term systemic reform agenda: begin consultation and constitutional, legal and transition assessment after adoption without indicating a preferred outcome.

Chapter 5: Administrative system: depoliticised, capable and digital

5.1 Problem statement: why change is necessary

South Africa already has important legal and policy foundations for professional municipal administration. Capable administration is possible where municipal managers and senior managers are appointed on merit, protected to manage lawfully, supported by functioning teams and systems, and held to fair and auditable performance standards. The 2022 professionalisation framework, minimum competency rules, statutory responsibilities for municipal managers and senior managers, professional bodies, training institutions and emerging digital reforms all provide a base on which to build.

The problem is uneven implementation. In too many municipalities, politicised appointments, blurred political-administrative boundaries, high turnover and prolonged acting appointments in senior posts, weak protection for lawful professional judgement, fragmented capability building, consultant dependency, weak records, disconnected systems and poor data make the municipal administration unstable and vulnerable to corruption, weak performance and service failure. These failures reinforce one another. Unstable leadership weakens accountability and institutional memory; inadequate technical capacity undermines infrastructure and asset management; and fragmented digital, records and reporting systems make problems harder to detect and correct. The laws and regulations are extensive, but national and provincial monitoring, support and enforcement are uneven. Reform must therefore strengthen appointment integrity, role clarity, leadership stability, professional and technical capability, digital governance and decision-useful reporting as a connected programme.

The evidence also points to an erosion of technical authority and capacity. Built environment, infrastructure and asset management disciplines often no longer carry sufficient weight in senior decision-making, even though service reliability depends on professional judgement, maintenance planning, project preparation and lifecycle asset management. Professionalisation cannot therefore be treated only as a generic management or human resources issue. Municipal capability depends on ensuring that critical technical disciplines are present at sufficient seniority, are heard in strategic and operational decisions, and are governed by credible competency and, where appropriate, recognised professional standards.

5.2 Policy intent and principles

5.2.1 Policy purpose and intended outcomes

The policy intent is to rebuild municipal administrations that are professional, lawful, stable, capable and digitally enabled, while remaining accountable to elected councils and communities. Administrative reform is not a narrow human resources exercise or an information and communications technology (ICT) modernisation project. It is a core system reform that shapes whether municipalities can plan, procure, manage staff, deliver services, maintain assets, respond to residents, engage partners, uphold the rule of law and preserve institutional knowledge across successive administrations. Administrative systems also give practical effect to constitutional values of ethics, impartiality, accountability and service to the public. They determine whether residents can access information, challenge billing and other decisions, report service failures, obtain reasons and secure timely responses. A capable administration must therefore support administrative justice, accessible communication, ethical conduct, workplace learning, service orientation, technical stewardship and practical downward accountability, especially for poor and vulnerable residents.

The policy choice is to retain democratic local government while tightening the conditions for professional administration in practice. This means making merit, integrity and competence the gateway into senior municipal management, protecting lawful administration against improper interference, linking professionalisation to real institutional capability, restoring and protecting core technical disciplines, reducing consultant substitution, and building a municipal digital backbone that simplifies reporting requirements, strengthens records, workflows, audit trails, transparency and decision-making. Some design questions remain open and are identified as matters for further consultation or later technical work.

5.2.2 Governing principles

Professional administration serves the whole municipality. The municipal administration must act impartially, lawfully and in the public interest. Professional competence, integrity and suitability for public trust should carry greater weight than political, factional or personal considerations.

Democratic leadership and administrative authority have distinct but complementary roles. Councillors provide political leadership, make policy choices, approve budgets and exercise oversight. The municipal administration gives effect to lawful decisions and manages operations. Effective local government depends on both respecting their respective roles and maintaining clear lines of accountability between them.

Merit, integrity and competence must govern senior appointments. Municipal managers and senior managers must be appointed through transparent, auditable and non-partisan processes based on demonstrated competence, integrity and suitability for public trust. Appointment requirements must be enforceable, and unlawful appointments must have effective consequences.

Lawful administration must be protected from improper political interference. Councillors must exercise policy leadership, representation and oversight through authorised structures and channels. Municipal officials must manage administration and operations within the law, implement lawful council decisions and serve the municipality and its communities rather than any party, faction or coalition arrangement.

Administrative stability must support, not weaken, accountability. Municipal administrations require continuity, institutional memory and protection against arbitrary disruption. Stability must be balanced by fair and effective accountability for performance, conduct and the lawful use of public authority.

Professionalisation is an institutional responsibility. Municipal capability depends not only on the qualifications of individuals but also on coherent systems for recruitment, workplace learning, ethical conduct, practical experience, professional development, career progression and organisational performance. Professionalisation should strengthen the institution.

Technical judgement and long-term stewardship are essential to municipal performance. Decisions affecting infrastructure, services, assets, finance and the built environment should be informed by competent professional and technical advice. Municipalities must take responsibility for the full lifecycle of public assets and avoid arrangements that erode internal capability or institutional knowledge.

Digital systems must serve governance and the public interest. Technology should simplify administration, strengthen records and accountability, improve service access and support reliable decision-making. Digital reform should promote interoperability, security, transparency

and inclusion, while protecting privacy, lawful data custody and access for people who cannot use digital channels.

Information reporting must support action. Performance information, records and reporting should help councils, municipal managers, oversight institutions and communities understand what is happening, identify risks and act on failure. Administrative requirements should be proportionate, coherent and focused on service outcomes, corrective action and public accountability rather than repetitive compliance.

5.3 Policy choices and key reforms

5.3.1 Professionalise senior municipal management and safeguard appointment integrity

Government will strengthen the integrity of recruitment and appointment processes for municipal managers and managers directly accountable to them. These senior managers must be appointed through merit-based, competency-based, non-partisan and transparent processes that are difficult to manipulate and easy to audit. Recruitment and selection must therefore include standardised competency requirements, suitably qualified independent panels, conflict-of-interest checks, documented assessments and ranked appointable shortlists supported by written reasons.

Recruitment to these posts must include stronger pre-appointment integrity and competence screening, including verification of qualifications, employment history, conflicts of interest, disciplinary history where lawfully accessible, and other relevant indicators of suitability for public trust. Political or factional suitability, patronage and so-called cadre deployment must not substitute for merit, integrity and demonstrable competence or influence the recruitment and appointment process.

Where a council departs from a ranked shortlist, it must record and publish lawful reasons within the limits of the law. Municipalities should be required to publish a summary of appointment panel processes and scoring outcomes. Provincial and national monitoring of appointment requirements must be strengthened, and unlawful appointments must trigger firmer corrective action.

Appointments to senior management and key technical posts must take proper account of the disciplines on which municipal performance depends, including finance, engineering, planning, infrastructure management, supply chain management, contract management, data and communications. Government will strengthen consequences for knowingly making unlawful or clearly unsuitable appointments, including collective or individual liability and possible disqualification for councillors who knowingly approve unlawful appointments.

All senior management employment contracts should contain a non-partisan duty of care to the whole community, annual public declarations of party positions or activities, and dismissal for false statements or non-disclosure.

Appointments to municipal entities and key technical leadership posts should be governed by the same clear, enforceable professional standards that prioritise competence, integrity and political non-partisanship in the municipal administration.

This reform must begin from the start of the next municipal term after the forthcoming local government elections through stronger enforcement, model recruitment instruments, guidance and compliance monitoring. DCoG and Provincial DCoGs must build their capacity to lead,

monitor and act consistently, and municipalities must implement lawful and transparent recruitment.

Government will consult further on whether appointment authority for managers directly accountable to the municipal manager should remain with councils under a tighter integrity framework or shift more clearly to municipal managers so that administrative accountability and appointment authority are better aligned through an amendment to section 56(1)(a) of the Local Government: Municipal Systems Act.

Government will also consult on the extent to which strengthened independent recruitment arrangements should apply to managers directly accountable to municipal managers and other critical senior posts. The objective is senior administrative appointments that are merit-based, professionally assessed and resistant to manipulation, while preserving lawful accountability.

Further work is required on model recruitment rules, the design and composition of independent panels, standardised assessment tools, disclosure rules, publication requirements, professional registration questions for selected posts, and the interaction between appointment reforms, labour law and municipal governance legislation.

5.3.2 Protect lawful administration through clear controls, records and reporting

Chapter 4 defines the duties of councillors and political office-bearers, prohibited political interference and the consequences that must follow. This section establishes the administrative controls required inside the municipality to protect lawful decision-making and create a reliable record when improper influence is attempted.

Municipal managers must maintain authorised instruction channels, current administrative delegations and clear decision routes for staffing, procurement, contract management, billing, debt enforcement, investigations, enforcement and operations. Instructions that affect an administrative decision must be given through the authorised channel and recorded in a form that identifies the decision, the person giving the instruction, its legal basis and the official responsible for implementation.

Municipal administrations must preserve appointment records, procurement records, correspondence, minutes, system logs and other evidence needed to test whether a decision was lawful and free from improper influence. Municipal officials must record and report suspected interference without being required to confront the person concerned or compromise an investigation.

Municipalities, provinces and competent national institutions must maintain reporting and escalation routes for suspected interference. These routes must provide for secure receipt, evidence preservation, referral, case tracking and follow-through. Patterns of interference, repeated attempts to bypass controls or retaliation against municipal officials must be escalated through the Chapter 4 misconduct and integrity system and to the competent oversight, regulatory or law enforcement institution where required.

Municipal officials who refuse unlawful instructions, disclose wrongdoing, preserve evidence or otherwise protect lawful administration must receive practical institutional protection. Where the risk is credible and material, protection must include workplace, legal, psychosocial and safety support coordinated across municipal, provincial and national authorities.

Much of this reform can proceed under current law through model administrative delegations, instruction and record standards, municipal rules, secure reporting channels and enforcement.

Further legal work may strengthen protection, evidence-preservation duties and consequences for persons who obstruct lawful administration or retaliate against municipal officials.

5.3.3 Stabilise senior management, performance management and fair tenure

Government will pursue a more stable but still accountable framework for senior municipal management. Changes in mayor, coalition or political leadership are not in themselves lawful grounds for suspending or removing senior managers. Senior performance management must be evidence-based, fair, documented and linked to actual delivery, organisational capability, financial control and lawful conduct. Where infrastructure and utility performance is a central risk, senior performance management should also include evidence-based indicators on asset condition, maintenance execution, infrastructure delivery backlogs, technical compliance and service reliability.

The position of municipal manager should be placed at the centre of rebuilding competent and ethical municipal administrations. This starts with insulating the appointment, tenure and performance management of municipal managers from factional politics and undue political influence. To protect continuity and reduce manipulation, future municipal managers, once the recruitment reforms have been institutionalised in practice, should be appointed on longer fixed-term contracts, for example, between seven and ten years, so that appointments are delinked from the electoral cycle.

Vacancy and acting arrangements in critical senior posts must be reduced and monitored because prolonged instability undermines implementation. Performance and discipline systems must distinguish between justified accountability and the negative impact of politically driven churn, and councils and competent authorities must act consistently where poor performance, misconduct or incapacity is real and material, through fair process and written reasons. Performance assessment for municipal managers should be supported by clearer national standards and more independent verification arrangements linked to service delivery, financial sustainability, governance integrity, infrastructure management, organisational capability, relationship management and audit outcomes. Where reform affects staff structures, grading, deployment or reporting lines, municipalities and competent authorities must apply transparent, consultative and lawful transition arrangements that protect service continuity, institutional knowledge, retraining and redeployment where appropriate, and conditions of service.

This reform can begin through stronger performance disciplines, better monitoring of acting arrangements and vacancies, and clearer implementation guidance. DCoG, provinces and municipalities all carry responsibilities.

Further work is required to design the longer fixed-term tenure framework, including performance management standards, lawful termination rules, transition arrangements for current incumbents, and alignment with labour law, municipal legislation and Chapter 11 transition arrangements.

5.3.4 Build a coordinated municipal professionalisation pathway

Government will treat professionalisation as institutional capability building rather than training attendance alone. The National Framework towards the Professionalisation of the Public Sector (2022) must be given practical effect in local government through a coordinated municipal pathway covering entry requirements, competencies, practical experience, ethical standards, continuing development and progression. Competency milestones must be linked to

appointment, progression and performance, especially for senior management and critical roles. Capability building must strengthen operating teams, communities of practice and municipal systems rather than rely on individual high performers alone, and differentiated support must provide realistic pathways for municipalities with limited capacity, particularly smaller, rural and distressed municipalities, rather than impose one-size-fits-all requirements. Recognition of prior learning and worker experience should be included where appropriate so experienced municipal officials and workers are not unfairly excluded during transition.

Government will use and strengthen existing professional, training and learning infrastructure wherever this can advance municipal capability more quickly and credibly than building parallel systems. Recognised professional bodies, training authorities, public learning institutions and local government management bodies should be used deliberately in fields such as finance, audit, risk, infrastructure and governance. Any future statutory professional municipal service or management mechanism must complement rather than duplicate sector-specific systems.

Professionalisation must also include a municipal talent and skills strategy for scarce and specialist functions, including graduate entry pathways, workplace learning, mentoring, secondments, peer support and skills sharing across municipalities and spheres, with attention to finance, technical service delivery roles, and the needs of smaller, rural and distressed municipalities. In technical service delivery functions, professionalisation must address the engineering and infrastructure skills pipeline through candidacy and mentorship pathways, supervised technical exposure, professional registration support and retention strategies for experienced practitioners.

Professionalisation must extend beyond senior management where performance depends on competence throughout the operating chain. In municipal finance, government will support a pathway from entry-level and administrative roles to management and chief financial officer level, using qualifications, workplace experience, recognition of prior learning where appropriate, and relevant professional designations. Professionalisation and capability reform must be implemented after consultation with organised labour. Where conditions of service, grading, deployment, training pathways or workplace change are affected, municipalities must use appropriate collective bargaining and consultation mechanisms and draw on practical operational knowledge from the workforce. The pathway must align with municipal Workplace Skills Plans, human resource development strategies, occupational pathways, workplace learning, internships, artisan and candidacy development, the Municipal Staff Regulations and related competency frameworks.

Capability development must address behaviour, organisational culture and service ethos, including lawful conduct, accountability, Batho Pele-orientated service, learning discipline, change readiness, ability to partner and collaborate, ethics, anti-corruption responsibilities and standards of conduct.

The DCoG must lead and convene the municipal professionalisation pathway, working with the Department of Public Service and Administration to align local government reform with the National Framework Towards the Professionalisation of the Public Sector. The DCoG remains responsible for municipal policy, regulations, implementation guidance, differentiated support and coordination with provinces and municipalities. It should convene a national local government skills partnership with National Treasury, SALGA, the National School of Government, the Local Government Sector Education and Training Authority (LGSETA), education and training institutions, quality councils, municipalities and relevant professional bodies.

The Public Service Commission should participate in the design of the professionalisation assurance framework, including the section 195 values and indicators against which recruitment, personnel practices, ethical conduct, administrative stability and institutional performance will be assessed. This participation must not make the Commission responsible for implementing the systems it must later evaluate.

Subject to the commencement of legislation extending its jurisdiction to municipalities, the Public Service Commission should provide independent oversight, assurance and advice and, within its statutory mandate, investigate municipal personnel and administrative practices, unresolved employee grievances and systemic weaknesses; require corrective responses; and report persistent non-compliance. It should not assume operational responsibility for training, accreditation, workforce planning or routine municipal support.

Government will consult further on whether local government requires a distinct statutory professional municipal service or management body and how this should relate to existing professional bodies, labour arrangements and municipal autonomy. For senior financial, governance and other critical professional roles, government should also consider whether ongoing affiliation to a recognised professional body and continuing professional development should form part of the competency and integrity framework.

Further work is required on competency frameworks, learning pathways, accreditation and recognition rules, labour engagement, role differentiation, budget implications, independent assurance arrangements and the institutional form of any statutory professionalisation mechanism. This work must align Workplace Skills Plans, continuing professional development, recognition of prior learning and professional body support, especially in municipalities with limited capacity.

5.3.5 Protect technical capability, reduce consultant dependency and support low-capacity municipalities

Government will protect the technical and organisational capabilities on which municipal performance depends. Every municipality must have access, directly or through shared arrangements, to core technical disciplines required for lawful administration and reliable service delivery, including finance, engineering, planning, infrastructure and asset management, supply chain management, contract management, legal, ICT, data and records management. This includes the municipal finance workforce below senior management level.

Municipalities with significant infrastructure responsibilities should maintain technical capacity proportionate to the scale, complexity and risk profile of their services and assets, and government should develop guidance on the relationship between infrastructure responsibilities, infrastructure expenditure, organisational positioning of technical leadership, and availability of appropriately registered engineering and built environment professionals. Where a municipality utilises an external service provider, the correct contract management skills must first be in place.

Where infrastructure, utilities, planning and asset stewardship are central, senior technical advice must materially inform strategy, budgeting, procurement, maintenance and implementation. Senior technical leadership should be positioned at a level that can influence core administrative decisions and carry weight comparable to other core functions.

Government will review whether selected senior technical posts, especially those responsible for infrastructure planning, engineering services, asset management and regulated built

environment functions, should be subject to clearer national competency requirements, recognised professional standing and, where required, mandatory professional registration.

Municipalities must manage long-life public assets on a lifecycle basis, not as short-term capital projects alone. This requires continuity of asset information, maintenance planning, renewal planning, operating discipline and technical accountability across leadership changes.

Where scale, geography or labour market constraints make internal capacity difficult, shared services, pooled expertise, remote support and structured partnerships must be used with clear accountability. National and provincial support must be differentiated, with simpler tools and practical problem-solving for municipalities with limited capacity, particularly smaller, rural and distressed municipalities.

Municipalities should reduce harmful dependence on prolonged vacancies, inappropriate casualisation, and routine substitution of permanent capability with labour-brokered, temporary or outsourced arrangements where this weakens accountability, institutional memory, skills retention or service reliability.

Consultant use must be limited to temporary specialist work, surge support or structured capability transfer and must not become a long-term substitute for internal capability. Implementation should include skills sharing, mentoring and secondment arrangements.

Staff structure reform should support a better balance between technical and service delivery functions and support functions, especially where weak frontline technical capacity constrains maintenance, infrastructure delivery and regulatory compliance. Retention measures for scarce and rural skills must form part of implementation and fiscal design. Much of this can proceed through policy, support design, grant conditions, monitoring and intergovernmental coordination. Chapter 8 carries fiscal implications, while Chapter 9 carries linked implications for technical service delivery capability.

Further work is required on contract management for shared service models, scarce skills retention, remuneration and incentives, consultant use guidance, monitoring tools, the relationship with differentiated municipal support models, and guidance on the organisational positioning of senior technical authority.

5.3.6 Build a municipal digital backbone as a governance reform

Government will build a municipal digital backbone as a governance reform rather than an ICT side project. The municipal digital backbone must be the local government component of South Africa's national Digital Public Infrastructure, connecting municipal systems to shared identity, payments, notifications and data exchange platforms rather than rebuilding them at municipal scale. The backbone must use shared standards, foundational registries, interoperable systems, open application programming interfaces (APIs), secure data exchange and modular technologies rather than closed, monolithic or vendor-driven platforms.

Municipalities should presumptively reuse shared national components where these exist. Municipal data must remain with its lawful custodian and interoperate through a federated municipal data layer, using MzansiXchange as the national government data exchange platform. Shared infrastructure must follow subsidiarity, with operational data management and analytics as close as possible to the municipality and service function, while enabling secure exchange, comparable reporting and lawful oversight.

The citizen experience of municipal services portals should be treated as a national standard rather than as 257 separately procured portals while respecting local government's

constitutional position and allowing municipal adaptation at the interface. Digital reform must support records management, procurement transparency, contract management, service requests, complaints handling, revenue administration, asset information, council processes, early warning, public dashboards, management information, place-based planning, climate governance and disaster preparedness.

Public-facing systems must operate against clear service standards, escalation paths and auditable timelines, while preserving non-digital access. The digital backbone must also support engineering governance and infrastructure stewardship, including as-built drawings, technical records, asset information across the infrastructure lifecycle, linkage between technical and financial asset registers, maintenance planning, renewal planning and spatially informed asset management.

Digital reform must strengthen financial integrity by drawing on municipal finance, accounting, audit trail, reporting and internal control expertise, and capability building for municipal finance officials and affected staff must be part of implementation.

Digital governance arrangements must align with national reforms and mandates, including the Digital Transformation Roadmap, shared identity and notification capabilities, and the national data exchange environment. Governance must be strategy-led and transversal, with clear roles for the DCoG, National Treasury, provinces, municipalities and the national custodian of Digital Public Infrastructure standards and the shared citizen experience layer. Transparency by default, privacy by design, cybersecurity by design and procurement safeguards against vendor lock-in must be built in from the start, including open data formats, open APIs, exit clauses and source code escrow above defined thresholds where appropriate.

Digital systems should strengthen ethics and anti-corruption controls through lawful conflict-of-interest checks, audit triggers, exception reporting and procurement red-flagging.

Because large municipal ICT procurements carry corruption and lock-in risks, reform must favour modular, auditable and sequenced procurement with strong transparency, interoperability and contract management safeguards.

Digital channels must complement, not replace, face-to-face and other non-digital channels. Shared national channels should support voice, unstructured supplementary service data (USSD), call centre access, short message service (SMS), WhatsApp and accessible web services alongside smartphone applications.

Digital transition must be phased, differentiated and realistic. Early phases should prioritise high-value and feasible use cases, minimum data, records, interoperability and workflow disciplines for credible early warning and operational management, and practical adoption support for municipalities with limited capacity, particularly smaller, rural and distressed municipalities. Municipalities with stronger systems should conform through interoperability, standards and shared components without unnecessary disruption, while municipalities with limited capacity should receive intensive transition support, shared services and guided adoption pathways.

A substantial part can begin under the current framework through standards, guidance, coordination, phased implementation and procurement reform. The DCoG must lead the municipal digital governance framework with National Treasury, the State Information Technology Agency where relevant, provinces, municipalities and the national digital custodian. National Treasury must align financial system requirements, reporting norms and

oversight expectations and should make compliance with agreed national Digital Public Infrastructure standards a condition of grants and supply chain management instructions that fund municipal ICT. The Transition Management Body must coordinate the local government digital transition workstream with the Interdepartmental Working Group on Digital Transformation and the Digital Service Unit in the Presidency.

Administrative and digital reform must align with national financial system and reporting reforms rather than create parallel architectures. The digital backbone, records systems, reporting standards and workflow reforms should work coherently with municipal financial management reforms, standard charting and coding arrangements, procurement controls, and rationalised reporting frameworks led by National Treasury and other competent institutions.

Government will consult further on the detailed architecture and institutional arrangements for the digital backbone, including the location of the national digital custodian, the balance between federated municipal systems and shared national components, the design of any shared citizen experience layer, and the institutional form for a dedicated digital transition mechanism.

Further work is required on data standards, foundational registries, interoperability rules, data access agreements, procurement system design, privacy and cybersecurity requirements, shared service options, connectivity constraints, records management standards, citizen channel design, accessibility standards, phased rollout and support arrangements, and the role of professional councils and recognised professional bodies in competency requirements for senior technical posts.

5.3.7 Improve decision-useful performance management, records and reporting discipline

Government will simplify and strengthen administrative reporting and performance systems so that they support management, oversight and service reliability rather than symbolic compliance. Performance information must focus on a prioritised set of indicators linked to service reliability, revenue performance, assets, maintenance, complaints, risks and corrective action. Performance systems should include a limited set of public-facing accountability indicators, such as complaint resolution, billing dispute turnaround times, maintenance follow-through, accessibility of information, responsiveness to service failures, and other measures of administrative fairness and reliability.

Reporting and audit evidence requirements should be rationalised where they are duplicative, unstable or burdensome without improving outcomes. Data should be collected once in agreed formats and then accessed by authorised institutions rather than repeatedly requested. New information requirements should replace weaker or duplicative demands and improve decision-making. National Treasury, DCoG and other authorised institutions should align definitions, reporting windows, evidence standards and data access arrangements so that data collected once can be reused lawfully for oversight, support, audit and performance management. This work should be coordinated through the proposed Coordination Centre in Chapter 3. Records management, workflow and audit trail systems must be strengthened so that information is captured as part of ordinary administration rather than assembled later for compliance.

Councils, managers, provinces and communities must be able to access usable administrative information in forms appropriate to their roles, including public dashboards and simple analytical tools that read agreed indicators through shared data exchange arrangements rather than centralised data warehouses wherever feasible and lawful. Performance management

must protect reasonable managerial discretion while preserving lawful accountability and audit independence. It should also support team-based accountability where appropriate, especially in frontline functions that depend on coordinated operational performance. Reporting reform should shift incentives away from paper compliance and towards verified delivery, corrective action and sustained operational performance.

Reporting reform is urgent and should be prioritised by the Transition Management Body. Much of this can proceed under the current framework through rationalised reporting, better guidance, digital workflow reform, common data standards and improved intergovernmental coordination. This reform stream overlaps with Chapters 3, 4, 6 and 11 and must be implemented consistently across them.

Further work is required on rationalised reporting frameworks, evidence standards, dashboard design, records management rules, interoperability, data access protocols, links to audit processes, the relationship between performance interpretation and support functions, and institutional arrangements for a more coherent compliance architecture.

5.3.8 Implementation and councillor responsibilities

Implementation must begin after adoption of the White Paper and be sequenced through the immediate and longer-term reform agendas in Chapter 11. The DCoG must lead the administrative reform stream, provinces must strengthen monitoring and differentiated support, and municipalities must apply the recruitment, capability, performance, records and digital disciplines set out in this chapter. The Transition Management Body must coordinate cross-government dependencies and track delivery without displacing the statutory responsibilities of councils, municipal managers, MECs, departments or oversight institutions.

Most immediate reforms can begin under current law through enforcement, guidance, municipal rules, model instruments, support and transparent reporting. Legislative or regulatory change will be required where government changes appointment authority, tenure, statutory consequences, professionalisation institutions or mandatory digital and data obligations. Workforce changes must comply with labour law and collective agreements and protect service continuity and institutional knowledge.

The integrated post-election induction and continuing development programme in section 11.5.1 incorporates the Chapter 5 responsibilities for councillors.

5.4 Implementation priorities

The implementation table below summarises the required actions, responsibilities and time horizons. Detailed consultation and technical design remain in the relevant reform sections and are not repeated here.

Priority Projects	Action required	Responsibility	Timeframe
Model senior recruitment and selection instruments (Section 5.3.1)	Issue model rules for panel composition, competency assessment, integrity screening, conflict checks, ranked appointable shortlists, written reasons, disclosure and publication.	Lead: DCoG. Support: provincial departments responsible for local government, SALGA and municipalities.	Immediate reform agenda: prepare the instruments before the next municipal term; apply them from the start of that term.
Appointment integrity monitoring, duty of care and consequences (Section 5.3.1)	Monitor compliance with senior appointment requirements; publish lawful reasons for departures from ranked shortlists; include non-partisan duty-of-care and disclosure clauses in senior contracts; act on unlawful appointments and false disclosure.	Lead: municipal councils and provincial departments responsible for local government. Oversight: DCoG and competent oversight or law enforcement institutions.	Immediate reform agenda: apply from the start of the next municipal term and continue on an ongoing basis.
Section 56 appointment authority and independent recruitment framework (Section 5.3.1)	Consult on whether appointment authority for managers directly accountable to the municipal manager should remain with councils or shift to municipal managers; settle the coverage of independent recruitment arrangements; prepare any required amendments.	Lead: DCoG. Support: SALGA, municipalities, provinces and institutions responsible for labour and municipal governance law.	Longer-term systemic reform agenda: proceed after consultation and a policy decision.
Administrative delegations, instruction channels and decision records (Section 5.3.2)	Establish current administrative delegations and authorised instruction channels; require written or auditable instructions and decisions; identify legal authority and responsibility; and preserve appointment, procurement, contract, billing, enforcement, investigation and operational records and system logs.	Lead: DCoG. Implementation: municipal managers and municipal administrations. Municipal councils approve delegations where the law requires. Monitoring and support: provinces.	Immediate reform agenda: issue model administrative delegation, instruction and record standards before the next municipal term; municipalities apply them from the start of that term.

Priority Projects	Action required	Responsibility	Timeframe
Administrative reporting, evidence-preservation and protection protocols (Section 5.3.2)	Establish secure routes to report suspected interference; preserve evidence; track and escalate referrals; protect municipal officials who refuse unlawful instructions, disclose wrongdoing or preserve evidence; and provide workplace, legal, psychosocial and safety support where risk is material. Apply the Chapter 4 conduct and consequence framework to the reported political conduct.	Lead: DCoG. Implementation: municipalities and provinces, with competent national oversight, protection, regulatory and law enforcement institutions within their mandates.	Immediate reform agenda: develop protocols after adoption and make them operational from the start of the next municipal term. Longer-term systemic reform agenda: strengthen statutory protection, evidence-preservation and anti-retaliation duties where required.
Vacancy and acting appointment control (Section 5.3.3)	Set and monitor controls for prolonged vacancies and acting appointments in critical senior posts; require corrective plans where instability persists.	Lead: DCoG and provinces. Implementation: municipal councils and municipal managers.	Immediate reform agenda: begin after adoption; complete the first system review within six months and monitor continuously thereafter.
Senior performance management and independent verification (Section 5.3.3)	Issue clearer national performance standards linked to delivery, financial control, governance integrity, infrastructure, organisational capability, relationship management and audit outcomes; strengthen independent verification and fair disciplinary processes.	Lead: DCoG. Support: provinces, municipalities and the Department of Public Service and Administration, where relevant.	Immediate reform agenda: have the standards ready before the next municipal term; apply them from its first performance cycle.
Longer fixed-term tenure framework for municipal managers (Section 5.3.3)	Design the longer fixed-term contract, lawful termination and transition framework, including treatment of current incumbents and alignment with labour law and municipal legislation.	Lead: DCoG. Support: provinces, municipalities and institutions responsible for labour law.	Longer-term systemic reform agenda: apply the framework prospectively after the legal and labour design is completed.

Priority Projects	Action required	Responsibility	Timeframe
National local government skills partnership (Section 5.3.4)	Establish the partnership, agree governance and workstreams, and align national support, learning, accreditation, workplace development and professional body contributions.	Lead: DCoG. Partners: Department of Public Service and Administration, National Treasury, provinces, SALGA, National School of Government, Local Government Sector Education and Training Authority, municipalities, quality councils, education and training institutions and professional bodies.	Immediate reform agenda: establish the partnership after adoption of the White Paper; have the programme ready within six months.
Municipal professionalisation, talent and skills pathway (Section 5.3.4)	Develop linked entry, competency, practical experience, ethics, recognition of prior learning, continuing development and progression pathways with differentiated support for municipalities with limited capacity and scarce technical functions.	Lead: DCoG with Department of Public Service and Administration. Implementation partners: the national skills partnership, provinces and municipalities.	Immediate reform agenda: begin the phased rollout after six months.
Public Service Commission assurance framework and municipal oversight (Section 5.3.4)	Define section 195 indicators and assurance methods for recruitment, personnel practice, ethics and administrative stability; prepare inspection, investigation, corrective response and reporting arrangements.	Independent assurance: Public Service Commission, within its constitutional and statutory mandate.	Longer-term systemic reform agenda: activate expanded municipal oversight when enabling legislation commences.
Statutory professional municipal service and professional affiliation decision (Section 5.3.4)	Consult on a statutory professional municipal service or management body and on continuing professional affiliation for designated senior roles; assess legal, labour, institutional, fiscal and municipal autonomy implications.	Lead: DCoG. Support: Department of Public Service and Administration, National Treasury, Public Service Commission, SALGA, municipalities, organised labour and relevant professional bodies.	Longer-term systemic reform agenda: take a decision after the required legal, labour, institutional and fiscal review.

Priority Projects	Action required	Responsibility	Timeframe
Municipal technical capability baseline and access plans (Section 5.3.5)	Assess access to finance, engineering, planning, infrastructure and asset management, supply chain, contract management, legal, ICT, data and records skills; require internal, shared or supported arrangements to close material gaps.	Lead: Municipalities. Support and monitoring: DCoG, provinces, National Treasury and relevant professional bodies.	Immediate reform agenda: begin after adoption; complete the baseline and access plans within 18 months.
Consultant use and capability transfer controls (Section 5.3.5)	Issue controls limiting consultants to temporary specialist work, surge support or structured capability transfer; require mentoring, skills transfer, accountable contract management and protection of institutional records.	Lead: DCoG and National Treasury. Implementation: provinces and municipalities.	Immediate reform agenda: issue the controls before the next municipal term; apply them to new consultant and shared service contracts from the start of that term.
Workforce stability and controls on substitution of permanent capability (Section 5.3.5)	Set differentiated controls on labour-brokered, temporary, casual and outsourced staffing where these arrangements substitute routinely for permanent municipal capability or weaken accountability, institutional memory, skills retention or service reliability. Define when external capacity is justified, require service-continuity and capability-transfer measures, and provide for consultation with organised labour and lawful transition arrangements.	Lead: DCoG, working with National Treasury and institutions responsible for labour policy. Implementation: municipalities and provinces, with organised labour consulted through the applicable collective bargaining and workplace processes.	Immediate reform agenda: develop the control framework and assess high-risk dependence on temporary, labour-brokered and outsourced substitution. Longer-term systemic reform agenda: implement workforce and fiscal reforms that rebuild stable internal capability while retaining justified specialist, surge and shared-service arrangements.

Priority Projects	Action required	Responsibility	Timeframe
Shared services, scarce skills retention and technical leadership framework (Section 5.3.5)	Design accountable shared service and pooled expertise models, scarce skills retention and incentive measures, and guidance on the organisational standing of senior technical authority.	Lead: DCoG and National Treasury. Support: provinces, municipalities and relevant professional bodies.	Longer-term systemic reform agenda: phase implementation after technical and fiscal design.
Professional requirements for designated technical posts (Section 5.3.5)	Review competency, recognised professional standing and mandatory registration requirements for designated infrastructure, engineering, asset management and built environment posts.	Lead: DCoG. Support: municipalities, provinces and relevant professional councils and bodies.	Immediate reform agenda: review the requirements after adoption. Longer-term systemic reform agenda: apply them prospectively to designated posts once standards are approved.
First-phase municipal digital standards and priority use cases (Section 5.3.6)	Agree minimum interoperability, data, records and workflow standards; identify feasible priority use cases; connect municipalities to available national identity, payment, notification and data exchange components; provide differentiated adoption support.	Lead: DCoG. Support: National Treasury, provinces, municipalities, the national digital custodian and State Information Technology Agency where relevant. Coordination: Transition Management Body.	Immediate reform agenda: agree the standards and priority use cases after adoption; begin first-phase implementation within 12 months.
Municipal digital backbone architecture and shared components (Section 5.3.6)	Settle the federated architecture, foundational registries, shared citizen experience layer, data access arrangements, institutional custodian and transition mechanism. Build out shared components without replacing lawful municipal data custody.	Lead: National digital custodian with DCoG and National Treasury. Partners: provinces, municipalities and State Information Technology Agency where relevant.	Longer-term systemic reform agenda: phase the rollout as national Digital Public Infrastructure components are approved and become available.

Priority Projects	Action required	Responsibility	Timeframe
Digital procurement, privacy, cybersecurity and accessibility safeguards (Section 5.3.6)	Issue minimum rules for modular procurement, open standards and APIs, exit clauses, source code escrow where appropriate, privacy, cybersecurity, accessible channels, non-digital access and protection against vendor lock-in.	Lead: DCoG and National Treasury, with the national digital custodian. Implementation: municipalities and provinces; State Information Technology Agency where relevant.	Immediate reform agenda: put minimum safeguards in place before first-phase procurements; apply them to every new municipal digital procurement thereafter.
Reporting rationalisation and data once framework (Section 5.3.7)	Remove duplicative reporting and audit evidence demands. Align definitions, evidence standards and reporting windows. Establish lawful reuse of data collected once across authorised institutions.	Lead: National Treasury and DCoG, thereafter, through the Coordination Centre, once established. Partners: provinces, municipalities and other authorised institutions.	Immediate reform agenda: prioritise the work after adoption; issue the first rationalised requirements before the next municipal reporting cycle.
Records, audit trails and role-appropriate dashboards (Section 5.3.7)	Strengthen records and workflow systems so evidence is created in ordinary administration; provide council, management, provincial and public dashboards using agreed indicators and interoperable data access.	Lead: municipalities. Standards and support: National Treasury, DCoG, provinces and the national digital custodian.	Immediate reform agenda: begin phased implementation from the start of the next municipal term. Longer-term systemic reform agenda: expand the records, audit trails and dashboards as systems become interoperable.
Chapter 5 transition coordination and project tracking (Section 5.3.8)	Coordinate cross-government dependencies, maintain project-level implementation tracking, escalate delays and report progress without displacing the statutory responsibilities of councils, municipal managers, MECs, departments or oversight institutions.	Lead: Transition Management Body. Reform lead: DCoG. Delivery partners: responsible institutions listed for each project.	Immediate reform agenda: coordinate and track the projects from adoption of the White Paper through the transition period.

Chapter 6: Citizen and community relations: from participation to collaboration and partnering

6.1 Problem statement: why change is necessary

South Africa has a strong constitutional and legislative foundation for public participation in local government. The municipal council, the municipal administration and the community of the municipality are intended to form a democratic local system in which residents influence priorities, monitor performance and hold councillors and municipal officials to account. The 1998 White Paper established developmental local government as a system that works with communities and local institutions to meet social, economic and material needs. That foundation remains valid.

The main problem is the gap between this framework and everyday practice. Participation is often confined to formal integrated development plan and budget meetings, begins after choices have largely been shaped and is weakly connected to decisions, implementation and feedback. Ward committees and other local arrangements vary widely in quality, representativity and credibility, while electoral wards are not always the right scale for settlements, villages, service areas, precincts or organised interests.

Communities also lack timely and usable information. Budgets, projects, contracts, land use decisions, service standards and performance reports may be difficult to find, late, incomplete or written for specialists. Digital publication alone excludes many residents. Distance, poverty, disability, language, limited literacy, care responsibilities, unsafe public environments and the digital divide deepen these barriers.

These information and access failures weaken participation in planning and budgeting, but they also limit day-to-day accountability for maintenance, project delivery, billing, land use decisions and local regulation. Better organised interests can dominate when ordinary residents cannot obtain the same information or use the same channels.

Citizen care, complaints, petitions and review processes are fragmented. Matters enter through different channels without a common record, clear responsibility, response standard or route for escalation. Complaint patterns are not used consistently for maintenance, management and council oversight. Matters concerning schools, clinics, policing, Eskom and other non-municipal functions are raised locally but are not reliably referred, tracked and reported back through the wider system of government.

Municipalities also struggle to build durable partnerships with communities, civil society, organised business, labour, professional bodies, faith-based organisations, traditional and Khoi-San leadership institutions and other local formations. Engagement is often ad hoc and poorly linked to planning, budgeting and performance. Uncertainty about funding, procurement, grants, concessions, co-management and external service delivery can produce excessive risk aversion, while informal arrangements may proceed without clear roles, safeguards or accountability.

South Africa does not yet have a coherent national civic education framework and implementation strategy. Leadership, institutional roles, content, delivery, funding and monitoring are fragmented, and initiatives are often concentrated around elections or individual campaigns. Many residents therefore lack practical information on municipal responsibilities,

decisions, trade-offs, service standards, rights and responsibilities, indigent support, participation and lawful redress.

Municipal systems also provide uneven protection for safe reporting, social accountability and early conflict prevention. Community evidence, social audits and scorecards are not consistently linked to management and council response, and municipal support, recovery and intervention processes may reshape local governance without adequate public information, worker participation or community accountability.

The result is a relationship that is too often episodic and adversarial. Communities are invited to meetings but cannot see how inputs affected decisions, who is responsible for follow-through or what happens when commitments are missed. Municipalities, in turn, fail to use community knowledge, complaints and organised local capability as part of routine governance and problem-solving.

The root causes are institutional as well as procedural: a compliance-driven participation culture, political gatekeeping, fragmented administration, weak role clarity, poor records and communication, limited feedback, inadequate staff and budgets, uneven facilitation and civic education capability, and weak enforcement. Reform must therefore change operating practice, not merely add meetings or structures.

6.2 Policy intent and principles

6.2.1 Policy purpose and intended outcomes

The White Paper retains the constitutional and statutory foundations of public participation but resets how municipalities relate to communities in practice. It seeks to make participation timely, inclusive and connected to decisions; differentiate participation according to local conditions; move from consultation to structured partnering where appropriate; make information and complaints systems usable; rebuild civic education; and strengthen downward accountability between elections.

Representative democracy and the authority of the elected council remain intact. Collaboration does not replace the council's power to decide, and partnering does not transfer constitutional responsibility away from the municipality. The reforms deepen the relationship between the council, the municipal administration and the community while linking local participation to the cooperative governance arrangements in Chapter 3.

The intended outcome is a continuous relationship in which residents can obtain information, influence decisions, receive responses, seek redress and contribute to agreed local priorities. Municipalities must remain accountable for public powers and resources, while communities must be able to test whether participation and partnership produce visible results.

6.2.2 Governing principles

Participation must be meaningful, inclusive and matched to the decision. Municipalities must distinguish between informing, consulting, involving and collaborating; provide information in advance; record and consider inputs; give reasons; refer matters correctly; track undertakings; and report back within prescribed periods. Participation arrangements must be differentiated according to geography, settlement pattern, capacity and community structures. Ward-level engagement remains important but is not the only channel. Every municipality must meet national minimum standards while using suitable ward, subcouncil, village, area-based, sectoral and recognised community arrangements.

The geographic scale and institutional form must follow the purpose. Municipalities should use structures that connect communities to planning, budgeting, service coordination and oversight without creating competing centres of authority or treating any one structure as the exclusive voice of a community.

Partnering should build on, not replace, participation. It must have a defined public purpose, agreed roles and contributions, transparent governance, review and closure arrangements and council oversight. Partnerships may add capacity and resources and help to deliver collective impact, but they may not obscure responsibility, displace elected authority or confer exclusive representation on organised interests.

All residents have equal civic standing. Municipalities must remove barriers created by poverty, distance, timing, language, disability, inaccessible venues or formats, care responsibilities and the digital divide. Participation must be non-partisan, viewpoint-neutral and protected against political, ideological and organisational gatekeeping.

Inclusion requires deliberate provision for access for women, young people, informal settlement residents, rural and indigenous communities, migrants and non-citizens, people with disabilities and people affected by poverty or unsafe environments. Accessibility and viewpoint diversity must be designed into participation, not added after decisions have been made.

Transparency, citizen care and accountability must be direct and usable. Residents should know what the municipality is doing, who is responsible, how to raise a matter, when a response is due and where review or further redress is available. Safe reporting, privacy and lawful confidentiality must be protected.

Civic education must be continuous, practical, constitutionally grounded and non-partisan. Digital tools should support information, participation, complaints and oversight but must be secure, interoperable and complemented by face-to-face and offline channels.

Downward accountability to communities complements, and does not replace, municipal accountability to provincial and national government. National and provincial institutions must set standards, support weaker municipalities, enforce intergovernmental follow-through and monitor outcomes rather than merely count meetings or activities.

6.3 Policy choices and key reforms

6.3.1 Establish a complete, fit-for-purpose and inclusive participation system

Municipalities must operate a common participation spectrum of informing, consulting, involving and collaborating. The method must suit the decision, its likely effect, the law, the public interest and the needs of affected communities. Every formal process must define its purpose, identify affected groups and barriers, provide accessible information in advance, record and consider inputs, explain their effect on the decision, track undertakings, report back and assess whether participation was inclusive and effective.

Every matter raised through a municipal channel must be logged, classified and assigned to the responsible municipal department, sphere or public entity through a named process with a reference number, liaison official, acknowledgement, response deadline, escalation route and community report-back. Municipalities should be able to track non-municipal matters without assuming the function. The DCoG must establish the mechanism that requires receiving institutions to accept, respond to and report on referrals from municipalities. Failure to act should be escalated.

Municipal support, recovery and intervention processes must include a public participation and accountability plan stating the legal basis, responsibilities, milestones, service implications and expected duration, with structured community and worker input and public progress reporting. Participation must not delay urgent protection of services, finances or assets, but affected communities may not be excluded from decisions that reshape local governance or delivery.

Participation must rest on equal civic standing. Municipalities must reach groups excluded by poverty, distance, language, disability, migration status, care responsibilities, unsafe environments or limited digital access. Disability inclusion must be mainstreamed across communication, planning, budgeting, citizen care and oversight. Participation spaces must be open to lawful religious, moral, cultural and political viewpoints and must not privilege party structures, organised influence or payment status.

Accessible participation requires suitable venues and times, relevant local languages, reasonable accommodation, low-cost and non-digital channels and practical attention to transport, damaged pavements, unsafe crossings and other physical barriers. In rural areas it should also build understanding of spatial planning, settlement growth, land use implications and the respective responsibilities of municipalities, traditional and Khoi-San leadership institutions and other public bodies.

Municipalities should provide for regular participation and may pilot transparent participatory budgeting or comparable co-decision processes for defined local priorities or limited portions of ward-level or area-based capital spending. Councillors and municipal officials responsible for engagement must be trained in facilitation, relational practice and inclusive participation.

Youth advisory structures should have a recurring route into planning, budgeting and oversight without becoming parallel representative bodies. Participatory budgeting pilots may focus on limited local investment in public space, recreation, safety, skills, innovation and other priorities, with published rules, allocations, decisions and implementation results.

The White Paper does not adopt recall of councillors, binding ward authority or parallel community bodies with legislative or budget powers as current policy. These measures would create competing mandates, blur constitutional and fiscal responsibility, expose structures to capture and weaken the accountability of the elected council. Any future consideration of a recall mechanism remains subject to the wider political system review in Chapter 4. Community governance councils or comparable bodies may operate as participation, oversight or partnership structures, but not as parallel municipal authorities unless future constitutional and legal reform provides otherwise. Government must, nevertheless, complete a legal and institutional options review of municipal ombud arrangements, independent billing review and citizen-triggered investigation or targeted review. The review must test duplication, independence, jurisdiction, remedial powers, cost, capacity, evidentiary thresholds, protection against abuse, procedural fairness, timeframes and appeal or review rights and identify differentiated options for different municipal contexts.

The DCoG, provinces and SALGA must develop differentiated guidance, model processes and national minimum standards for notice, methods, accessible information, records, referral, feedback, inclusion and annual assessment. Legislative amendments must follow where enforceable duties cannot be established under the current framework.

Participation processes must also provide safe reporting and protect personal information. Conflict prevention and early warning arrangements may use lawful complaints and service

data to prompt dialogue or referral but may not be used for surveillance, discriminatory profiling or suppression of lawful protest, criticism or civic organisation.

6.3.2 Differentiate ward-level, area-based and community participation

Community participation should not be organised around wards alone. Wards are electoral units based on registered voters, not total resident populations. They may cut across settlements, service areas and communities of interest, and their populations range from approximately 15 000 in larger municipalities to about 400 in some of the smallest. A uniform ward model can therefore distort and weaken participation.

Every municipality must maintain channels suited to its geography, settlement pattern, capacity and community structures. Subcouncils or equivalent area-based structures should be available beyond metropolitan municipalities, including any additional Category A municipalities contemplated in Chapter 2, to cluster wards around functional service, planning or geographic boundaries. Their composition, delegations and accountability must be clear and may not create parallel municipal authority.

Participation records must distinguish matters within municipal responsibility from matters for provincial or national departments and public entities. The ward, area or village at which an issue is raised should not determine whether it is followed through. Each structure must connect to the referral rule in section 6.3.1 and to council and administrative reporting.

In dispersed rural and communal areas, participation may take place below ward level through villages, settlements or other appropriate units, aligned where relevant with the municipality–traditional and Khoi-San leadership arrangements in Chapter 7. Traditional and Khoi-San leadership institutions may not be treated as the only channel of community voice. Municipalities may also recognise residents' associations, civic formations, village committees, sector forums and other legitimate structures under transparent criteria that prevent exclusive representation and gatekeeping.

Remote rural systems must reflect actual access conditions, including dispersed settlement, long distances, weak transport and the time and cost of reaching municipal offices or meetings. Participation, information and feedback should be brought closer to where people live rather than assuming that formal ward meetings are sufficient. Ward committees are one participation mechanism, not the whole participation system. Their performance is uneven: some provide a useful link, while others are inactive, poorly supported, unrepresentative, party-dominated or unable to show follow-through. The immediate priority is to strengthen functionality and accountability rather than assume that wider legal powers will cure these weaknesses.

Municipalities may also use community task teams or area forums for defined problems, provided they are transparent, inclusive and linked to council oversight and the municipal administration. These arrangements should strengthen local problem-solving and monitoring, not duplicate elected authority or displace open participation.

National minimum standards must cover meeting regularity, notice, accessible venues and information, records, administrative support, referrals, written feedback, protection against capture and links to the IDP, budget, service delivery and council oversight. Ward councillors remain responsible for convening, reporting back, escalation and political follow-through but may not suppress independent community voice. Speakers must oversee the fairness and functionality of the participation system.

The DCoG must re-establish national monitoring and support covering ward, subcouncil, village, area-based, sectoral and recognised community arrangements. Provinces must use the results to provide differentiated support and address persistent failure. Further consultation and legal review must address ward committee design and powers, the extension of subcouncil or equivalent arrangements and stronger minimum duties, tested against exclusion, duplication, uneven capacity and blurred accountability.

6.3.3 Move beyond participation to partnering with the community

A credible participation system creates the foundation for structured collaboration and partnering. Partnering is not consultation and is not contracting. It is the purposeful practice of working across institutional and community boundaries around a shared local problem or priority, with agreed roles, contributions, mutual accountability, implementation, and follow-through. A partnership requires a shared agenda or joint implementation and may not be used to relabel ordinary consultation or contracting.

Partnerships may add local intelligence, implementation reach, skills, resources, legitimacy, resilience and accountability. They may involve community and faith-based organisations, residents' and ratepayer associations, organised business, labour, professional bodies, youth and disability forums, traditional and Khoi-San leadership institutions, public institutions and independent intermediary organisations. Models may be strategic, sectoral, place-based or implementation-focused and may include infrastructure maintenance, environmental and waste initiatives, service support, co-management, local oversight, special rating or improvement districts and, where lawful, concession-type or external service arrangements.

Councils should identify and focus on a small number of partnership priorities linked to local conditions and the IDP. Municipal managers and senior managers must assign coordination, integrate commitments into planning, budgeting and performance management, maintain a register of active partnerships and ensure review and reporting. Mayors and councillors must support inclusive engagement without party-political gatekeeping, and relevant departments, public entities and service providers should participate where a partnership concerns their mandates. In municipalities facing sustained service breakdown, partnerships may help restore services, protect infrastructure and strengthen local oversight, but they must be rule-bound and time-limited where appropriate. In remote rural areas they may support water, roads, livelihoods, public employment or other outcomes requiring coordinated action across spheres and with non-state organisations.

Partnerships must use the correct legal and fiscal route. Non-financial cooperation, section 67 of the Municipal Finance Management Act transfers to non-profit organisations, grants, blended finance, procurement, concessions, co-management and external service delivery are distinct and may not be treated as interchangeable. Before commitments are made, the municipality must identify the authority, approval process, funding source, accounting treatment, service standards, asset and liability implications, performance arrangements and termination and dispute procedures.

The DCoG and National Treasury must complete a focused legal and fiscal options review and issue guidance on these routes. It must protect transparency, equity, value for money, affordability, continuity of essential services, public assets, lawful labour arrangements and council accountability while reducing uncertainty that discourages legitimate community and non-profit partnerships. Section 67 is not a substitute for procurement or the legal processes governing municipal service delivery.

The review must take account of National Treasury guidance, including Municipal Finance Management Act (MFMA) Circular 131, and clarify legitimate use of section 67 for non-profit entities. It should preserve pathways for shared development outcomes such as informal settlement upgrading, nutrition, recycling and local economic development while preventing section 67 from being used for commercial transactions or as an unlawful substitute for procurement or municipal service delivery processes.

Where no municipal funding, asset transfer or formal contract is involved, municipalities should enable community initiatives without unnecessary procedure, subject to safety, quality, accountability and protection of public assets. Independent intermediaries may convene partners and sustain local agendas where they are credible, transparent and sufficiently independent.

Creating an enabling environment for partnering requires more than legal certainty. Municipalities must make it reasonably easy for communities and local organisations to propose and undertake lawful joint initiatives. Procedures must be proportionate to the scale, duration, funding, assets and risks involved. Low-risk, non-financial cooperation should follow a simple and time-bound approval route and should not be subjected to procurement, transfer or service-delivery procedures that do not apply to it.

Municipal councils and administrations should review internal rules, delegations and approval processes that unnecessarily delay or discourage legitimate community initiatives. Each municipality should provide an accessible entry point through which prospective partners can obtain guidance, identify the correct municipal department, understand the applicable legal route and receive a decision within a reasonable period. A refusal or delay should be explained against clear criteria. Partnering also requires a change in institutional attitude. Councillors and municipal officials should treat organised community capacity, local knowledge and voluntary initiative as public assets, while remaining alert to exclusion, capture and unequal access. Municipal leadership should encourage lawful initiative, practical experimentation and joint problem-solving instead of defaulting to risk avoidance or bureaucratic obstruction. Controls should protect the public interest without making cooperation so cumbersome that only well-resourced organisations can participate.

In larger urban municipalities, lawfully established special rating areas, city improvement districts, business improvement districts and similar precinct arrangements may mobilise ring-fenced contributions and place management capacity. They should be aligned with municipal priorities, governed transparently and complemented where appropriate by open stakeholder platforms that include residents, community organisations, organised business and relevant municipal departments.

Partnering may not obscure responsibility. Residents must know who remains accountable for the service, who answers for failure, where complaints go and how corrective action is overseen. Each arrangement must state its public purpose, roles, contributions, governance, performance measures, council oversight, review and closure, and may not displace elected authority or confer exclusive representation.

The DCoG, National Treasury, provinces and SALGA must provide differentiated guidance, simplified procedures, model agreements and practical support for partnering. This must include partner mapping, route selection, proportionate approval and reporting requirements, standard decision timeframes, registers, performance, review and closure, intermediary organisations, sectoral forums, and urban and rural area-based models. The guidance must

reduce unnecessary compliance while preserving legality, transparency, inclusion, accountability and protection of public assets.

Municipal administrations may use a senior cross-departmental task team or secretariat to coordinate priority partnerships, unblock implementation and preserve institutional memory. The form should be proportionate to municipal size and should not become a new compliance structure without a clear operational purpose.

6.3.4 Establish transparency by default and usable community-facing information

Meaningful participation and accountability depend on usable information. Municipalities must move from reactive disclosure to routine publication and dissemination, through digital and non-digital channels, of a nationally defined minimum information set. This should include responsibilities, priorities, budgets, capital projects, service interruptions, standards, complaint trends, procurement and contract status where appropriate, audit outcomes, delays, corrective action and responsible points of accountability, with ward-level or area-based details where practical.

Information must be timely, accessible, in plain language and relevant local languages, and distributed through websites and dashboards as well as meetings, noticeboards, libraries, customer care points, print, SMS, radio and other local media. Municipalities should publish short quarterly service delivery reports. In rural and communal areas, relevant information must include land allocation, settlement growth, development proposals and municipal engagements with traditional and Khoi-San leadership institutions that affect planning and services.

The minimum set should enable residents to follow significant projects and contracts from approval through implementation and close-out, understand reasons for material changes or delays and identify the councillor, municipal department, senior manager or external institution responsible for the next action.

Community-facing information must also cover municipal by-laws and decisions with significant neighbourhood effects, including trading hours, nuisance controls and local rules affecting undertakings that sell liquor to the public, together with routes for concerns and evidence. Subject to lawful limits on privacy, security and commercial confidentiality, municipal decisions, contracts, plans, records and performance information must be visible and reviewable.

Where municipal decisions interact with provincial licensing or enforcement, communities must be told how to submit objections, complaints or evidence and how municipal inputs will be transmitted and considered. Support to weaker municipalities should include model by-laws, legal and technical guidance and methods for identifying cumulative community impacts in high-risk areas.

Publication must increasingly draw on the shared data and digital backbone in Chapter 5 rather than ad hoc manual extraction. Dashboards and an integrated public accountability interface should make performance intelligible but may not replace trusted face-to-face accountability. National norms must set the minimum publication set, formats, accessibility, privacy safeguards, comparability and differentiation by municipal capacity.

An integrated public accountability interface should progressively bring together the municipality's main responsibilities, current priorities, budgets, project progress, service standards, reporting dates, audit status, complaint trends and contact points. Its purpose is not publicity but a usable public record of commitments and follow-through.

6.3.5 Make citizen care, complaints, petitions and social accountability core municipal functions

Citizen care is a core operating and accountability function, not a public relations activity. Every municipality must provide visible contact channels, log and categorise each case, publish service standards, assign responsibility, escalate missed timeframes and close the loop with updates and outcomes. Larger municipalities may use integrated contact centres; smaller municipalities may use shared district, provincial or national platforms, but responsibility must remain clear.

Service requests, billing and administrative disputes, conduct complaints, petitions and requests for review may enter through a common interface but must follow defined routes with identified decision-makers, acknowledgement, response, escalation, closure and review standards. Formal petitions must be registered, tracked and concluded. Personal information must be limited to what is necessary, protected through access and retention controls and excluded from public reporting unless disclosure is lawful and necessary.

Minimum norms must distinguish acknowledgement, first response, investigation or action, escalation and closure. Residents should be able to see whether a matter is awaiting information, assigned for action, referred to another institution or overdue, subject to privacy and lawful confidentiality.

Municipalities must provide safe and confidential channels and act against intimidation, victimisation or retaliation against people who report service failure, maladministration, corruption or environmental harm. Cases must be recorded and referred promptly under applicable labour, whistleblower, privacy and criminal law and the integrity arrangements in Chapter 4. Community-reported service failures must receive acknowledgement, classification, assignment and either action or written reasons within prescribed periods.

Complaints and community-generated evidence must be used as operational data for maintenance, management, internal control and council oversight. Municipalities may use credible resident reporting, citizen science and neighbourhood monitoring as supplementary evidence. Recurring failures must trigger named improvement plans and public reporting. Citizen care must also identify hardship, billing errors and exclusion from indigent support or free basic services rather than treating all arrears as unwillingness to pay.

Community-generated information must be used with its source, method and limitations understood. It supplements municipal data and does not replace technical verification, but it can reveal recurring faults, environmental risks and service patterns that formal systems miss.

Municipalities must provide structured social accountability for selected services, projects and priorities through social audits, community scorecards or comparable methods. Findings must receive an administrative and council response and published corrective action, without replacing statutory audit, oversight or investigation. Residents and organised community formations must have time-bound escalation routes for unresolved complaints, repeated service failure, non-disclosure and breaches of accessibility or service standards.

Visible follow-through is essential. Communities should be able to see whether undertakings were honoured, whether projects proceeded as communicated and what corrective action follows repeated failure. Better service response, accurate billing and fair dispute resolution also support willingness to pay and municipal financial credibility.

The DCoG and relevant institutions must set minimum case categories, response standards, petition procedures, escalation, reporting, social accountability methods, safe reporting safeguards and shared platform arrangements. A legal review must clarify anti-retaliation duties. The independent ombud, billing review and citizen-trigger options review is addressed in section 6.3.1.

Repeated failures to provide accessible information, reasonable accommodation, inclusive participation or equivalent response to people with disabilities must trigger corrective action and escalation. Independent redress options should complement, not duplicate, functional municipal complaint and petition systems.

6.3.6 Rebuild civic education and citizen communication systems

Civic education must become a continuing local governance and national democracy-building function. It should help residents understand municipal and non-municipal responsibilities, decision-making, trade-offs, rights and responsibilities including payment for services, service standards, tariffs and budgets, indigent support, participation, partnering, complaints and lawful redress, and should prepare communities and institutions for informed joint problem-solving.

The DCoG must lead a coherent national civic education framework and implementation strategy with a dedicated municipal component. It must convene the Electoral Commission, relevant constitutional institutions, the national department responsible for basic education, provinces, SALGA, municipalities, the Local Government Sector Education and Training Authority and representative civil society partners. The framework must set common outcomes, core content, delivery standards, multilingual and accessible materials, local adaptation, monitoring and a multi-year funding model that does not create an unfunded municipal mandate.

The Electoral Commission and constitutional institutions must contribute civic and constitutional content and quality assurance within their mandates. Basic education institutions should support age-appropriate learning on local democracy. The LGSETA must support accredited learning for councillors, municipal officials and participation and communication practitioners. Provinces must coordinate and support rollout, municipalities must include funded local programmes in annual communication and participation plans, SALGA must support peer learning, and civil society partners may assist with co-design, independent delivery, outreach and monitoring under transparent arrangements.

LGSETA funding may support accredited learning within its mandate but may not substitute for sustained community-facing civic education. National and provincial budgets must fund common materials and support, while municipal budgets must fund local delivery responsibilities that are formally assigned and differentiated by capacity.

Content and delivery must be constitutionally grounded, factually accurate, non-partisan, faith-neutral, pluralistic and accessible. Civic education may not promote a party, councillor, office-bearer or municipal executive or present contested policy as civic fact. Materials, branding, partner selection, expenditure and results must be transparent, independently quality-assured and subject to a complaints route.

Municipal communication must use schools, ward and area forums, libraries, local institutions, community radio, print, SMS, WhatsApp and appropriate digital platforms. Participation opportunities must be publicised early and repeatedly. Communication must explain service

rights, indigent support, billing and redress, and local rules with significant neighbourhood effects, including liquor trading and nuisance controls.

Communication must be treated as a strategic administrative function connected to participation, citizen care, service information and risk management, not merely publicity or events. Government institutions should coordinate messages in normal periods, crises and post-disaster recovery so that communities receive consistent information and know which institution is responsible.

Municipalities must use lawful complaints and participation data to identify risks to social cohesion, safety and trust and initiate dialogue, mediation, referral or coordinated intergovernmental response. These arrangements must protect privacy, prevent discriminatory profiling and may not suppress lawful protest, criticism or civic organisation. The DCoG must provide accessibility and communication standards, common resources, facilitator development, monitoring tools and support on conflict analysis, mediation and early referral. Participation and communication channels must remain open to migrants and non-citizens without unlawful discrimination. Civic education should reduce practical barriers to indigent support, free basic services and billing redress and explain where collaborative action is possible and what communities, businesses and public institutions can contribute.

6.3.7 Use digital tools to support democratic accountability

Digital tools must enable, not replace, participation, transparency, citizen care and oversight. Municipalities should progressively adopt simple, low-cost tools for service feedback, complaint tracking, project information and public updates, linked to the shared digital backbone in Chapter 5 rather than procured as isolated applications. Shared platforms should be available to weaker municipalities.

Digital participation is not a separate municipal function. It should use the same case categories, response standards, records, escalation routes and oversight as face-to-face and offline channels so that residents receive equivalent treatment regardless of how they engage.

Systems must apply data governance, interoperability, cybersecurity, privacy, secure case management, role-based access, retention and breach-response rules, including where SMS, WhatsApp, social media, call centre records, online forms or AI-assisted administrative tools are used. Public digital channels must be maintained, have published response standards and be complemented by equivalent face-to-face and offline access. Government should consider zero-rating or comparable measures where cost is a barrier.

Municipalities must define what information may be captured, shared, published and retained and train staff accordingly. Where residents use social media or messaging services, information must be transferred into secure municipal case management systems rather than left in personal devices or informal accounts.

Municipalities may draw on credible citizen-led reporting, fault mapping and citizen science and should make procurement stages, project milestones, complaint status and corrective action visible where lawful and feasible. Dashboards must be tied to management response and council oversight. Further implementation work must settle sequencing, system models, interoperability, funding, cybersecurity and data governance.

Public channels must be actively maintained rather than used as dormant publicity platforms. Data from dashboards and feedback tools must be reviewed by managers and relevant council

committees, used to identify repeated problems and linked to public reporting on corrective action.

6.3.8 Implementation

Most reforms can begin under the current constitutional and legislative framework through stronger municipal practice, norms, standards, guidance and enforcement. The immediate objective is to make downward accountability visible from the start of the next term of municipal councils through functioning participation and referral systems, stronger ward and area arrangements, usable public information, citizen care, civic education, safe reporting, social accountability and selected partnerships.

Municipal councils must adopt policy, approve resources and hold the executive and administration accountable. Speakers oversee the fairness and functionality of participation and petitions. Mayors and executive office-bearers lead political engagement and feedback. Municipal managers and senior managers must integrate the reforms into plans, budgets, the Service Delivery and Budget Implementation Plan (SDBIP), performance agreements and operating systems. Each department remains responsible for matters within its mandate, supported by designated coordination for participation, communication, citizen care and partnering.

Every municipality must provide funded and appropriately skilled capability in participation, communication, civic education, citizen care, information management, facilitation, conflict management and digital engagement. Smaller municipalities may use combined functions or shared district or provincial support. Before national requirements are imposed, The DCoG and the responsible lead institution must assess staffing, systems and funding and define a differentiated implementation path.

Public participation is a whole-of-municipality responsibility. A coordinating function may manage standards, schedules, petitions, records and reporting, but each municipal department must engage affected communities, respond to matters within its mandate and account for undertakings. Partnership coordination must be assigned at senior level and supported by a proportionate register and review process.

The DCoG must coordinate Chapter 6 implementation, standards, monitoring and support. Provinces must support municipalities, monitor outcomes and intervene where channels fail. SALGA supports capability and peer learning. National Treasury leads fiscal and partnership route guidance. Chapter 3 institutions must enforce intergovernmental referrals; Chapter 4 institutions support integrity and safe reporting; Chapter 5 leads shared digital systems; and Chapters 8 and 9 carry finance and service delivery dependencies.

The enabling system must include model processes, competency standards, training materials, common information and complaint standards, a participation system assessment framework and support packages for municipalities with weaker capacity. Comparable data must strengthen intergovernmental follow-through, not merely municipal compliance reporting.

Monitoring must assess inclusion, advance information, consideration of inputs, referral and response, feedback, influence on decisions, complaint resolution, social accountability responses, safe reporting cases, partnership performance and corrective action, rather than only meetings or participant numbers. Municipalities must report at least annually, and provinces must use results to direct support, oversight and enforcement.

Support and oversight must be differentiated. Provinces should intervene where municipalities fail to maintain credible participation, complaints, information or feedback channels, while

shared platforms, district support and national tools should prevent weaker municipalities from carrying unaffordable technology or specialist burdens.

The integrated post-election induction and continuing development programme in section 11.5.1 incorporates the Chapter 6 policy positions and responsibilities for councillors.

Longer-term work must address legal and institutional options for subcouncils and ward committees, minimum citizen care duties, ombud and citizen-trigger models, anti-retaliation protection, participation during support and intervention, partnership routes and any new statutory oversight arrangements. Immediate improvement may not be delayed while these choices are assessed.

6.4 Implementation priorities

Priority Projects	Action required	Responsibility	Timeframe
Overall coordination and resourcing (Section 6.3.8)	Establish the Chapter 6 reform stream; complete municipal staffing, systems and funding assessments; incorporate differentiated support and milestones into the Chapter 11 transition plan.	DCoG lead; provinces, SALGA and municipalities; National Treasury and relevant national institutions support.	Immediate reform agenda: start immediately for readiness at the beginning of the next municipal term. Longer-term systemic reform agenda: continue coordination and resourcing through longer-term reform.
Participation spectrum and cycle (Section 6.3.1)	Issue and apply minimum standards for informing, consulting, involving and collaborating, including notice, accessible information, records, reasons, undertakings, feedback and annual assessment.	DCoG lead; provinces and SALGA support; municipal councils and municipal managers implement.	Immediate reform agenda: start as soon as possible for implementation from the beginning of the next municipal term.
Whole-of-government referral and follow-through (Section 6.3.1)	Establish named referral, tracking, response, escalation and community report-back processes for municipal and non-municipal matters.	Chapter 3 lead institutions and DCoG set the mechanism; municipalities log and track; provinces, departments and public entities respond.	Immediate reform agenda: start as soon as possible for implementation from the beginning of the next municipal term.
Participation during support and intervention (Section 6.3.1)	Require public participation and accountability plans for municipal support, recovery and intervention processes.	DCoG, National Treasury and provinces; municipalities and organised labour participate; Parliament where legislation is required.	Immediate reform agenda: apply participation and accountability plans immediately under current powers. Longer-term systemic reform agenda: standardise the arrangements and complete any required legal reform.

Priority Projects	Action required	Responsibility	Timeframe
Differentiated local participation (Section 6.3.2)	Establish credible ward, subcouncil, village, area-based, sectoral and recognised community channels suited to local conditions.	Municipal councils and speakers implement; DCoG, provinces and SALGA set models and support.	Immediate reform agenda: start as soon as possible for implementation from the beginning of the next municipal term.
Ward committee functionality (Section 6.3.2)	Apply minimum standards for meetings, support, information, records, referrals, feedback, representativity and protection against capture.	Municipal councils and speakers; DCoG and provinces monitor and support; SALGA supports capability.	Immediate reform agenda: start as soon as possible for implementation from the beginning of the next municipal term.
Ward, subcouncil and community structure reform (Section 6.3.2)	Review ward committee design and powers, extension of subcouncil or equivalent arrangements and minimum participation duties.	DCoG lead; provinces, SALGA and Parliament where legislation is required.	Longer-term systemic reform agenda: begin the review of ward, subcouncil and community structures.
Direct powers and independent redress options (Section 6.3.1)	Maintain the decision against recall and parallel binding community authority; complete the ombud, independent billing review and citizen-trigger options review.	DCoG and justice institutions lead; National Treasury, provinces, SALGA and municipalities contribute; Parliament where required.	Longer-term systemic reform agenda: begin the ombud, independent billing review and citizen-trigger options review.
Community partnering and an enabling municipal environment (Section 6.3.3)	Clarify the legal and fiscal routes for partnerships and issue differentiated guidance, simplified procedures, model agreements and standard decision timeframes. Municipalities must remove unnecessary internal barriers, create an accessible entry point for partners, use proportionate approval and reporting processes, and integrate priority partnerships into planning, budgeting, performance management and oversight.	DCoG and National Treasury, with provinces and SALGA; municipalities.	Immediate reform agenda: for the review, guidance and municipal process changes; Longer-term systemic reform agenda for legislative, regulatory and institutional reforms.
Partnership legal and fiscal routes (Section 6.3.3)	Issue guidance distinguishing non-financial cooperation, section 67 transfers, grants, blended finance, procurement, concessions, co-management and external service delivery.	DCoG and National Treasury lead; provinces, SALGA, municipalities and relevant sector institutions support.	Immediate reform agenda: begin the focused review immediately. Longer-term systemic reform agenda: complete the legal and regulatory reform.

Priority Projects	Action required	Responsibility	Timeframe
Transparency and public information (Section 6.3.4)	Publish the minimum community-facing information set and quarterly plain-language service reports through digital and non-digital channels.	Municipal councils and municipal managers; DCoG and sector departments set standards; provinces monitor.	Immediate reform agenda: start as soon as possible for implementation from the beginning of the next municipal term.
Citizen care, complaints and petitions (Section 6.3.5)	Establish or upgrade common case management, category-specific routes, response standards, escalation, closure and shared platforms for weaker municipalities.	Municipalities implement; DCoG and provinces set standards and support; speakers oversee petitions.	Immediate reform agenda: start as soon as possible for implementation from the beginning of the next municipal term.
Safe reporting and social accountability (Section 6.3.5)	Provide confidential reporting, anti-retaliation referral, social audits or scorecards, management and council responses and public corrective action reporting.	Municipalities; DCoG; Chapter 4 lead institutions; justice and labour institutions; provinces monitor.	Immediate reform agenda: start as soon as possible for implementation from the beginning of the next municipal term.
Anti-retaliation legal reform (Section 6.3.5)	Clarify legal duties and protections and undertake legislative or regulatory reform where required.	Justice and labour institutions with DCoG and Chapter 4 lead institutions; Parliament where required.	Longer-term systemic reform agenda: clarify legal duties and protections and undertake legislative or regulatory reform where required.
National civic education framework (Section 6.3.6)	Establish the national framework, steering arrangement, content, quality assurance, multi-year funding, monitoring and anti-propaganda safeguards.	DCoG lead; IEC, constitutional institutions, basic education institutions, provinces, SALGA, Local Government Sector Education and Training Authority, municipalities and civil society partners.	Immediate reform agenda: start immediately so that the municipal component can commence with the next municipal term.
Municipal civic education and communication (Section 6.3.6)	Fund and integrate local civic education, multilingual communication, early notice, service rights information and conflict prevention arrangements into annual plans.	Municipal councils and municipal managers; provinces support and monitor; SALGA and civil society partners support delivery.	Immediate reform agenda: start as soon as possible for implementation from the beginning of the next municipal term.

Priority Projects	Action required	Responsibility	Timeframe
Digital accountability and shared platforms (Section 6.3.7)	Begin interoperable participation, information and case management tools with privacy, cybersecurity, public response standards and equivalent offline access.	Chapter 5 lead institutions; DCoG; municipalities and provinces.	Immediate reform agenda: start shared and low-cost tools for the next municipal term. Longer-term systemic reform agenda: continue integration of interoperable participation, information and case management tools.
Participation capability and professional development (Section 6.3.8)	Fund coordinating functions; assess competencies; provide training, recruitment or shared support in facilitation, communication, civic education, citizen care and digital engagement.	Municipal councils and municipal managers; provinces, SALGA and Local Government Sector Education and Training Authority support.	Immediate reform agenda: start immediately for readiness at the beginning of the next municipal term.
Inclusive participation and co-decision pilots (Section 6.3.1)	Implement disability, youth and excluded group access measures; train councillors and officials; pilot participatory budgeting where capacity allows.	Municipal councils and municipal managers; DCoG, provinces, SALGA and disability and youth institutions support.	Immediate reform agenda: start inclusion measures for the next municipal term; pilot co-decision progressively where capacity allows.
Community-facing regulatory participation (Section 6.3.4)	Provide usable information, participation and complaint routes for local rules with major neighbourhood effects, including liquor trading and nuisance controls; support weaker municipalities with model by-laws and technical guidance.	Municipalities and provinces; DCoG and relevant sector institutions support and set guidance.	Immediate reform agenda: start as soon as possible for the next municipal term. Longer-term systemic reform agenda: continue regulatory improvement.
Integrated public accountability interface (Section 6.3.4)	Progressively combine budgets, projects, service standards, audit status, complaints and responsible contact points in an accessible public interface linked to the Chapter 5 digital backbone.	Municipalities; Chapter 5 lead institutions; DCoG and provinces support.	Immediate reform agenda: begin minimum publication for the next municipal term. Longer-term systemic reform agenda: continue integration as part of the Chapter 5 digital backbone.
Monitoring, public reporting and enforcement (Section 6.3.8)	Implement the municipal participation system assessment framework and annual reporting on inclusion, influence, feedback, complaint resolution, referrals, partnerships and corrective action.	DCoG and provinces; municipalities report; SALGA supports peer learning; relevant oversight institutions enforce duties.	Immediate reform agenda: design the assessment framework immediately and begin reporting in the first year of the next municipal term.

Chapter 7: Improved relationships between elected, traditional and Khoi-San leadership institutions

7.1 Problem statement: why change is necessary

7.1.1 Constitutional and practical foundations

South Africa does not need to choose between democratic local government and the institution of traditional and Khoi-San leadership. The challenge is to make these relationships work lawfully, predictably and in ways that improve local governance and service delivery.

Traditional and Khoi-San leadership institutions can contribute to local governance in ways that go beyond land matters and ceremonial recognition. In many communities they help maintain social cohesion, mediate disputes, mobilise collective action, support civic communication, facilitate local development initiatives, assist during disasters, support local environmental stewardship and contribute local knowledge to planning and place-based development. Traditional leadership also has a long-established and institutionalised customary governance system of community consultation and engagement.

The White Paper recognises these roles and governance systems within constitutional limits. Traditional and Khoi-San leadership institutions complement elected local government. They do not replace municipal councils, the municipal administration or statutory planning powers. Their value lies in local legitimacy, continuity, convening power and proximity to communities, especially in rural, extended urban and peri-urban areas. Democratic decision-making authority remains with elected councils, and administrative execution remains with municipal officials acting under law. Cooperation must therefore deepen local governance, not blur accountability.

7.1.2 Uneven and weakly institutionalised relationships

Relationships between municipalities and traditional and Khoi-San leadership institutions remain uneven, personality-driven and often weakly institutionalised. Consultation is frequently late, procedural or contested, while roles in planning, land use management, local development, service delivery coordination and participation in municipal structures are unclear or inconsistently applied.

Boundary overlaps, legal uncertainty and weak administrative support compound these difficulties. Municipal ward structures and traditional councils may conduct separate community participation processes in the same geographical area, resulting in duplicated consultation, inconsistent communication, institutional tension and delays in resolving local governance and service delivery problems. The interface therefore remains too vague, reactive and dependent on individual relationships rather than durable institutional arrangements.

7.1.3 Land, settlement and local area pressures

One of the most serious governance failures at the traditional and Khoi-San leadership interface concerns land use management, settlement expansion and infrastructure planning. In many places, land allocation decisions, family and community processes, municipal planning rules and infrastructure requirements are weakly aligned. The result is avoidable conflict, unsafe settlement, blocked infrastructure corridors, delayed projects and rising mistrust.

These pressures are intensifying in rapidly growing customary land areas where household-led construction, rising densities, corridor and nodal growth, new retail and service activity and emerging land markets are creating urban-scale service and regulatory demands. The interface

between municipalities and traditional and Khoi-San leadership must respond to actual settlement change rather than treating these areas as static or uniformly rural.

The practical relationship between municipal government and traditional and Khoi-San leadership is often won or lost below council level. This is where settlement decisions are first made, disputes arise early and service delivery problems become visible. Land settlement and allocation must therefore be a key component of the compact between municipalities and traditional and Khoi-San councils, including agreed roles and protocols for recording and documenting land allocations.

7.2 Policy intent and principles

The White Paper seeks to move the relationship from intermittent consultation and token participation to structured, lawful and practical cooperation within the constitutional system. It aims to strengthen local governance in rural, extended urban and peri-urban areas by clarifying roles, improving participation in municipal decision-making, making the compact between municipalities and traditional and Khoi-San councils operational, improving land use and planning coordination, and building mutual accountability and capacity.

This is a practical governance reform chapter, not a symbolic recognition exercise. It establishes six linked reforms: a practical compact between municipalities and traditional and Khoi-San councils; meaningful participation in municipal governance; stronger land use planning and development management coordination; institutionalised ward-level and local area collaboration; clearer developmental and social cohesion roles; and structured support, dispute resolution and implementation oversight. The chapter distinguishes confirmed policy directions, matters for further consultation and later legislative, technical or institutional work.

7.2.1 Democratic authority and complementary roles

The compact must not create a parallel municipal authority, displace elected councils or create a veto over municipal decision-making. Its purpose is to establish a predictable and lawful framework for cooperation, information sharing, planning alignment, issue escalation and joint problem-solving, while ensuring that customary governance realities, community needs and implementation risks are considered before municipal decisions are finalised.

Municipalities retain final statutory authority over municipal planning and land use decisions. Traditional and Khoi-San leadership institutions must nevertheless have a structured, documented and meaningful advisory, facilitative, participatory and partnership-based role where customary governance, land allocation practices and settlement dynamics materially affect local outcomes. Collaboration with ward committees and other elected structures must strengthen, not confuse, democratic accountability.

7.2.2 Early, inclusive and accountable cooperation

Participation must be designed to influence decisions early enough to matter. It must not be reduced to post hoc endorsement of municipal choices and must be anchored in the agreements and roles set out in the compact.

This chapter does not settle wider communal land, tenure security or ownership disputes that extend beyond the White Paper. It does require stronger local governance arrangements now. Municipalities and traditional and Khoi-San councils are not the only institutions with legitimate rights, responsibilities or interests in local land governance. Compacts and related processes must provide structured participation for affected communities, community property

associations, recognised rights holder formations, civil society organisations, businesses and other local institutions where their rights or responsibilities are materially affected.

In communal, customary and other off-register land rights contexts, practical coordination depends on better visibility of rights, occupation patterns, local land governance arrangements and affected rights holders. The White Paper does not propose blanket conversion of these rights into freehold title. It supports incremental, flexible and rights-sensitive recordal and information systems that enable planning, consultation, dispute resolution and infrastructure coordination.

Social cohesion must be treated as a practical governance outcome. Municipalities should work with traditional and Khoi-San leadership institutions to support inclusive, rights-based community dialogue, conflict prevention, civic education, youth engagement and local problem-solving. Dispute resolution must be credible and sufficiently independent to command confidence, rather than relying on ad hoc mediation by whichever department happens to be involved.

7.3 Policy choices and key reforms

7.3.1 A practical and binding compact between municipalities and traditional and Khoi-San councils

Guided by the principles of cooperative governance, the White Paper confirms the compact between municipalities and traditional and Khoi-San councils, ratified by the Premier, as the main policy instrument for structuring cooperation where traditional and Khoi-San leadership institutions are relevant to local governance. The compact applies only to legally constituted traditional and Khoi-San councils. In considering a compact, the Premier must ensure constitutional and legislative compliance and appropriate consultation with, and support from, affected communities.

Each affected municipality must institutionalise and maintain a compact, or equivalent structured agreement, with the relevant legally constituted traditional and Khoi-San councils and, where appropriate, Local Houses of Traditional and Khoi-San Leaders. The compact should define priority areas of cooperation: participation in municipal IDP and intergovernmental structures, budgeting and spatial planning; land use and settlement coordination; local economic development facilitation; cooperation on property rates and municipal revenue administration in communal areas without transferring municipal powers; communication and community mobilisation; dispute avoidance and escalation; information sharing; cultural, heritage and customary duties; and periodic review. For land use and development matters, the compact should include an operational schedule or service level protocol that complies with the Spatial Planning and Land Use Management Act (SPLUMA) and distinguishes municipal statutory decision-making powers from the advisory, facilitative and coordination roles of traditional and Khoi-San councils. The protocol should address land allocation, land development applications, monitoring and enforcement, the documents used to record allocation or occupation, referral and inspection procedures, response timeframes and dispute resolution. A compact or protocol may not transfer statutory municipal power to another institution.

In district areas where Local Houses of Traditional and Khoi-San Leaders are legally established, the compact framework should define the relationship between the district municipality, local municipalities and the Local House. It should provide for structured engagement between mayors, mayoral committee members where relevant, municipal

managers and the leadership of the Local House so that cooperation does not depend on individual office-bearers.

The compact must be practical, linked to municipal planning, participation and reporting systems, and supported by named responsibilities, implementation arrangements and accountability on both sides. Where there are multiple traditional and Khoi-San councils or boundary overlaps, it should include inter-council coordination protocols. Where it involves public resources, projects or community-facing programmes, it must provide for transparency, reporting, accountability and periodic review.

A compact must be preceded by consultation with the communities represented by the relevant council. It should provide for publication or local disclosure of commitments, clear routes for community input, periodic feedback to affected villages or settlements and a process for raising concerns. It must inform municipal plans and reporting and the medium- and long-term plans of traditional and Khoi-San councils.

The White Paper invites further engagement on whether a nationally standardised compact framework should be mandatory, differentiated by municipal type or supported primarily through model agreements and guidance. DCoG, traditional affairs institutions, provinces and SALGA should develop the framework, model clauses, process guidance and review tools outside the White Paper.

Chapter 8 is the lead chapter on the design of property rate, service charge and equivalent revenue instruments in communal and customary land areas. The compact may provide for cooperation, information and administration, but it may not transfer the municipality's statutory revenue-raising authority.

7.3.2 More meaningful participation in municipal governance

Participation by traditional and Khoi-San leaders in municipal structures must move beyond attendance and stipends. It must become more substantive and predictable, especially in councils and committees dealing with planning, land use, service delivery, local development, community safety and social matters.

Municipal councils should operationalise section 81 participation through clear rules of order, advance circulation of agenda packs, formal recording of inputs and municipal responses, access to relevant committees where local conditions justify this, and early referral of draft policies, by-laws, IDP proposals, spatial plans and major projects that materially affect traditional and Khoi-San leadership areas.

Traditional and Khoi-San leaders participating in municipal councils may address the council and make submissions on matters that directly or indirectly affect traditional and Khoi-San communities within the municipal area, including matters arising from the compact. The White Paper does not treat voting rights in municipal councils as a settled policy proposal. The issue remains contested and raises legal and constitutional questions beyond immediate White Paper implementation.

Further engagement is invited on committee participation models, the role of Local Houses and traditional and Khoi-San councils in municipal interfaces, and whether additional statutory measures are needed to strengthen section 81 participation. The Municipal Structures Act, related regulations and municipal governance guidance may require review to define minimum participation standards more clearly.

7.3.3 Better land use planning, settlement management and development coordination

The White Paper was prepared amid legal uncertainty regarding land rights in areas under traditional leadership. Before 1994, residents in communal areas held usufruct rights under Permission to Occupy certificates registered with magistrates' offices. With the repeal of the underlying legislation and the withdrawal of magistracies from land administration, the system largely collapsed. The Interim Protection of Informal Land Rights Act of 1996 protected occupancy rights pending the substantive land rights legislation required by section 25(9) of the Constitution. The Communal Land Rights Act of 2004 was struck down by the Constitutional Court in 2010 on procedural grounds. No replacement legislation has yet been enacted, and the Interim Protection of Informal Land Rights Act is renewed annually.

Further uncertainty arises from the Constitutional Court's invalidation of the Traditional and Khoi-San Leadership Act of 2019 while replacement legislation is being developed. In practice, traditional leaders continue in many areas to allocate state-owned land informally or through Permission to Occupy certificates or similar instruments. Debate continues over whether traditional leaders should have authority to manage and allocate state-owned land on behalf of communities. SPLUMA confirms municipal planning and land use management authority throughout municipal jurisdictions. It has generated friction in some areas and collaborative land management practices in others. A process to amend SPLUMA to strengthen collaboration between municipal and traditional councils is under way.

The interaction between municipal regulation and customary law also affects women's access to communal land. According to the 2022 Census, women make up more than half of South Africa's population, with more than 10 million living in areas under traditional authority. Although constitutional equality protections and formal reforms have removed the historical restriction of Permission to Occupy certificates to male heads of households, including retrospectively, women continue to face barriers arising from gender hierarchies, poverty, unaffordable fees and, in some cases, discrimination based on sexual identity. The Traditional Leadership and Governance Framework Act 41 of 2003 required 30 per cent female participation in traditional councils, while proposed replacement legislation would increase this to 50 per cent. Many traditional councils remain below one-third threshold. Municipalities must therefore engage traditional and Khoi-San leadership institutions early and systematically in spatial and local planning, land use applications affecting communal and customary areas, settlement regularisation, exurban and peri-urban upgrading, and the protection of infrastructure corridors. Traditional and Khoi-San councils should participate in ways that support lawful, safe and better coordinated development.

Land allocation practices must be brought into a stronger and lawful relationship with municipal spatial planning, infrastructure planning and service delivery programmes. Allocations for residential settlement, agriculture, grazing, burials and community facilities should be recorded, communicated to the municipality and aligned, as far as possible, with approved spatial plans, environmental constraints, infrastructure capacity and settlement upgrading priorities. Land required for roads, service servitudes, public facilities, communal resources and environmentally sensitive areas must be identified and protected through municipal spatial and infrastructure plans and, where applicable, Community Plans under Chapter 10.

Where customary boundaries, land allocations, occupation patterns or land uses are uncertain or disputed, municipalities and traditional and Khoi-San councils should undertake participatory, spatially referenced mapping with affected communities. The mapping should identify customary governance areas, occupation, land use zones, cultural landscapes,

settlement growth, agricultural and grazing areas, infrastructure corridors and disputes. Records should be geo-referenced where feasible, aligned with applicable spatial data standards and capable of recording disputes and mediation outcomes, subject to lawful privacy and rights safeguards.

Compacts and land governance protocols must provide for transparent and auditable records of land allocations, occupation, transfers, leases and other land-related transactions. Where customary land-related fees, including khonza where applicable, are charged, the record must identify the basis and amount of the fee, the authorised recipient and proof of payment. Communities must have appropriate access to information and to processes for reporting fraudulent or double allocations, unauthorised fees, intimidation or other abuses. No allocation, transaction or payment may override municipal planning or environmental, infrastructure or development approval requirements.

Land governance arrangements must protect women's equal access to land, participation in decisions and recognition as rights holders. Records must be capable of recognising women as rights holders in their own names. Compact procedures must prohibit discriminatory allocation practices, provide accessible complaints and review routes and ensure meaningful participation by women, young people and vulnerable groups in land governance forums and community oversight.

Municipalities must establish early, documented and practical planning and land use coordination arrangements with traditional and Khoi-San councils, while retaining final municipal decision-making authority. The compact must define the respective roles and land allocation recordal protocols and should designate a standing joint municipal-traditional and Khoi-San land governance forum, or another agreed mechanism, for routine planning, land allocation, development management and infrastructure coordination. The mechanism may not replace the Municipal Planning Tribunal, municipal council or any other statutory decision-maker. Further engagement is required on proof-of-consultation, hearing and record requirements for land use applications and municipal planning decisions; standardised service agreements in fast-growing exurban settlements; community oversight of land allocation and settlement expansion; and procedures for access to information, objections and unresolved concerns. Implementation may require revised SPLUMA-related regulations or norms, model procedures, inclusive land administration and off-register rights recordal systems, recorded inputs by traditional and Khoi-San councils, oral representations to Municipal Planning Tribunals and a dispute resolution mechanism for spatial planning and land use management disputes.

The consultation, recordal and coordination arrangements in this section must interface with the municipal-led one-window development approval system in Chapter 10. The interface must enable parallel consultation and information sharing without transferring statutory powers or weakening environmental, tenure, community or other legal safeguards.

7.3.4 Institutionalised ward-level and local area collaboration

The White Paper supports structured local area and ward-level collaboration within the Constitution and applicable legislation. Where traditional and Khoi-San councils and ward structures operate in the same communities, municipalities should establish lawful, transparent and reciprocal working arrangements. These may include ex officio participation by councillors or ward committee representatives in traditional council forums and reciprocal participation by traditional council representatives in ward-level forums.

The arrangements should improve information flow, early warning, local issue escalation, dispute reduction, planning coordination and communication with communities. Further engagement is invited on whether reciprocal attendance should be encouraged through guidance or stronger regulatory or legislative direction. Guidance, model protocols and training materials will be required.

7.3.5 Developmental, social cohesion and community mobilisation roles

Municipalities should establish cooperative arrangements with traditional and Khoi-San councils for civic mobilisation, local economic development facilitation, local conflict reduction, disaster response, environmental stewardship and place-based development. These roles should be implemented through compacts, municipal plans and practical programmes rather than informal political patronage.

Traditional and Khoi-San leadership institutions should help identify service delivery risks, report infrastructure failures, reduce disputes around projects and mobilise participation in municipal programmes. Municipalities should also draw, where relevant, on indigenous knowledge and customary environmental practices in disaster preparedness, natural resource protection, climate adaptation, fire prevention, water source protection and place-based environmental management, subject to applicable law.

Where customary initiation practices affect municipal services, emergency access, environmental management, public health or community safety, municipalities should cooperate with legally recognised traditional and Khoi-San leadership institutions, provincial departments and relevant statutory oversight bodies to support and enforce lawful, safe and coordinated arrangements through by-laws or other measures. The White Paper invites further engagement on how far these developmental roles should be standardised nationally and reflected in municipal planning, performance and reporting. The compact must clarify facilitative, advisory and participatory roles in local economic development, property rates, municipal revenue administration in communal areas, community communication and consultation, disaster coordination, indigenous knowledge and environmental management.

7.3.6 Support, dispute resolution and mutual accountability

The White Paper supports a structured support, monitoring and dispute resolution system for the interface between municipalities and traditional and Khoi-San leadership, with clear escalation routes and periodic review.

Provincial governments, working with Provincial Houses, DCoG, SALGA and relevant traditional affairs institutions, should help municipalities and traditional and Khoi-San councils to resolve disputes early, particularly those concerning participation, planning, local development coordination and compact implementation. Municipalities and councils should review compact functioning periodically and escalate unresolved matters through structured channels.

Where a dispute concerns land administration, customary or off-register rights, SPLUMA processes, boundary uncertainty or settlement expansion, the support arrangement should include the national or provincial institutions responsible for land reform, rural development and spatial planning. Provinces may establish intergovernmental task teams for complex or cross-municipal matters.

The system must provide an accessible route for community-triggered escalation where residents allege exclusion from compact arrangements, land allocation, planning consultation

or local area coordination, or the undermining of lawful municipal planning. Further engagement is required on the institutional form of dispute resolution, the role of Provincial Houses, the degree of independence, procedures, review triggers, reporting lines and the relationship to wider legal or constitutional matters.

7.3.7 Legal, institutional and transition requirements

Much of this chapter can proceed under the current constitutional and legislative framework through clearer municipal rules, stronger IDP and spatial planning processes, practical compacts, guidance and intergovernmental protocols. Municipalities can already improve participation, committee access, communication, record-keeping, ward-level coordination and compact use, while provinces and DCoG can strengthen guidance, monitoring and dispute avoidance.

Some reforms may require legislation or regulations, including clearer section 81 participation rules, planning and consultation duties, dispute resolution arrangements and stronger statutory requirements for compacts. The White Paper does not propose constitutional amendments as a current policy choice in this chapter. Wider questions concerning constitutional status, voting rights, representation on the Municipal Demarcation Board, communal land and mineral rights, funding frameworks and institutional status remain unresolved. Legal reform must take account of court judgments and ongoing legislative review and affected institutions and communities must be consulted. Municipal councils remain responsible for policy and accountability; mayors and councillors for political engagement; municipal managers and senior managers for operational integration; traditional and Khoi-San councils for lawful, representative and documented participation; provinces and Provincial Houses for support, facilitation and review; and national DCoG, traditional affairs institutions and relevant sector departments for aligned guidance, legal reform and implementation support.

The immediate reform agenda must make the relationship practical. Municipalities in affected areas should identify relevant councils, conclude or refresh compacts, improve section 81 and IDP participation, establish ward-level and land governance arrangements and begin community-facing reporting. DCoG, provinces, traditional affairs institutions, SALGA and National, Provincial and Local Houses should develop model compacts, participation standards, planning interface guidance, dispute resolution protocols and training materials. Training should cover SPLUMA, municipal spatial planning, land allocation record-keeping, community consultation, rights-based governance and the respective roles of councillors, municipal officials, traditional and Khoi-San councils, headmen and headwomen, and affected communities.

Implementation plans must identify the operating, training, technical assistance, data and system maintenance resources required. Funding should be drawn, subject to appropriation and applicable rules, from municipal budgets and relevant national, provincial, sectoral, training and technical assistance programmes. DCoG, provinces, SALGA, the national department responsible for land reform and rural development, and traditional and Khoi-San leadership institutions must also begin immediate engagement on lawful roles and protocols for recording and documenting land settlement and allocation.

The longer-term systemic reform agenda must use implementation evidence, public submissions, legal review and interdepartmental engagement to settle the national compact framework, sustainable support and funding arrangements, section 81 participation standards, planning and consultation duties, compact enforceability, SPLUMA-related arrangements and

the final dispute resolution model. Government must maintain a separate structured process for wider constitutional, tenure, representation and institutional matters that remain outside the settled policy package.

7.4 Implementation priorities

The table summarises reforms already stated in this chapter. It does not create additional policy, responsibilities or timeframes.

Priority Projects	Action required	Responsibility	Timeframe
Compacts between municipalities and traditional and Khoi-San councils (Section 7.3.1)	Identify relevant legally constituted councils and Local Houses where appropriate; conclude or refresh compacts; link them to planning, participation, reporting, land allocation protocols and community safeguards; and submit them for Premier ratification.	Lead: municipalities in affected areas. Traditional and Khoi-San councils participate as compact parties. The Premier considers ratification. Support: Local Houses where appropriate, provinces and DCoG.	Immediate reform agenda.
Municipal participation and section 81 arrangements (Section 7.3.2)	Improve council rules, agenda circulation, recording of inputs and responses, committee access and early referral of affected policies, by-laws, IDP proposals, spatial plans and major projects. Review minimum standards where required.	Lead: municipal councils. Support: mayors, councillors, municipal managers, DCoG, traditional affairs institutions and affected councils and Houses.	Immediate reform agenda: improve current practice. Longer-term systemic reform agenda: complete any required legislative or regulatory reform.
Planning, land use and land allocation coordination (Section 7.3.3)	Establish documented coordination arrangements and, where appropriate, joint land governance forums; clarify lawful roles; undertake participatory mapping; maintain transparent allocation, occupation, transaction and fee records; protect women and community rights; reserve land for infrastructure, public facilities, communal resources and environmental protection; and develop standard protocols, timeframes and data requirements.	Lead: municipalities for statutory planning and land use decisions. Traditional and Khoi-San councils participate in allocation recordal, consultation and coordination within their lawful roles. Support: DCoG, provinces, SALGA and land reform, rural development and spatial planning institutions.	Immediate reform agenda: establish arrangements and protocols. Longer-term systemic reform agenda: complete any required SPLUMA, land administration and recordal reforms.

Priority Projects	Action required	Responsibility	Timeframe
Ward-level and local area working arrangements (Section 7.3.4)	Institutionalise lawful and transparent arrangements for information sharing, early warning, local issue escalation, planning coordination and communication with communities, supported by guidance and model protocols.	Lead: municipalities and traditional and Khoi-San councils in shared local areas, within their lawful roles. Support: DCoG, provinces and SALGA.	Immediate reform agenda.
National compact framework and implementation tools (Section 7.3.1)	Develop model compact clauses, process guidance, participation standards, review tools, planning interface guidance, dispute resolution protocols and training materials. Determine whether the final framework should be mandatory, differentiated or guidance-based.	Lead: DCoG and traditional affairs institutions. Support: provinces, SALGA and National, Provincial and Local Houses.	Immediate reform agenda: develop model tools and training. Longer-term systemic reform agenda: settle and institutionalise the national framework.
Developmental and social cohesion roles (Section 7.3.5)	Clarify and implement roles in civic mobilisation, local development facilitation, conflict reduction, disaster response, environmental stewardship, indigenous knowledge, municipal revenue interfaces and initiation practice coordination through compacts and municipal plans.	Lead: municipalities and traditional and Khoi-San leadership institutions within their lawful roles. Support: provincial departments and relevant statutory oversight bodies where applicable.	Immediate reform agenda.
Support, monitoring and dispute resolution (Section 7.3.6)	Provide early support, periodic compact review, structured escalation and an accessible community-triggered route. Complete the design of the dispute resolution institution, procedures, review triggers and reporting lines.	Lead: provincial governments. Support: Provincial Houses, DCoG, SALGA, traditional affairs institutions, municipalities, traditional and Khoi-San councils and relevant land sector institutions where required.	Immediate reform agenda: establish support and escalation arrangements. Longer-term systemic reform agenda: institutionalise the final dispute resolution model.
Capacity, administrative support and funding (Section 7.3.7)	Match allocated roles with capacity-building, administrative support, reporting duties, implementation tools, accountability and resourcing. Identify operating, training, technical assistance, data and system maintenance requirements in implementation plans.	Lead: DCoG, provinces and traditional affairs institutions. Support: National, Provincial and Local Houses, SALGA, municipalities and relevant sector departments.	Immediate reform agenda: provide initial tools, training and support. Longer-term systemic reform agenda: settle sustainable support and funding arrangements.

Priority Projects	Action required	Responsibility	Timeframe
Wider unresolved constitutional and institutional matters (Section 7.3.7)	Maintain a structured process for constitutional status, voting and representation, broader communal land and tenure reform, communal land and mineral rights issues, funding frameworks and other institutional questions, without presenting them as settled White Paper policy.	Lead: national government through the relevant constitutional, local government, traditional affairs, land and sector institutions, with affected institutions and communities consulted.	Longer-term systemic reform agenda.
Sequenced legal and regulatory reform (Section 7.3.7)	Use implementation evidence, public submissions, legal review and interdepartmental engagement to determine amendments required for section 81 participation, planning and consultation duties, compact enforceability, SPLUMA-related arrangements, support and dispute resolution.	Lead: DCoG and traditional affairs institutions. Support: the national department responsible for land reform and rural development, provinces, SALGA, affected institutions, Cabinet and Parliament where legislation is required.	Longer-term systemic reform agenda.

Chapter 8: Municipal finance

8.1 Problem statement: why change is necessary

8.1.1 Foundations that continue to work

Over the last three decades, South Africa has established a local government fiscal framework that compares well internationally, enabling substantial local decision-making within a generally well-crafted and transparent system of intergovernmental fiscal relations. The framework combines municipal own revenues, including property rates and service charges, with national grants distributed on a technically determined and non-politicised basis.

> The Local Government Fiscal Framework is the set of mechanisms through which the availability of funding is balanced with the expenditure responsibilities of local government and through which effective governance and administration of funding and expenditure are maintained.

8.1.2 Scale and consequences of municipal financial distress

However, despite this, many municipalities are now in serious financial distress. The challenges manifest as an affordability crisis at both household and municipal levels and a resultant failure of services, with implications for both residents and businesses. Many citizens are struggling to pay for services, while some are not paying, even if they can. National Treasury figures show that 162 municipalities (63 per cent) were in financial distress in 2023/24, while 89 (34 per cent) had unfunded budgets for 2025/26. The picture appears to be worsening, with many municipalities in a deteriorating spiral of failing services and diminished revenues.

Underpinning this has been a weak national economy reflected in widespread poverty and inequality and a fall in average real household incomes since 2008. Driven by strong migration trends, the fall has been most severe in the metropolitan areas, where average household income is now markedly below that of secondary cities. Poor municipal performance is increasingly contributing to poor national economic performance.

The affordability pressures are reflected in poor service delivery, such as electricity and water distribution failures, failing streetlights and unkempt, potholed roads, as well as significant increases in debt, especially over the last decade, of both consumers to municipalities and municipalities to creditors, especially Eskom. As of 2024/25, total debt owed to municipalities by customers for services and taxes exceeded R400 billion, which in turn has resulted in municipalities owing their creditors, such as their bulk suppliers, over R150 billion.

Because items such as salaries and debt repayment cannot be avoided for long, capital investment and maintenance are usually the first to be sacrificed. But this accelerates failures and introduces new costs such as emergency repairs and increased non-revenue water, which exacerbates the financial pressure. A minority of municipalities have been able to manage the crises and maintain acceptable maintenance practices, but a majority have not.

8.1.3 Internal, institutional and administrative causes

The causes are both internal and external. Internally, poor administration, weak governance, inadequate technical skills, political interference and poor financial decision-making have weakened financial management in many municipalities. Poor resource allocation has allowed operating expenditure to crowd out capital expenditure, while a failure to reinvest trading service revenues into those services has led to their deterioration, undermining the very

revenue on which the services rely. Furthermore, many municipalities routinely fail to pay Eskom and water boards, threatening the viability of water and electricity supply systems.

Much of this has roots in governance and related problems already discussed in earlier chapters. This is compounded by failures of national and provincial governments in managing key elements of the local government system for which they are responsible. In pursuit of sound financial administration, complex administrative requirements have been mandated that have often not met their objectives.

However, it would be wrong to attribute municipal financial distress to maladministration alone. Externally, apart from expanded service needs alongside falling household incomes, municipalities have faced sustained rises in input costs, well above inflation, combined with revenues that have not kept pace.

8.1.4 Rising costs and erosion of revenue sources

Most damaging has been the increase in bulk electricity costs. Between 2008 and 2025, the average price of a kilowatt hour (kWh) of bulk electricity sold to a municipality by Eskom has increased from 18 cents to 184 cents. Given general price increases of only one and a half times over the same period, this translates into a quadrupling of the bulk electricity tariff in real terms since 2008. Electricity has historically represented the largest single revenue source on municipal budgets and the largest single item on an average household's municipal account; thus, these increases have seriously eroded the ability of households to pay not just for electricity but for all municipal services while also eroding the amounts available to municipalities to cover their own electricity distribution costs as well as the substantial cross-subsidies previously paid from electricity revenues to other services. The pressure is seen, inter alia, in failing municipal electricity grids and widespread bypassing of electricity meters and non-payment, especially in poorer areas.

Other bulk costs, including water, have also increased, exacerbated by non-revenue water losses. In 2003/04, bulk electricity and water costs represented 47.6 per cent of total service charge revenue from electricity, water, sanitation and refuse removal combined. By 2023/24, this had risen to 72 per cent, leaving municipalities with only 28 per cent of service charge revenue to operate, maintain and renew their service networks. Increasing bulk costs have thus been a key factor driving the crowding out of capital expenditure.

Average real municipal employee costs have also increased substantially, rising by two-thirds in real terms between 2005/06 and 2022/23 from R259 714 per annum in 2005/06 to R431 284 per annum in 2022/23.

In 2006, Regional Services Council (RSC) levies were replaced by an origin-based share of the fuel levy in metropolitan municipalities and by a grant in district municipalities. Especially in recent years, fuel consumption has declined because of high fuel prices, changed work patterns after COVID-19 and more fuel-efficient vehicles, resulting in the fuel levy share stagnating and then falling in real terms. While acknowledging shortcomings in RSC levies, when they were replaced this former local government tax generated close to half of property rates income in most metros. By comparison, the fuel levy replacement has now fallen to roughly a quarter of property rates. Substantial further reductions in real fuel levy income are inevitable in the medium to long term, arising from a switch to electric vehicles.

A positive feature is that, despite the tight national fiscal position, equitable share grants per capita, which are the main source of grant income to municipalities, have retained their real

value since 2011. However, they have not matched the cost increases faced by municipalities. Per capita infrastructure grants have fallen by a quarter since 2011, sometimes because municipalities lack the capacity to spend them. In the face of these pressures municipalities have relied increasingly on property rates, which have risen in real terms by 134 per cent on average across all classes of municipality since 2003/04, partly driven by new properties coming onto valuation rolls, but mainly by increased real property rates on existing properties. The property rates system continues to function adequately, but there is increasing evidence of strain with rising levels of non-payment.

The failure to levy property rates or an equivalent tax on urban settlements in the former homeland areas, including within the boundaries of larger cities, is both inequitable and reduces potential income. The rapid growth of these settlements makes it increasingly important to address the problem.

Taken together, the diagnosis points to a range of connected structural failures that the fiscal reform programme must address: the erosion of major own and shared revenue sources; rising bulk and personnel costs; household affordability pressures and weak revenue collection; poor resource allocation; misalignment between functions, funding and grant design; and weak monitoring, support, recovery and consequence management. All this results in maintenance and asset renewal failures. A sustained shift from capital to operating expenditure and a failure to invest adequately in maintenance, asset replacement and network expansion lead to worsening service failures, causing increased losses and reduced revenues, thus deepening financial distress. All stakeholders, from households and businesses to bulk suppliers, are adversely affected. Meanwhile, infrastructure backlogs worsen, compounding the investment requirement needed to break the cycle.

8.2 Policy intent and principles

8.2.1 Objectives and revenue model

The widespread municipal financial failures require an urgent, nationally coordinated programme of financial recovery for distressed municipalities, with locally appropriate recovery plans. While the focus of the White Paper is on longer-term structural reforms, immediate rescue and systemic reform are connected: short-term financial support must stabilise services and cash flow while advancing the structural changes needed to prevent repeat failure.

Consistent with local government's constitutional status as an independent sphere, the local government fiscal framework must enable a balance between revenue and expenditure in each municipality while recognising that fiscal design choices shape institutional behaviour, service outcomes and accountability. The four key objectives for the local government fiscal framework are to balance revenue and expenditure, address basic needs, promote development and economic growth, and strengthen local decision-making and accountability.

When the 1998 White Paper was adopted, own revenues represented approximately 90 per cent of operating revenues nationwide. This was not a prescription but rather the result of the predominance within the system of major cities that raised almost all their revenues themselves. Since then, services have been substantially extended, particularly to municipalities with a very low revenue base that receive almost all their revenue in the form of grants. The local government fiscal framework must continue to ensure that local government is predominantly funded by own revenue instruments, while acknowledging that this revenue mix will differ across individual municipalities due to variations in revenue-raising capacity.

8.2.2 Principles for the local government fiscal framework

The framework is based on the following principles:

Revenue adequacy. Local government and individual municipalities need access to sufficient revenue instruments to meet their service delivery and spending responsibilities. This requires a stable, appropriate mix of affordable devolved taxes, service charges, and other own revenues, supported by intergovernmental transfers. In ensuring revenue adequacy, the local government fiscal framework must consider municipal expenditure requirements, local tax base potential, and the efficiency with which spending and revenue collection are carried out, ensuring that fiscal transfers are not expected to substitute for inefficiencies.

Devolved revenues preferred over grant funding. Own or shared revenues strengthen downward accountability and are more predictable than grants. Where municipalities have a sufficient economic base, well-designed own revenues can incentivise growth-enhancing municipal behaviour while also strengthening balance sheets and creditworthiness, enabling greater borrowing for infrastructure. Suitable instruments that are administratively feasible and economically sound are required.

Affordability, equity and redistribution. Own revenues alone cannot deliver equity and redistribution. The system must enable basic needs to be addressed on an affordable basis for households, municipalities and the national fiscus. The local government equitable share supports free basic service provision and redistributes nationally raised revenues to municipalities with limited revenue-raising potential. While local cross-subsidisation is appropriate where feasible, national government remains the primary agent of equity and redistribution through intergovernmental transfers.

Differentiation. Because municipalities differ fundamentally in economic base, geography, demographics and capability, a differentiated finance framework is required, matched to municipal context and performance.

Sustainability and predictability. Municipal activities must be sustainable, balancing service levels with affordability and requiring realistic budgeting, sound infrastructure asset management including full lifecycle costing, cost-reflective tariffs and adequate general revenue. A greater focus on balance sheet health as a policy objective is needed. The design of the fiscal framework and the behaviour of other spheres of government are critical in creating the predictability that is necessary for sound, sustainable planning.

Effective and efficient resource use. Value for money and fiscal prudence must be prioritised, backed by sound processes, smart but simple regulation and good oversight. Accountability to communities is critical and is strengthened when municipalities have meaningful own-revenue responsibilities.

Accountability, transparency and good governance. These require comprehensive, accurate financial reporting, supported by effective monitoring, performance management and consequence management. Well-designed ring-fencing of individual services can assist in promoting transparency and accountability.

Performance and incentives. The system should reward good performance in predictable ways. Incentives that are built into the fiscal framework, rather than dependent on discretionary administrative or political judgement, are more credible and effective. Incentives should be predictable, transparent, and largely formula-driven.

Local budgetary discretion with intervention only when needed. Municipalities' constitutional discretion over expenditure and revenue decisions must be respected and promoted, supported by regulation and oversight from national and provincial government that enables early detection of significant failures and well-managed, objectively determined interventions only when necessary. Conditions placed on grants must not be used to subvert legitimate local autonomy.

Clear consequences for failure. Local discretion means that municipalities must also take responsibility for failure and bear appropriate consequences. This requires a clear and predictable framework for how failure is addressed within the system.

Promotion of economic growth, development and investment. Municipalities best support growth through providing a reliable platform of municipal services. The fiscal framework should allow areas that generate growth to share in the resulting public revenues through appropriate instruments, thus strengthening incentives for further growth. Higher growth enables a greater share of transfers to be directed to municipalities with weaker economic bases and higher poverty. This must complement other national and provincial strategies to reduce regional inequalities.

Macroeconomic management and fiscal resilience. Municipal finances are affected by the macroeconomy but can also have national macroeconomic impact. The local government fiscal framework must result in good local services that support growth while avoiding inflationary tax and tariff increases. It should be as resilient as possible during fiscal shocks and be appropriately considered when taking national fiscal policy decisions, particularly during economic recessions.

8.2.3 Reform process, institutional learning and cross-chapter dependencies

The ten policy reform streams set out below provide strategic direction for change and are consistent with these principles. Many of the details will need to be developed as reform proceeds. Some of this will depend on changes dealt with in other chapters. For example, the fiscal arrangements required by reforms to the current two-tier system as envisaged in Chapter 2 will depend on the detail of those reforms that will only emerge after White Paper adoption. However, the principles as set out in this chapter will guide solutions.

Some of the details will be developed through the Local Government Fiscal Framework review project currently being undertaken by National Treasury and through subsequent reviews guided by the White Paper and implemented by National Treasury. The Financial and Fiscal Commission has a constitutional mandate in these areas and could play a significant advisory role in refining and furthering these reforms.

There is extensive knowledge and good practice in municipal finance among well-functioning municipalities that are often insufficiently appreciated or drawn on in national and provincial policy and decision-making. A more systematic approach is needed to identify this knowledge and these practices and extend them nationally.

8.3 Policy choices and key reforms

The affordability of municipal services and the broader fiscal distress in local government must be addressed. However, it is unrealistic to assume that this can be resolved simply by increasing national grants to municipalities. National government lacks the fiscal space to do so without placing pressure on other essential services such as education, health and policing. In addition, given the extent of maladministration in parts of the system, higher transfers would not necessarily lead to better services or stronger financial discipline.

As indicated in section 8.3.10, a recovery programme will be needed in the short term to facilitate turnarounds in crisis-ridden municipalities, as has already begun to occur. However, solutions lie primarily in structural reforms that secure revenues, improve efficiency and strengthen accountability in ways that support higher levels of economic growth. With the right fiscal framework design, and improved efficiencies, higher economic growth will result in more revenue in economically strong areas and more scope to increase grants to fiscally constrained municipalities.

8.3.1 Differentiate municipal finance policy and regulation

The municipal finance system must differentiate better among municipalities. Differentiation within municipal finance applies to revenue powers, grant design, the devolution of functions and the regulation of financial administration and requires a clearer understanding of municipal context and capacity.

Metropolitan municipalities and secondary cities account for almost three-quarters of national gross value added. The scope for raising revenue through devolved instruments is therefore much greater in these municipalities than in most other areas. Some rural areas also have revenue potential, especially where there are substantial mining, agricultural or nature-based tourism economies. Elsewhere, grants will form a larger share of municipal revenues. Nevertheless, realistic revenue-raising potential must be considered in all areas.

Grant design must be better tailored to differing local capacities, as discussed further below. Differentiation in the assignment of functions is mandated in the Constitution but largely not implemented. The fiscal framework must provide for asymmetric assignment.

The local government finance framework must also allow for differentiation in financial regulations. Differentiation must consider context, such as budget size, and performance, such as Auditor-General assessments. In general, municipalities are overregulated, and simplification is needed (see Chapter 3). A thorough and systematic review of all financial and related regulations is required and must be informed directly by the experience of municipalities in practical implementation. While sound financial management is needed, compliance requirements and reporting processes that cannot be shown to improve accountability, decision-making or service outcomes must be ended.

8.3.2 Respond to eroded own revenue instruments

The erosion of cross-subsidies from electricity revenues and of the origin-based share of the fuel levy that replaced RSC levies represent a significant structural deterioration in municipal funding that must be addressed. Given market and technology changes, the revenue from these sources, which historically represented well over a third of general revenue, will continue to diminish.

Because own (or shared) revenues are generally better than grants at strengthening accountability, predictability and economic growth, the objective should be to replace eroded

and eroding own sources with other own/shared revenue instruments with grant adjustments where required to support poorer regions. The details of the response will be informed by National Treasury's Local Government Fiscal Framework project. Any new instrument should be simple to implement, must incentivise improved performance and economic growth, have a buoyant revenue base with minimal negative externalities, and should be able to cater for the differential assignment of functions.

The property rates system should be protected and strengthened through better municipal administration. To promote equity, government should extend property rates to communally owned land if tenure arrangements are clarified in ways that permit this or develop alternative instruments if they are not. This requires amendments to relevant legislation, with the detail depending on how tenure issues are addressed.

Immediate work must identify and assess replacement revenue options, strengthen property rates administration and develop lawful transitional approaches for growing settlements on communal land. Longer-term implementation will require decisions on new own or shared revenue instruments, grant adjustments and any amendments to fiscal, rates and tenure legislation.

8.3.3 Address affordability within fiscal constraints

The affordability crisis at household level contributes directly to the affordability crisis at a municipal level. The fiscal framework must address affordability without ignoring national fiscal constraints.

First, a better understanding is required of affordability, which is shaped by the interaction between cost, consumption and income under diverse local conditions. The fiscal framework must recognise this diversity and apply affordability more consistently so that access to basic services is protected and subsidies, including indigent support, reach households that genuinely need them.

To do this, better data is needed at national and municipal levels, supported by modern techniques such as AI-backed aerial photography combined with ground-level sample surveys. Statistics South Africa must drive the implementation of a sufficiently frequent, accurate and authoritative national affordability survey that is representative at municipal level and can be used as a basis for the distribution of equitable share grants while also supporting municipal planning and budgeting decisions.

Second, the challenges not only of indigent households but also the non-indigent poor must be addressed. Non-indigent poor households are households that do not qualify for indigent support because they earn just above the qualifying threshold but still face affordability challenges. This will be informed by municipal experience and the affordability survey and requires better indigent targeting combined with progressive tax and tariff structures, resulting in municipal accounts that are better calibrated to ability to pay while recognising payment pressures across all citizens.

Third, the structure of fees for services must be reviewed and redesigned to better reflect costs, including the distinction between fixed and variable costs, and improve affordability, especially for the non-indigent poor, while also understanding and addressing the cost impact on all users. Where cross-subsidisation is required to or from rates and other general revenues to optimise affordability, this must be done transparently and be justified, consistent with the objectives of ring-fencing. Amendments to the Municipal Systems Act and other legislation may be required.

Fourth, indigent and pro-poor targeting must move away from over-reliance on household-by-household means testing. More objective and administratively feasible approaches must be used, including property value bands, area-based criteria, service levels and consumption levels. Different designs may be needed in different municipal contexts. Individualised means testing will still be required for indigent and low-income households not automatically identified through other mechanisms, but this should represent only a relatively small minority of indigent households. The significant experience in some well-functioning municipalities regarding these more feasible approaches should be drawn upon to inform policy and practice nationally. Targeting should be strengthened through better cross-referencing with the national social grant register through the data exchange. Municipalities must work towards using a combination of aerial and ground-level surveys to gain a clear understanding of all households that require free basic services and the services provided to them. This is especially relevant in informal settlements where basic services are provided communally rather than to each household.

Fifth, non-indigent customers on traditional land must be treated in the same way as non-indigent customers elsewhere in the municipality, including for billing, credit control and tariff application. As discussed above, where tenure systems make property taxes infeasible, a tariff or tax equivalent of property taxes is required.

Sixth, mechanisms must be pursued to contain the cost of bulk electricity and water supplies. Independent regulation processes should focus on balancing cost recovery and affordability across the whole service value chain, thus encompassing both bulk and municipal service providers. Municipalities must be allowed to benefit from more competitive energy markets through lower bulk electricity prices; this may require amendments to procurement and other regulations.

Finally, to the extent that national financial constraints allow, and as explained further in Chapter 9, a review of the current free basic services levels of 50 kWh of electricity and 6 kl of water is needed. Free basic services provision at any revised level must be funded by the equitable share, while encouraging cross-subsidisation within the customer base where feasible, particularly towards the protection of the non-indigent poor. However, national government must avoid raising mandated minimums unless the resources and implementation mechanisms are in place to deliver them reliably.

8.3.4 Improve own revenue collection

Poor revenue collection is the principal immediate driver of municipal financial crises and must be improved. Sound collection levels close to 95 per cent of billings have been achieved by a minority of municipalities and must become the norm.

The ability of a municipality to collect its own revenue lies at the heart of the municipal system. It underpins local decision-making power and the social contract between the municipality and residents.

Better collection requires four connected elements. First, municipalities must deliver reliable services at levels appropriate to local circumstances. Second, they must implement well-designed tax, tariff and subsidy arrangements that address affordability as described in section 8.3.3. Third, they must maintain sound billing, revenue administration, metering, credit control and debt-management systems. Fourth, political and administrative leadership must legitimise the revenue system and address cultures of non-payment.

Fair but effective mechanisms and sanctions must apply where payment is not forthcoming, balanced with protection of reasonable levels of service provision to the poor. Excessive consumption by consumers classified as indigent should not be facilitated through repeated debt write-offs; measures to restrict consumption must be implemented. All elements of the revenue management value chain are necessary. A breakdown in one element compromises the others. Smart metering must continue to be rolled out as part of revenue administration.

While debt recovery must be pursued vigorously, rapid but well-calibrated responses as soon as non-payment manifests are critical so that the accumulation of debt is avoided.

Many municipalities use mechanisms linked to the sale of electricity very effectively in responding quickly to non-payment for any service. Best practices must be promoted, while municipalities in Eskom-served areas must be empowered to use electricity fully as a credit control measure. The 1998 White Paper recommended the use of electricity sales as a credit control mechanism across all areas, but this has not been implemented and must be corrected. An amendment to the Electricity Regulation Act, and to relevant regulations, is required both to enforce this and ensure it is done in a way that is appropriate and fair to all parties.

8.3.5 Improve the efficiency and financial viability of municipal services

Chapter 8 is the lead chapter on the fiscal viability of municipal services, including ring-fencing, bulk costs, maintenance funding, cross-subsidies and creditworthiness. Chapter 9 is the lead chapter on service-authority and service-provider arrangements, licensing, regional delivery and the operational regulation of service performance.

8.3.5.1 Financially viable trading services

Municipal service provision must become more efficient and financially viable. Better efficiency supports value for money, more affordable taxes and tariffs, improved revenue collection and stronger balance sheets. Protecting operations, maintenance and asset renewal is a central requirement. Service viability must be assessed over the full asset lifecycle, not only against annual operating expenditure. Municipal service provision is dealt with in more depth in Chapter 9.

Trading services must be financially ring-fenced and managed as professionalised enterprises with greater utility control over all the key elements of the enterprise, including financial elements. Ring-fencing must ensure that the operating, bulk-supply, maintenance and asset-renewal and extension requirements of the trading service are adequately funded before a genuine surplus is used for other municipal purposes. Where cross-subsidies continue, they must be transparent, reported and financially sustainable. Ideally, surpluses used for cross-subsidies should be classified as surcharges and suitably formalised.

This builds on reforms such as the Metro Trading Services Reform initiative. Ring-fencing creates the transparency needed for tax and tariff setting, identifying inefficiencies, and generating sustainable surpluses that can be reinvested in asset creation and renewal. It also supports better decisions about the most appropriate service delivery mechanism, including where external providers are introduced. Financial ring-fencing does not prevent cross-subsidisation between services or with the rates account. It requires cross-subsidisation to be transparent, carefully reported and justified.

8.3.5.2 Service authority, service providers and economic regulation

The 1998 White Paper envisaged a much wider set of alternative service providers than has been realised. This White Paper seeks to remove constraints to such options so that more of

South Africa's delivery capabilities can be applied in the municipal sector. The distinction between service authority and service provider must be made clearer in ways that are practical, and proposals on licensing to ensure municipalities use capable service providers must be advanced.

Where services are delivered through external providers, municipal and national transfers linked to those services must be clearly identified and must flow through to the provider through the service level agreement. Funding responsibility must follow the service obligation, and pricing must remain transparent. Different municipalities face different cost structures; thus, the proportion of the equitable share grant that municipalities allocate to each service may differ across municipalities. However, the actual allocation must be fair, based on objective criteria and spent transparently.

Municipal councils must use their constitutionally non-delegable powers to improve the financial viability of all services. This includes passing enabling by-laws, approving realistic budgets that protect trading service revenue, providing adequately for operations and maintenance, and setting taxes, levies, surcharges and tariffs that balance affordability with asset management requirements. Councils must create conditions that improve creditworthiness and must use available borrowing space responsibly to accelerate infrastructure investment and strengthen long-term municipal financial sustainability. Where councils fail to take necessary corrective action, section 139 interventions must be applied as envisaged in Chapter 3.

Stronger and clearer accountability is required across the system. Well-designed independent economic regulation can help balance affordability and financial sustainability without intruding unnecessarily into municipal decision-making; the power to set taxes and tariffs for local services remains ultimately with municipalities. Independent regulation can strengthen public confidence by promoting fair and realistic tariffs and by supporting responsible use of alternative delivery arrangements. This is dealt with further in Chapter 9.

8.3.5.3 Procurement, information systems and institutional learning

Public procurement must be positioned as a strategic driver of effective service delivery while prioritising value for money. A differentiated regulatory regime and improved public oversight over local government procurement, backed by a well-designed data system, can improve systems and accountability. Professionalisation of the municipal administration must also improve supply chain management capacity and procurement processes. Empowering officials critically responsible for service outcomes is required, combined with reasonable checks and balances to avoid abuse. Information systems are an important element of improved municipal processes. Alignment is needed among technology, human skills, improved business processes and organisational decision-making.

Chapter 4 sets the integrity and transparency requirements for procurement, Chapter 5 provides the digital and information-system architecture, and Chapter 9 establishes the differentiated infrastructure-procurement and best-value framework. This chapter addresses the financial-efficiency, budget and creditworthiness consequences of those reforms.

Nationally mandated approaches to budgeting, economic regulation, procurement, financial regulation and information technology must draw on the experience of capable municipal officials who implement them. Regulation is an important national instrument, but overregulation has serious adverse consequences for efficiency and effectiveness. Over-regulation is already embodied in many current practices and must be addressed to enhance efficiency and viability through simplifying and differentiating by context and performance.

National and provincial government, SALGA and other organisations must build on existing municipal successes through systematic practitioner involvement and practical knowledge-sharing across municipalities.

8.3.6 Equitable share and conditional grant reform

In principle, unconditional and conditional grants to municipalities must be distributed in ways that strengthen local institutional capacity, minimise fiscal imbalances and avoid dictating the use of grants where such decisions are best taken locally.

The equitable share must remain the cornerstone of intergovernmental transfers and the primary mechanism for supporting local government from the centre. It must promote equity through the funding of free basic services and play a redistributive role in the local government fiscal framework to minimise fiscal imbalances and support resource-constrained municipalities. The equitable share formula must reflect the efficient levels of fixed and variable costs of delivering municipal services to the poor and the varied revenue-raising capacity across municipalities. Adjustments to the equitable share grant may be required because of other changes set out in this chapter, including responses to erosion of own revenue sources and addressing affordability challenges.

Aside from the equitable share, municipal operating and capital expenditures should ideally be funded predominantly by own revenue instruments, including alternative financing mechanisms and borrowing, with grants used sparingly and only where there is a clear, evidence-based rationale. Conditional grants should serve as targeted instruments to address specific national priorities, improve equity and correct fiscal imbalances. The review of the local government grant system forms part of the National Treasury's review of the local government fiscal framework and will remain an ongoing process through the conventional fiscal and budget cycles as the local government system evolves and priorities change. The current and continued reform of local government grants should be informed by the following principles:

Strengthen incentives and improve targeting mechanisms in grant design: Incentives and targeting must be strengthened so that grants and grant conditions support sustained service outcomes, asset renewal and resilience while recognising differences in municipal performance and local affordability.

Better balance infrastructure extension with infrastructure protection: Over the last three decades the focus has been on service extension, but increasingly South Africa is facing an infrastructure renewal problem; a better balance is thus required between grants for service extension and grants for renewal of existing assets.

Promote performance in delivery over compliance in grant conditions: Conditional grant management must shift from a compliance-driven approach focused on whether funds are spent within the financial year to a performance-driven approach. The test must be whether grant-funded programmes improve reliability, financial sustainability and infrastructure conditions over the medium term. Performance-based grants must be tied directly to a revised system of outcome monitoring and must use a graduation model that differentiates between well-performing and poorly performing municipalities, as discussed in Chapters 3 and 9. Any graduation model linked to performance should be based on objective and transparent criteria.

Better balance between local flexibility and intergovernmental support and intervention to improve grant outcomes: Well-performing municipalities can be allowed more flexibility. For poorly performing municipalities, early-warning indicators, regular implementation

milestones and staged step-in mechanisms are needed to identify and address projects at risk before under-expenditure becomes unavoidable. Such staged step-in mechanisms will need to be developed based on experience. Stepping in could start with limited support, but where municipalities are unable to execute grant-funded projects despite this support, grant frameworks could provide for lawful, rules-based intergovernmental redirection mechanisms that enable greater implementation support through appropriate public-sector or other legally compliant arrangements. Such arrangements would need to respect municipal autonomy and the municipal financial management framework and not be used as an ad hoc mechanism for national or provincial government to assume municipal supply chain management and other responsibilities. The staged support and lawful redirection arrangements in this section apply to grant-funded programmes and projects. They may constitute part of the municipality-wide monitoring, support and intervention system in section 8.3.10. But any project-level step-in must remain rules-based, proportionate, transparent and directed towards completing the project while strengthening municipal capability.

Promote external assistance to support grant spending: The use of professional panels, implementing agents, development finance institutions or other external support mechanisms may assist in improving delivery, but such arrangements must be subject to high levels of transparency and clear safeguards to avoid abuse. The objective must be to preserve service delivery and build municipal capability, not to replace municipal systems with costly external arrangements.

Protect municipal mandates and capacity: Conditional grants should also not be used to transfer implementation risk for functions that remain substantially national or provincial in nature to municipalities without the necessary authority, capacity, funding certainty and accountability arrangements.

8.3.7 Align personnel costs, skills and productivity

The increase in real average costs per employee in the municipal sector requires focused attention. Employee numbers per population served have decreased, but the rise in average real remuneration has not been matched by an equivalent increase in average productivity. Municipalities appear to be understaffed in some functions and overstaffed in others. Some municipal salaries compare well with relevant benchmarks at some levels but not at others.

Given the importance of employee costs and skills to municipal finance, this reform must be treated as a priority. In-depth research is required to determine how municipalities can employ the right people, at the right numbers and at the right remuneration levels, to get the job done effectively. This forms part of the professionalisation process discussed in Chapter 5.

The salary bargaining process must be examined to determine the reasons why wage settlements above inflation have become normalised despite poor output.

Sound policy choices cannot be made without a better understanding of staffing, skills, remuneration, the use of overtime, productivity and the salary bargaining process. In-depth research into these matters is required, including relevant salary benchmarking exercises taking into consideration the general structural constraints of the labour market, the need for skills relative to the assignment of municipal powers and functions and the ability to attract the relevant skills in certain areas of the country.

The institutions responsible for the Chapter 5 professionalisation process must ensure that this research is completed with National Treasury, municipalities, SALGA and the relevant

collective-bargaining institutions. The findings must be submitted to the appropriate executive, regulatory and bargaining processes so that research leads to decisions on staffing norms, scarce skills, remuneration, overtime, productivity and implementation without weakening municipalities that need to attract and retain specialised skills.

8.3.8 Reaffirm and operationalise finance follows function

The principle that finance follows function is affirmed. This is a primary principle of fiscal decentralisation and local government funding. The principle is especially important in the context of the restructuring of powers and functions discussed in Chapter 2.

The various instances of disjuncture between finance and function must be defined and distinguished. These include non-local government functions, which are functions constitutionally assigned to national or provincial government that are being undertaken by local government. In these cases, appropriate service delivery and funding arrangements must be made through service level agreements between municipalities and the relevant province or national department.

Additional expenditure responsibilities arising from new legislation, amendments, regulatory requirements and reforms that affect municipalities must be costed, aligned with a funding strategy and considered through the Coordination Centre described in Chapter 3. This requirement must apply before new obligations are implemented.

Where functions are devolved, it is preferable to accompany the devolution of functions with the assignment of own or shared revenue sources rather than increased dependency on grants from national government. The details and scope for this depend on the circumstances.

Chapter 2 outlined a vision for a differentiated two-tier system with clearer roles for district municipalities in areas of the country where they continue to exist. Clarifying the powers and functions of districts is key to ensuring the appropriate assignment of revenue instruments to support such functions. Where district municipalities are assigned trading services functions, the ability to levy tariffs and surcharges would naturally follow while general revenue sources, either in the form of new taxes, tax and revenue sharing or function-specific grants, would be ideal for the suite of non-trading services assigned to district municipalities. DCoG's review of the powers and functions of local government, which is informed by Chapter 2 of the White Paper, will play an important role in clarifying the powers and functions of district municipalities in the current and envisioned two-tier system.

Chapter 2 is the lead chapter on the assignment and allocation of powers and functions. Chapter 8 is the lead chapter on the funding arrangements required to give effect to the principle that finance follows function. Immediate implementation must identify current disjunctures, cost proposed new responsibilities and, establish service-level and funding arrangements for non-local government functions. The longer-term systemic reform must align assignment decisions, revenue instruments and the statutory framework so that finance follows function consistently.

8.3.9 Enhance borrowing and attract private investment

The public sector does not have the scale of capital required to invest in the municipal sector at the level needed. Measures to encourage borrowing at competitive rates must therefore continue. Borrowing from the private financial sector, possibly in partnership with development finance institutions, provides additional sources of capital. It also strengthens municipalities by requiring the rigour and financial prudence needed to borrow responsibly.

However, the market for municipal debt has deteriorated along with the deterioration in general municipal finance and needs to be rebuilt. Development Finance Institutions have an important role to play in this, working towards leveraging private capital rather than replacing it.

Public-private partnerships offer scope for greater private-sector involvement. National Treasury must simplify the public-private partnership framework. This, together with other alternative service delivery arrangements, is discussed in Chapter 9.

National Treasury must investigate the potential for amending grant allocations beyond three years, under certain conditions, to facilitate pledging against loans and PPPs to address the viability gap. More effort is needed to position municipalities to benefit from the substantial funds available through the Just Energy Transition (JET). This could also help lower energy costs.

Greater efforts should be made to promote the use of alternative financing mechanisms for municipal capital expenditures. This includes improving regulations and removing barriers to greater use of development charges, pooled financing mechanisms and blended financing mechanisms, among others.

However, ultimately, the challenge is to restore creditworthiness. This requires stronger balance sheets, renewed assets and secure current and future revenue streams. Because of financial distress, the current pool of creditworthy municipalities is small, so even with the measures identified above, borrowing will be limited initially. Expanded borrowing is, nevertheless, an important objective to pursue.

Immediate work should simplify existing financing mechanisms, improve project preparation and position capable municipalities to access development finance, private capital and just energy transition funding. The longer-term objective is to rebuild municipal creditworthiness and the municipal debt market through stronger balance sheets, renewed assets and secure revenue streams.

8.3.10 Strengthen monitoring, support, intervention and recovery capability

8.3.10.1 Monitoring and intervention reform

Chapter 3 is the lead chapter on the general monitoring, support, intervention and recovery system. This section applies that system to financial distress, early fiscal warning, financial recovery plans and the Municipal Financial Recovery Service.

Current levels of financial distress require immediate action to prevent further deterioration, together with longer-term reform of monitoring, support and intervention. The existing legal framework must be used more effectively now, while the constitutional and legislative changes described in Chapters 2 and 3 are developed.

As explained in Chapters 2 and 3, a better system of municipal monitoring and intervention is required, leading to earlier support and interventions as problems begin to emerge and stronger and longer interventions where appropriate. The intervention framework should be depoliticised, made more predictable, and informed by data to facilitate timely action as issues arise. While amendment to section 139 of the Constitution will be required to fully enable the envisaged intervention framework, significant advances should be possible in the interim.

Monitoring must, as far as possible, be consolidated around National Treasury and DCoG's Circular 88, together with financial reporting to National Treasury. This must ensure accurate

and relevant information while reducing onerous reporting requirements that repeat similar information. Reported information must be closely tracked to identify problems more quickly.

National government requires substantially stronger intervention capability. The Municipal Financial Recovery Service in National Treasury must be significantly expanded in authority and capacity, and overlapping national mandates must be eliminated or harmonised. Where a recovery plan is imposed under section 139(5) or (7) of the Constitution, government support, sector interventions, grants and incentives must be aligned to that plan.

While substantially longer and deeper interventions are required than have been implemented in the past, national government should be cautious about pursuing centralised solutions for the long term. The promotion of local democracy, local governance and local accountability should continue to be the key to the South African local government system.

But promoting local governance also means that municipalities must take responsibility for failure and bear appropriate consequences. A clear, predictable and fair framework for how failure is addressed within the system is required, including what happens to insolvent municipalities.

8.3.10.2 Immediate municipal stabilisation programme

National Treasury and DCoG must promptly develop a national rescue and stabilisation programme for municipalities with serious financial and service delivery crises, including some metropolitan municipalities. Each municipality will require a locally appropriate recovery pathway that addresses critical internal deficiencies and advances the structural reforms identified in this chapter.

Recovery pathways will most likely begin with addressing serious service deterioration in combination with improved revenue collection, tight cash management and compliance with core financial-administration requirements. Reducing non-revenue water and electricity offers an immediate opportunity to stem losses, increase revenue and improve services. Better procurement, improved maintenance, asset renewal, right-sizing of organisational structures, personnel-cost containment and balance-sheet repair require sustained implementation.

The programme will require national financial support structured to enable recovery and behavioural change while avoiding moral hazards. Debt resolution must address the full municipal debt chain: customer arrears; debt to Eskom, water boards, and other creditor arrears. Any relief, restructuring or settlement must be linked to service reform, revenue improvement, cash discipline, operational restructuring and credible arrangements to prevent debt from recurring. Cost reductions are required at both bulk-provider and municipal levels.

Existing reform and support programmes should be built upon. These include the Metro Trading Services Reform programme, the National Water Action Plan, debt relief and the activities of the Infrastructure Finance and Implementation Support Agency. However, they must support integrated municipal-wide improvement rather than having only a sector-specific focus.

8.4 Implementation priorities

The following table lists a set of key projects that are needed to implement the policy reforms set out above; it does not create additional policy. The Transition Management Body established under Chapter 11 will need to refine the projects in consultation with the responsible parties identified, including developing a more detailed timeframe and assignment of responsibility. Note that the current table often includes more than one responsible party;

how responsibility is shared must be determined. The Transition Management Body must track milestones, dependencies and matters requiring Cabinet, fiscal or legislative decisions, but implementation remains with the institutions identified below as refined.

These projects collectively contribute to reform of the local government fiscal framework, alongside the broader National Treasury-led review. National Treasury is the key national department responsible for the local government fiscal framework and, as can be seen in the table, is the key institution responsible for most of the projects. However, DCoG is responsible for legislation such as the Municipal Systems Act and Municipal Property Rates Act; hence, the need for sharing of responsibility is evident in the table. National Treasury's current Local Government Fiscal Framework review addresses some of the areas identified in the table.

This chapter has stressed the importance of consulting and involving capable municipal officials in designing reforms. Municipalities must have a strong presence in the design and implementation of change through appropriate mechanisms which may include selected municipalities that have developed key capabilities and collectively through SALGA and organisations such as the South African Cities Network. Note also that the Financial and Fiscal Commission has a constitutional mandate to provide advice on all these areas and could become involved in many of these projects.

Priority Projects	Action required	Responsibility	Timeframe
Simplified and differentiated financial regulation (Section 8.3.1)	Review the Municipal Finance Management Act, the Municipal Systems Act and other relevant legislation, informed by municipal experience, aimed at simplifying financial and related regulation to improve efficiency with differentiation based on context and performance while safeguarding sound financial practices.	Lead: National Treasury and DCoG. Support: municipalities, SALGA and other relevant national and provincial institutions. Municipal practitioners must participate directly in the review.	Immediate reform agenda: complete the regulatory review, identify key drivers of complexity and identify and implement easily achieved simplifications. Longer-term systemic reform agenda: design, enact and institutionalise the differentiated framework.
Replacement of eroded own and shared revenue sources (Section 8.3.2)	Respond to the erosion of electricity cross-subsidies and the fuel levy sharing to metros, favouring simple and buoyant own or shared revenue instruments that support performance, growth and differentiated functions, with grant adjustments where required for poorer regions.	National Treasury.	Immediate reform agenda: assess options. Longer-term systemic reform agenda: agree on the new revenue instrument(s) and implement.

Priority Projects	Action required	Responsibility	Timeframe
Improved property rates administration (Section 8.3.2)	Undertake a systematic review of property rates administration across municipalities identifying key trends and risks as well as current best practice and facilitate the extension of the latter.	DCoG and National Treasury in conjunction with municipalities.	Immediate reform agenda: undertake systematic review of property rates identifying key trends, risks, best practice. Longer-term agenda: implement best practice.
Revenue instruments on communally owned land (Section 8.3.2)	Develop mechanisms to enable levying property rates and service charges or equivalent instruments on communally owned land, making the required amendments to relevant legislation, such as the Municipal Systems Act and/or the Municipal Property Rates Act and/or tenure instruments.	DCoG, National Treasury, and the Department of Land Reform and Rural Development.	Immediate reform agenda: clearly understand the challenge, the options for reform and the implications of each option. Longer-term agenda: identify the preferred options and implement.
Regular and authoritative municipal level affordability surveys (Section 8.3.3)	Establish a sufficiently frequent, accurate and authoritative municipal-level affordability survey to enable a good understanding of municipal rates and service charge affordability across income groups considering context, and to provide a sound basis for distribution among municipalities of the equitable share grant.	Statistics South Africa working in conjunction with municipalities, National Treasury and DCoG.	Immediate reform agenda: design the survey to address relevant questions while ensuring implementability including funding – and implement. Longer-term agenda: institutionalise with ongoing improvements.

Priority Projects	Action required	Responsibility	Timeframe
Improved revenue practices (Section 8.3.4)	Drawing on successful local experience, review and adjust tax and tariff structures to better reflect costs and improve affordability; improve indigent targeting in practical ways, also considering affordability for the non-indigent poor and other income segments; improve collection through sound revenue administration, fair sanctions, early debt responses, smart metering and appropriate use of electricity as a credit-control measure for all municipal services, including in Eskom-served areas.	DCoG and NT working with municipalities, SALGA and sector departments.	Immediate reform agenda: review tax and tariff structures against costs and affordability and consider options for reform; identify practical approaches to indigent targeting; identify revenue collection best practices; identify required reforms to use electricity as credit control. Longer-term agenda: implement including amend legislation as required to enable all reasonable options.
Electricity related issues (Section 8.3.4)	Constructively resolve challenges in the electricity sector, including enabling capable service providers where current utilities are failing; addressing debt to Eskom; reducing bulk costs including through enabling municipalities to participate fully in emerging competitive bulk supply markets; and facilitating appropriate use of electricity as a credit-control measure regardless of the distributor.	DCoG, Presidency, and NT, working with SALGA, Department of Electricity and Energy and Eskom.	Immediate reform agenda: identify options for service provider arrangements and mechanisms for transition; identify mechanisms to enable municipalities to participate in competitive bulk supply markets; address debt in context of recovery programmes.

Priority Projects	Action required	Responsibility	Timeframe
Equitable share and conditional-grant reform (Section 8.3.6)	Review equitable share formula against fixed and variable costs of services to poor households and varied revenue-raising capacity; rebalance grants towards service outcomes, asset renewal and resilience; establish performance and graduation arrangements.	National Treasury through the Local Government Fiscal Framework project and subsequent reviews, supported by DCoG municipalities, SALGA and line departments.	Immediate reform agenda: undertake formula and grant reviews and design mechanisms to rebalance grants towards service outcomes, asset renewal and resilience. Longer-term systemic reform agenda: implement the revised formula, incentives, asset-renewal balance.
Staged grant support and lawful redirection (Section 8.3.6)	Where municipalities cannot execute grant-funded projects develop staged step-in mechanisms including, where required, lawful rules-based redirection of grants subject to appropriate municipal autonomy, transparency and capability-building safeguards.	National Treasury and DCoG after consulting municipalities and relevant line departments.	Immediate reform agenda: develop policy, strategy and procedures and draft legislation, regulations where required. Longer-term systemic reform agenda: implement and refine based on experience.
Financially viable services, maintenance, bulk costs and economic regulation (Section 8.3.5)	Ring-fence trading services; manage them as professionalised enterprises; protect operations, maintenance and asset renewal; make cross-subsidies transparent; reduce non-revenue water and electricity; contain bulk electricity and water costs; clarify service-authority and provider roles; advance licensing of capable providers and independent economic regulation; and improve procurement, information systems and practitioner knowledge-sharing, aligned with projects provided for under Chapters 2 and 9.	Lead implementers: municipalities. Framework and support: National Treasury, DCoG, national sector departments, relevant regulators, and existing reform programmes, including the Metro Trading Services Reform programme and National Water Action Plan.	Immediate reform agenda: ring-fence services, protect maintenance, reduce losses and improve procurement and information systems, review the Municipal Finance Management Act to ensure that municipalities ring-fence trading service revenues. Longer-term systemic reform agenda: institutionalise provider licensing, economic regulation and the full service-viability framework.

Priority Projects	Action required	Responsibility	Timeframe
Finance follows function (Section 8.3.8)	Identify and distinguish current finance-function disjunctures; establish service-level and funding arrangements for non-local government functions; cost new legislation, regulation and reforms before implementation; and accompany devolved functions with appropriate own, shared or grant revenues.	National and provincial departments; municipalities; the Coordination Centre.	Immediate reform agenda: identify disjunctures, cost new obligations and conclude interim funding arrangements. Longer-term systemic reform agenda: align assignments, revenue instruments and the statutory framework.
Personnel costs, skills and productivity (Section 8.3.7)	Complete research and salary benchmarking on staffing, skills, remuneration, overtime, productivity, bargaining, labour-market constraints and the attraction of scarce skills. Submit findings to the appropriate executive, regulatory and collective-bargaining processes and identify implementation pathways that align personnel costs with capability and service outcomes.	Lead: institutions responsible for the Chapter 5 professionalisation process. Support: National Treasury, municipalities, SALGA and the relevant collective-bargaining institutions.	Immediate reform agenda: complete the research and decision process. Longer-term systemic reform agenda: implement agreed personnel, productivity and skills reforms.
Procurement (Section 8.3.5)	Finalise procurement regulations prioritising value for money, empowerment of officials responsible for output with suitable checks and balances, and simplification of processes to improve speed and enhance efficiency.	National Treasury after consultation with key stakeholders, especially municipal officials responsible for procurement.	Immediate reform agenda.

Priority Projects	Action required	Responsibility	Timeframe
Borrowing, private investment and municipal creditworthiness (Section 8.3.9)	Simplify the public-private partnership framework; improve access to competitive borrowing and development finance; investigate conditional grant commitments beyond three years for lawful pledging; improve access to Just Energy Transition finance; remove barriers to development charges, pooled finance and blended finance; and rebuild municipal balance sheets, creditworthiness, project pipelines and the municipal debt market.	Lead: National Treasury. Support: DBSA, Infrastructure Finance and Implementation Support Agency (IFISA), private financiers and selected municipalities.	Immediate reform agenda: simplify mechanisms, strengthen project preparation and support capable municipalities to access finance. Longer-term systemic reform agenda: rebuild creditworthiness and the municipal debt market.
Financial monitoring and reporting consolidation (Section 8.3.10)	Consolidate monitoring around Circular 88 and National Treasury financial reporting, improve data accuracy and relevance, reduce repeated reporting and track information closely for earlier identification of problems.	National Treasury, DCoG.	Immediate reform agenda: undertake study to understand full range of current reporting, analyse efficacy and propose improvements. Longer-term systemic reform agenda: implement improved system.

Priority Projects	Action required	Responsibility	Timeframe
Substantially improved intervention in failing municipalities (Section 8.3.10)	Design a calibrated system of intervention that is objectively determined based on consistent, consolidated reporting and depoliticised to the extent feasible. A system to provide for earlier, longer and deeper interventions while avoiding long-term centralisation and suitable, effective sanctions for failure. Amend relevant legislation and section 139 of the Constitution to enable this. Substantially elevate the capacity and status of the Municipal Financial Recovery Service within NT as a key institution for interventions. Eliminate or harmonise overlapping mandates between NT and DCoG.	National Treasury, DCoG, SALGA, working with provinces and other stakeholders where appropriate.	Immediate reform agenda: design an optimal system and implement it to the extent possible in the current context; identify legislative and constitutional changes required. Longer-term systemic reform agenda: amend legislation and Constitution and fully implement system.
Immediate municipal stabilisation programme (Section 8.3.10)	Design and implement a national programme for municipalities in serious financial and service delivery crisis, with locally appropriate recovery plans covering service stabilisation, revenue collection, cash management, non-revenue water and electricity, protected maintenance, procurement, personnel costs, balance-sheet repair and the full debt chain. Link any financial support, debt relief or restructuring to operational reform and measures that prevent recurrence.	Lead: National Treasury and DCoG. Provinces exercise their support and intervention responsibilities. Affected municipalities implement recovery plans. Sector departments, Eskom, water boards, other bulk suppliers and creditors participate where their actions affect recovery. The Transition Management Body tracks milestones and escalates unresolved dependencies.	Immediate reform agenda.

Chapter 9: Service delivery and infrastructure

9.1 Problem statement: why change is necessary

9.1.1 Foundations and service access gains to protect

South Africa has made substantial progress in extending basic municipal services. Census 2022 records increased access to every major municipal service in every province. Between 1996 and 2022, access to piped water rose from 80 per cent to 91 per cent, the share of households with flush toilets increased from 52 per cent to 71 per cent, the share using electricity increased from 58 per cent to 95 per cent, and access to refuse removal improved by more than 10 percentage points. These gains reflect substantial national, provincial and municipal investment across infrastructure sectors and must be protected.

9.1.2 The service reliability and infrastructure renewal problem

Municipalities are responsible for a wide range of services that support social and economic development and progressive access to affordable essential services. Although access has expanded, universal access has not been achieved, while service reliability and infrastructure performance have declined. The effects fall heavily on women and vulnerable groups and harm livelihoods, economic activity and the environment. Failures occur across the infrastructure lifecycle, from financing and planning to construction, operation, maintenance and renewal. Infrastructure is too often developed and managed inefficiently and ineffectively. The need for change is urgent.

Municipal infrastructure investment was supported by about R755 billion in direct and in-kind capital grants allocated to local government between 1999 and 2025. New assets must be operated and maintained, but municipal funding and staffing have not kept pace with the scale of infrastructure delivered. A growing share of the asset base now requires renewal or replacement. In 2010, it was estimated that 41 per cent of municipal capital budgets should be spent on asset renewal. By 2025, the estimate had risen to 50 per cent, compared with budgeted renewal expenditure of 19 per cent in 2025/26.

Municipalities must also extend infrastructure to meet new demands. Rapid urbanisation in cities and large towns is placing pressure on networks designed for lower densities. Extended urbanisation in former homeland areas creates further challenges for service planning, infrastructure cost, administration and payment.

9.1.3 Root causes across the local government system

Declining service levels and quality in most municipalities reflect political and administrative failures across all three spheres of government. The causes differ between municipalities but include poor governance, inadequate skills, insufficient revenue, inappropriate budget allocation and monitoring and regulatory systems that reward compliance activity without providing enough practical support or consequence management for material failure.

Technical skills gaps arise for three distinct but overlapping reasons: inappropriate staffing decisions, including political interference in appointments; difficulty attracting and retaining skilled professionals in remote locations; and insufficient funding to employ and sustain the required capacity. Even where municipalities have competent technical staff, performance may be constrained by weak technical control over budgets, procurement and staffing; inefficient supply chain processes; and slow or fragmented approvals from other spheres. Support and intervention have not consistently resolved these problems. Too often, support has taken the

form of tighter regulation and punitive compliance rather than practical assistance that enables municipalities to plan, deliver and sustain services.

Some municipalities continue to perform well despite these constraints. Their experience provides evidence of practices that can be adapted and extended across local government. The reform response must therefore combine professional technical capability, financially accountable trading services, fit-for-purpose provider choices, differentiated and affordable service levels, lifecycle asset management, strategic procurement, climate resilience and modern infrastructure information systems.

9.2 Policy intent and principles

9.2.1 Policy intent

The White Paper establishes a service delivery and infrastructure reform agenda that protects access, improves reliability and restores infrastructure performance. It recognises that this chapter cannot resolve service failure on its own and must operate with the reforms in Chapters 3, 5 and 8.

Municipalities remain the primary service authorities for their constitutionally assigned functions throughout their areas of jurisdiction. They must have the skills, resources and authority to provide services or, where appropriate or necessary, to arrange delivery through accountable public or private external providers. Service authority and service provider roles must be distinguished consistently, while democratic accountability for service outcomes remains with the municipality.

9.2.2 Governing principles

The reforms in this chapter are guided by the following principles:

Affordable access and responsible use. Residents must have access to municipal services at the prescribed minimum level. Services must be used responsibly, service charges that are due must be paid, and indigent households must receive practical protection.

Municipal authority and accountability. Municipalities retain the authority role and accountability for service outcomes, irrespective of the service provider arrangement.

Differentiated, fit-for-purpose delivery. Service levels, delivery mechanisms and regulatory requirements must respond to local conditions, affordability, capability and service risk without lowering the minimum quality of service.

Lifecycle infrastructure management. Planning continuity, transparent control of assets, adequate operations and maintenance, and timely renewal must be protected throughout the infrastructure lifecycle.

Professional technical control and outcome-based oversight. Skilled municipal officials must have sufficient authority to manage services, while regulation, support and grant systems must focus on service outcomes, infrastructure conditions and accountability.

Climate resilience and efficient use of technology. Climate-resilient infrastructure is non-negotiable. Nature-based solutions and digital systems should be used where they improve reliability, resilience, transparency or efficiency.

Lawful and fair provider transitions. Changes in service provider arrangements must protect public assets, municipal accountability and workers' rights in accordance with the law.

9.2.3 Relationship with other reform chapters

Chapter 2 deals with differentiation in the allocation of powers and functions to municipalities, and the option of constitutional or legislative amendments to be considered. The professionalisation reforms in Chapter 5, the municipal finance reforms in Chapter 8 and the monitoring, support and intervention reforms in Chapter 3 are central to resolving service delivery failure. The measures in this chapter complement those reforms and focus on the service delivery and infrastructure system itself.

9.3 Policy choices and key reforms

The White Paper sets out seven connected reform streams. Within this package, five measures are expected to have the greatest impact: enforcing consequences for non-compliance with the Municipal Staff Regulations; enabling regulators to revoke the licences of persistently failing service providers after the required support has been provided; resolving outstanding legal, regulatory, and fiscal issues through the electricity reform process; adapting municipal administrative systems for service provision in traditional areas; and linking capital grant incentives to adequate maintenance and renewal expenditure.

9.3.1 Professionalise service delivery and strengthen trading service accountability

Chapter 5 is the lead chapter on municipal appointments, professionalisation, technical capability and workforce systems. This section applies those reforms to service delivery departments, infrastructure functions and trading services.

Technical authority, capacity and skills must be rebuilt in municipalities in line with the professionalisation reforms in Chapter 5. Municipal organograms must comply with the staffing norms and qualification requirements in the Municipal Staff Regulations, with particular attention to Municipal Systems Act section 56 managers, employee ratios and the distribution of posts between support and core service delivery functions.

National government must monitor and enforce qualification-based appointments consistently. DCoG must conduct spot audits, and the Public Service Commission must provide an anonymous complaints facility, conditional on the commencement of enabling legislation. Municipalities that appoint unqualified staff without extenuating circumstances must face appropriate sanctions.

The authority to appoint technical staff must be delegated appropriately and supported by skills audits and competency assessments. Suitable technical skills and competencies must also be available in national and provincial government so that oversight and support are sound. DCoG, SALGA and the Public Service Commission must investigate measures to attract and retain technical skills in remote and rural areas.

Municipalities that are building capacity require practical support before service failure occurs. National government, working with provinces, must reform infrastructure support arrangements and, where necessary, establish a dedicated programme accessible at provincial or regional level. Support must cover project preparation and implementation, contracting and contract management, regulatory compliance and the governance of alternative delivery arrangements.

Trading services must be financially ring-fenced as set out in Chapter 8. Where they are delivered internally, ring-fencing must enable them to operate as professionalised enterprises with clear accountability for revenue, expenditure, assets, operations, maintenance and renewal.

Well-capacitated independent economic regulation must balance affordability and financial sustainability across the service value chain, including bulk suppliers. Independent regulators must be established for water and waste services to complement the existing energy regulator. They must use evidence-based tariff methodologies, consistent regulatory standards and predictable dispute resolution processes, aligned with national sector plans and regulations. Municipal councils retain tariff-setting authority, but where they depart from regulator recommendations and National Treasury identifies a financial sustainability risk, they must account for the decision.

Municipal creditworthiness must improve through better governance and financial management, more predictable billing and revenue, coherent long-term planning and project pipelines, and the technical capacity to procure, operate and maintain infrastructure. National government must establish a creditworthiness programme, with particular attention to small and financially distressed municipalities, to demonstrate reduced risk and improved sustainability to private financiers and development finance institutions.

9.3.2 Enable fit-for-purpose service provider and regional delivery choices

Municipalities as service authorities must have greater flexibility to choose delivery mechanisms that provide the capability, capital, scale and efficiency required for reliable services. Section 78 of the Municipal Systems Act already allows external mechanisms, but it has been used less than expected because municipalities often default to internal provision, face real or perceived procedural barriers, lack credible alternative models or prefer to retain control and resources.

Court orders that effectively place external operators in charge of services in failed municipalities cannot become a substitute for a lawful service delivery system. Municipalities must be able to select fit-for-purpose arrangements through rational, transparent and evidence-based assessment, without indiscriminate outsourcing or loss of municipal authority. External providers must meet the same performance and reporting requirements as municipal providers.

A municipality may fail to initiate a section 78 process, fail to complete it, or decide to retain control of a service which it cannot deliver effectively. National legislation may regulate the standards and licensing requirements applicable to municipal service providers without transferring municipal authority over the function. The Municipal Systems Act should be reviewed to consider a backstop mechanism to the effect that, where a municipality is failing to provide a service effectively or has its licence removed, the Minister may direct the municipality to provide the service through an external mechanism. The external provider would perform the function on behalf of the municipality, while the municipality would retain authority over the function. This change could be made within the existing constitutional framework and should be made in a manner that is consistent with section 155(7) of the Constitution, section 139 of the Constitution (a provision which may require amendment, as outlined in Chapter 3, section 3.3.2) and the applicable sector legislation. This review will consider the statutory and, if need be, constitutional amendments required to give effect to this approach.

The section 78 process must be simplified through a single decision point and clearer assessment guidance, without weakening due diligence or accountability. A council that decides contrary to the findings of a section 78 study must report its decision to the provincial MEC responsible for local government. If service delivery then fails, the council must be held accountable through the intervention framework in Chapter 3.

Municipal public-private partnership regulations must also be simplified, including a streamlined process for smaller and standardised projects. National and provincial government must provide accessible legal, financial, procurement and contract management support. Once an arrangement is selected, reasonable stability is required. DCoG must prescribe a minimum duration for external service delivery mechanisms, while further work determines whether this should be done through the Municipal Systems Act or regulations.

Licences will be required for water service provision, in addition to existing licensing requirements for electricity and solid waste services. Where a municipality itself provides a regulated service, it must meet the same provider-licensing and performance requirements as any other provider. Revocation of a provider licence does not by itself remove the municipality's service-authority role. National regulators must use standardised and objective performance measures to determine compliance. Where a municipality as service provider repeatedly fails to meet licence conditions after the required national and provincial guidance and support have been provided, the regulator must be able to revoke the service provider licence. Where this occurs, the municipality must then undertake section 78 process to appoint another licensed provider and could be directed to do so with the legislative amendments proposed above.

Service provision may extend across municipal boundaries where regional delivery would improve scale, technical capacity or financial viability. Options include multi-jurisdictional utilities, shared services, external provider panels and public entities serving several municipalities. Regional delivery must be voluntary and aligned with regional spatial development frameworks. Participating municipalities retain the authority role and accountability for outcomes. This rule applies outside a lawful intervention. Chapters 2 and 3 govern the circumstances in which an intervention may require a municipality to externalise a service to a licensed provider.

The legal and administrative framework must allow participating municipalities to exercise authority jointly over a provider through clear governance arrangements, agreements on assets and staff, common performance standards and aligned oversight. Changes must provide transparent control of public assets and protect workers' rights in accordance with the law.

The reform of the electricity sector currently underway will have implications for the role of municipalities in delivering electricity. While competition will be enabled in the supply of electricity, municipalities will continue to generate revenue through use-of-system charges. This will be detailed further in a reform roadmap for the Electricity Distribution Industry.

The national department responsible for water and sanitation, the national department responsible for forestry, fisheries and the environment, and the national department responsible for electricity and energy must develop sector rules for licensing, licence failure and cases in which no provider is available, as well as guidelines and standard framework agreements for regional service provision. National Treasury should establish a transversal contract to assist municipalities to put in place a licensed service provider where required. The Department of Water and Sanitation, DCoG and the Municipal Infrastructure Support Agent must pilot regional delivery arrangements. DCoG, the Presidency, the national department responsible for electricity and energy, National Treasury and SALGA must lead the legal, regulatory and fiscal work required to align the electricity reforms currently underway, the related fiscal framework reforms, and the national licensing framework.

9.3.3 Differentiate service levels and protect affordable access

Financial constraints affect the national fiscus, municipal budgets and household affordability. Where additional transfers or own revenue are not available, sustainability must be improved through efficiency and, where necessary, more appropriate service technologies to reduce costs. Service level refers to the technology through which a service is provided. It must not be confused with service quality, which is the minimum standard experienced by the customer. Different service levels may be appropriate in different contexts, but minimum quality standards must be protected.

National norms and standards must be revised to allow contextual differentiation. Municipalities must retain the option to provide service levels above the minimum where resources permit.

There is growing evidence and public concern that the current free basic allocations of 50 kWh of electricity and 6 kl of water per household per month may be insufficient in some contexts. The minimum volumes or service levels should be increased only where the associated funding is secured and the change is sustainable across the system.

In addition to the improved indigent targeting set out in Chapter 8, indigent households must have practical control over whether they remain within the free basic level or pay for additional use. Service technologies and operating arrangements must allow consumption to be limited or increased as ability to pay changes. The free basic allocation must operate as a real entitlement, not merely an accounting entry that cannot be managed at household level.

Municipal administrative systems must be adjusted so that residents on traditional land can be registered for service delivery, indigent support where they qualify, billing and payment. The planning, provision, affordability and payment arrangements required in areas of extended urbanisation must be addressed through the compacts between municipalities and traditional and Khoi-San councils in Chapter 7.

9.3.4 Incentivise infrastructure asset management and outcome-based grants

Chapter 9 is the lead chapter on operational infrastructure asset management, lifecycle planning and maintenance performance. Chapter 8 is the lead chapter on the fiscal framework, grant formulae and incentives that fund and reinforce those duties.

Municipal spending on infrastructure maintenance and renewal must increase. The fiscal framework must promote infrastructure asset management through prudent budgeting, lifecycle assessments and increased municipal allocation of own resources to operations, maintenance and renewal. Persistent underspending on maintenance and renewal must trigger support and, where warranted, intervention.

Capital grant allocation formulae must take account of asset renewal needs as well as service backlogs. Maintenance and renewal expenditure should be used as performance thresholds for capital grant incentives. Municipalities with credible asset management plans based on lifecycle assessments must be able to motivate for municipality-specific thresholds.

Grant management must focus on service outcomes and infrastructure conditions rather than expenditure alone. Performance-based grants must be linked to outcome reporting, and grant conditionality must use a graduation model that differentiates according to municipal performance and capability.

The fiscal framework must also address structural affordability and sustainability gaps in poor municipalities, including the maintenance of local roads in areas with very low household

incomes. Where credible technical evidence demonstrates a structural gap, adjustments to the equitable share and capital grant formulae should be considered to strengthen the funding base for local road networks.

9.3.5 Position procurement as a strategic driver of service delivery

This section is the lead treatment of infrastructure procurement and the statutory best-value framework. Chapter 4 governs councillor separation, integrity and public oversight, while Chapter 5 governs digital procurement architecture, records and interoperability.

Infrastructure procurement accounts for a large share of municipal expenditure and is a central determinant of service delivery performance. It remains too inefficient, ineffective and compliance-driven. The regulatory regime must shift towards outputs and outcomes, and infrastructure procurement must be differentiated from the procurement of standard goods and services.

A statutory best-value framework must enable final award decisions to balance quality, professional competence, delivery capability, lifecycle value and price. This must be supported by the Local Government Framework for Infrastructure Delivery and Procurement Management (FIDPM).

The regulatory regime must provide differentiated controls and support. Digital procurement platforms and auditable workflows must improve integrity, project visibility and management control. Transparency must enable public oversight, including civic witnesses and social audits.

9.3.6 Build climate-resilient infrastructure and use nature-based solutions

Chapter 9 is the lead chapter on climate-resilient infrastructure design, asset protection and operational nature-based solutions. Chapter 10 is the lead chapter on spatial climate risk screening, ecological infrastructure, disaster risk planning and climate-related spatial and fiscal instruments.

Municipalities must design infrastructure for future climate conditions and update technical standards and specifications to reflect changing risks. They must undertake credible risk assessments across priority asset classes and implement targeted measures to protect critical infrastructure.

Climate considerations must be embedded in project appraisal, Integrated Development Planning and asset management. Lifecycle costs, resilience benefits and long-term operational risks must be addressed before investment decisions are made, rather than absorbed later through failure and emergency repair.

Capital grant frameworks must include incentives for climate-resilient infrastructure. Infrastructure planning must give greater weight to ecosystem services. Nature-based approaches must be treated as legitimate alternatives or complements to build infrastructure and supported by planning guidance, defined maintenance responsibilities and measurable performance standards. Where feasible, municipalities must protect and restore wetlands for flood attenuation, catchments for water security and urban green infrastructure for heat mitigation.

9.3.7 Modernise infrastructure management through data and technology

Municipalities must move towards smart, data-driven infrastructure management. Digital citizen reporting, integrated asset registers, real-time monitoring of faults and tampering, predictive

maintenance and data analytics for billing accuracy must improve efficiency, transparency and revenue performance.

Municipalities need a deliberate pathway to digital maturity, as set out in Chapter 5. Appropriate tools, including artificial-intelligence-assisted fault triage and automated document processing, may be introduced where they add clear operational value.

Digital infrastructure management must be supported by sound data governance, privacy safeguards and cybersecurity, together with improved administrative capability and in-house digital skills.

9.4 Implementation priorities

The table summarises policies already stated in this chapter. It does not create additional policy, institutions, responsibilities or timeframes.

Priority Projects	Action required	Responsibility	Timeframe
Professionalised service delivery and infrastructure support (Section 9.3.1)	Apply the Chapter 5 professionalisation and technical-capability framework to service-delivery departments; enforce the Municipal Staff Regulations through spot audits and an anonymous complaints facility; investigate methods to incentivise technical skills in rural contexts; and establish a dedicated national infrastructure capacity programme.	Lead: DCoG for monitoring and support; the Public Service Commission for the complaints facility; municipalities for compliant staffing. Support: provinces, Municipal Infrastructure Support Agent, SALGA, National Treasury and professional and industry bodies.	Immediate reform agenda: begin audits, complaints handling, skills assessments and support redesign. Longer-term systemic reform agenda: institutionalise rural skills incentives and the infrastructure capacity programme.
Trading-service accountability and economic regulation (Section 9.3.1)	Establish evidence-based economic regulation for water and waste services; require accountability where councils depart from regulator recommendations; and establish a municipal creditworthiness programme.	Lead: Department of Water and Sanitation and the Department of Forestry, Fisheries and the Environment for sector regulation; National Treasury for financial sustainability oversight; National Treasury and Development Bank of Southern Africa for creditworthiness programme.	Immediate reform agenda: initiate establishment of the water-regulation arrangement and design the waste regulation and creditworthiness arrangements. Longer-term systemic reform agenda: enact, establish and embed the full regulatory and creditworthiness systems.

Priority Projects	Action required	Responsibility	Timeframe
Fit-for-purpose service-provider choices and licensing (Section 9.3.2)	Simplify and extend section 78 to prescribe reasonable minimum arrangement periods; establish licensing, objective performance and licence-revocation rules; regulate cases where no viable licensed provider exists; and review the Municipal Systems Act to consider mechanisms through which a municipality could be directed to appoint an external mechanism in specific cases, including where the municipality does not qualify for a licence or has its licence removed.	Lead: DCoG and the Presidency for section 78 review and support; National Treasury for public-private partnership regulations and support; Department of Water and Sanitation, the National Energy Regulator of South Africa and Department of Forestry, Fisheries and the Environment for sector licensing and minimum arrangement periods.	Immediate reform agenda: design and initiate the legislative, procedural and regulatory changes. Longer-term systemic reform agenda: enact and implement the complete licensing and stable provider framework.
Regional service provision and electricity service authority (Section 9.3.2)	Develop standard regional-delivery agreements and governance arrangements; pilot voluntary regional provision.	Lead: Department of Water and Sanitation, the Department of Forestry, Fisheries and the Environment and Department of Electricity and Energy for sector guidance; Department of Water and Sanitation, DCoG and Municipal Infrastructure Support Agent for pilots; DCoG and the Department of Electricity and Energy for electricity service authority.	Immediate reform agenda: develop guidelines, framework agreements and the legal reform approach. Longer-term systemic reform agenda: implement regional models.

Priority Projects	Action required	Responsibility	Timeframe
Differentiated service levels and affordable access (Section 9.3.3)	Revise national norms and standards for contextual differentiation; review free basic service volumes and implementation, subject to sustainable funding; enable indigent households to manage consumption; and adjust municipal systems for registration, indigent support, billing and payment in traditional areas.	Lead: relevant sector departments, including Department of Water and Sanitation, Department of Forestry, Fisheries and the Environment and Department of Electricity and Energy, the Department of Human Settlements and the relevant sector departments, with National Treasury and DCoG. Municipalities implement service and administrative arrangements, with Chapter 7 compact partners where applicable.	Immediate reform agenda: complete design, affordability and systems work. Longer-term systemic reform agenda: enact and implement revised norms, funding and administrative arrangements.
Infrastructure asset management and outcome-based grants (Section 9.3.4)	Use persistent underspending as a support and intervention trigger; revise capital-grant formulae and incentives; link performance grants to outcomes through a graduation model; and consider amendments to the LGES and capital grant formulae to strengthen local funding.	Lead: National Treasury for grant and equitable share reform; DCoG, the Department of Performance Monitoring and National Treasury for outcome reporting. Support: DCoG, Department of Planning, Monitoring and Evaluation, Department of Transport and relevant sector departments.	Immediate reform agenda: introduce maintenance and renewal incentives, support triggers and the outcome-based grant design. Longer-term systemic reform agenda: revise road-funding arrangements.
Strategic infrastructure procurement (Section 9.3.5)	Establish a differentiated infrastructure-procurement regulation regime and statutory best-value framework; and develop digital procurement platforms.	Lead: National Treasury. Support: DCoG, SALGA, municipal procurement and infrastructure officials, professional bodies and civil society oversight structures.	Immediate reform agenda: finalise the regulatory design, best-value criteria and digital-platform requirements. Longer-term systemic reform agenda: enact, implement and evaluate the framework.

Priority Projects	Action required	Responsibility	Timeframe
Climate-resilient infrastructure and nature-based solutions (Section 9.3.6)	Review design standards; undertake climate-risk assessments; integrate climate risk and lifecycle costs into project appraisal, IDPs and asset management; include climate incentives in grant frameworks; and implement nature-based solutions with defined maintenance and performance requirements.	Lead: municipalities for risk assessment, planning and implementation; National Treasury for grant incentives. Support: SALGA, Council for Scientific and Industrial Research and relevant national and provincial sector departments.	Immediate reform agenda: initiate the standards review and design grant incentives. Longer-term systemic reform agenda: complete risk assessments and implement resilient standards, investments and nature-based solutions.
Digital infrastructure management (Section 9.3.7)	Establish municipal digital-maturity pathways and introduce digital citizen reporting, integrated asset registers, real-time monitoring, predictive maintenance and billing analytics, supported by data governance, privacy, cybersecurity and in-house digital skills.	Lead: municipalities, aligned with the Chapter 5 digital-maturity pathway. Support: DCoG, Municipal Infrastructure Support Agent, SALGA, provinces and relevant sector departments.	Immediate reform agenda: establish the pathway and foundational systems. Longer-term systemic reform agenda: integrate advanced monitoring, analytics and automation where they add operational value.

Chapter 10: Spatial transformation, economic growth and climate resilience

10.1 Problem statement: why change is necessary

South Africa's local government system has a strong spatial and developmental mandate. Municipalities prepare integrated development plans, spatial development frameworks, land use schemes, infrastructure plans, climate and disaster management plans and local economic development strategies. Together with the National Spatial Development Framework, the Spatial Planning and Land Use Management Act, the National Environmental Management Act and the Disaster Management Act, these instruments provide a legal and planning basis for municipalities to shape settlement growth, public investment, land use, service access, mobility, local economies and environmental risk.

Chapter 10 is the outcomes chapter of the White Paper. It focuses on three connected outcomes: spatial transformation, economic growth and climate resilience. These are not the only outcomes that matter. Communities also require safer neighbourhoods, better public health, food security and nutrition, reliable and affordable public transport, cleaner and better managed public spaces and an improved quality of life. The chapter uses the three outcomes to show how better local results depend on a functioning local government system, binding place-based development partnerships, and the implementation of the reforms set out across the White Paper.

Access to economic and social opportunity underpins and connects the three outcomes. Access depends on where people live in relation to jobs, schools, clinics, housing, serviced land, public spaces and economic activity, and on whether they can move between these places safely, reliably and affordably. Location and mobility must therefore be planned together. A person living farther away may have better access than a person living nearby if public transport, walking routes and connections work well.

The central problem is that spatial transformation is seldom organised as one place-based delivery agenda. Plans may identify clear priorities, but they do not consistently bind budgets, infrastructure pipelines, land release, public entity investment, development approvals, transport decisions, housing programmes and climate risk measures scattered across three spheres of government into an executable programme. Apartheid spatial patterns persist, households remain far from jobs and services, informal settlements grow in unsafe or poorly serviced locations, and local economies lose opportunity.

Spatial exclusion imposes costs on households, municipalities and the economy. Long and expensive journeys reduce access to work and services. Peripheral growth increases infrastructure and operating costs. Poorly located housing, unsafe walking routes, weak public transport and fragmented land use decisions reinforce exclusion. Spatial transformation therefore requires a combination of well-located land, in situ upgrading where possible, managed densification, mixed-use development, integrated land use and transport planning and public investment that follows council-approved spatial priorities.

Municipal economic growth is not produced mainly by a stand-alone local economic development programme. It depends on whether the place works and can attract and retain people, skills, enterprise and investment. Reliable services, predictable development approvals, land use certainty, supplier payment discipline, transport and freight access, clean and safe public spaces and credible municipal leadership create conditions for livelihoods and

investment. When these systems fail, construction, trading, manufacturing, tourism, agriculture and local services weaken.

Land, tenure and institutional fragmentation constrain implementation. Municipalities do not control all the land, infrastructure, transport systems or development rights required for spatial transformation, economic development and climate adaptation. National departments, provinces, public entities, state-owned companies, traditional and Khoi-San leadership institutions, trusts, private owners and communities hold land, assets and rights that affect delivery. Coordinated land assembly, release, planning, investment and decision-making are therefore necessary.

Settlement change in former homeland and customary land areas no longer fits a simple urban-rural divide. Many of these areas are experiencing extended urbanisation through rapid household-led construction, rising densities, corridor and nodal growth, new retail and service activity and stronger economic links to towns, cities, mining areas and transport routes, while customary tenure and traditional institutions remain significant. Municipal differentiation, planning and infrastructure responsibilities must therefore respond to actual population growth, settlement form, connectivity, economic activity, environmental pressure and service demand rather than inherited labels.

Climate and disaster risk intensify these pressures. Risk is experienced through settlement location, infrastructure condition, water systems, roads, stormwater, energy, public health, food systems and local livelihoods. Climate resilience and disaster risk reduction must be treated as core municipal governance, planning, infrastructure and financial responsibilities, not as separate environmental programmes. Without stronger place-based coordination, municipalities will continue to reproduce spatial exclusion, lose economic opportunity and expose communities and public assets to avoidable risk.

10.2 Policy intent and principles

10.2.1 Policy purpose and intended outcomes

The White Paper establishes Chapter 10 as a set of interconnected mechanisms to achieve better place-based delivery outcomes. It seeks to improve access to opportunity by making spatial plans executable, coordinating development approvals, aligning land and public investment, improving mobility, strengthening the municipal operating environment for growth and integrating climate and disaster risk into municipal decisions.

The intended outcome is a local government system in which spatial priorities shape budgets and investment, development decisions are predictable and lawful, public land advances public purposes, settlements are better connected to opportunity, local economies function according to their actual role while climate and disaster risks are reduced before damage occurs.

The policy applies across the local government system, but implementation must be differentiated. Municipalities do not start from the same level of economic base, capability, fiscal capacity, data maturity, institutional stability, spatial complexity or intergovernmental dependence. Requirements must therefore be scaled, sequenced and supported without weakening the direction of reform.

10.2.2 Governing principles

Access is the overriding spatial and developmental outcome. Location and mobility must be planned together so that people can reach jobs, services, markets, public facilities and social networks safely, reliably and affordably.

Place-based outcomes require coordinated implementation based on binding protocols. Land rights and records, spatial planning, budgets, infrastructure, land release, transport, economic development, public facilities and climate action must be brought together around defined places, reinforced by binding protocols between spheres of government.

Municipalities must lead local spatial coordination. Municipal councils set local spatial priorities through the IDP and budget cycle. Other spheres and public entities must align their plans and investment where their mandates affect the municipal area, while retaining their lawful powers.

Economic growth depends on functioning places. Municipal economic policy must first secure reliable services, predictable approvals, accessible transport, safe public spaces, sound infrastructure and administrative discipline. Local economic development programmes cannot substitute for a failing municipal operating system.

Climate and disaster risk must shape decisions before damage occurs. Land use, infrastructure, settlement, economic and financial choices must be based on a common risk profile and must reduce vulnerability rather than reproduce it.

Implementation must be differentiated and supported. Municipal category, economic role, geography, climate exposure and institutional capability must determine the level of complexity, pace of implementation and form of shared support, while every municipality meets defined minimum requirements.

Commitments must be measurable and publicly accountable. Institutions must report on access, spatial change, economic functioning, climate and disaster risk, delivery delays and fulfilment of intergovernmental commitments in forms that councils, communities and businesses can use.

10.3 Policy choices and key reforms

10.3.1 Spatial transformation and access to opportunity

10.3.1.1 Make plans executable and coordinate development approvals

Integrated development plans and spatial development frameworks must move from broad direction to executable decisions. The municipal spatial development framework must be the principal spatial expression of the IDP and must align with the National Spatial Development Framework, the provincial spatial development framework and any applicable regional spatial framework. Together, these instruments must shape municipal budgets, land use decisions, infrastructure pipelines, grant applications, public entity programmes, development charges, public land release and intergovernmental agreements. A credible spatial development framework must identify areas for densification and mixed-use development, informal settlement upgrading, well-located affordable housing and social facilities, strategic economic areas, transport and freight corridors, public transport and walking-access priorities, infrastructure capacity and constraints, high-risk land where settlement must be prevented or managed, ecological infrastructure and protected systems, and land required from other spheres, public entities or private owners.

Spatial planning and land use management must also operate as disaster risk reduction and climate-adaptation instruments. Spatial development frameworks and land use schemes must guide growth away from floodplains, steep slopes, coastal-risk zones, fire-prone areas and other unsafe locations and protect wetlands, dunes, river corridors, catchments and open space systems that reduce flooding, heat, erosion, water insecurity and disaster loss. Climate and risk data must be integrated into spatial, land use, infrastructure and disaster management plans.

Land use schemes must give effect to spatial development frameworks. Zoning and development controls must not exclude poor households and small businesses through outdated or unnecessarily rigid rules. Flexibility must remain subject to infrastructure capacity, safety, environmental protection and the prevention of unsafe settlement or infrastructure overload.

National and provincial support must be differentiated. Metros, secondary cities, small towns, rural municipalities and municipalities with substantial traditional or communal land require different tools and levels of support. Districts, provinces and national departments must provide shared geospatial tools, risk maps, common instruments, technical support or shared services where municipal capability is insufficient. Government must consider differentiated requirements under SPLUMA where this can reduce administrative burden without weakening effective land use management.

The White Paper establishes a municipal-led one-window system for spatially relevant development approvals. The one-window system must coordinate, where relevant, cadastral and ownership confirmation, land right and land claim screening, servitudes and wayleaves, land use applications, township establishment, building plans, engineering services approvals, environmental and heritage processes, road access approvals, bulk service capacity, fire and safety clearances and public participation through a single point of entry, shared information, agreed timeframes and a unified decision record. The record must identify the land status, rights considered, infrastructure obligations, consultation undertaken and conditions attached to the decision.

The one-window system does not transfer statutory powers from environmental, heritage, roads, water or other competent authorities. Applications aligned with approved spatial priorities and available infrastructure capacity should follow faster, risk-based pathways, while applications with material environmental, heritage, safety, tenure, accessibility or infrastructure risks must receive deeper scrutiny. Risk-based fast-tracking may not bypass tenure rights, restitution interests, affected communities, environmental safeguards or cadastral requirements.

Every municipality must publish minimum information on approval requirements, expected timeframes, application status, reasons for delay and final decisions. Metros, secondary cities and municipalities with greater capability should publish expanded approval dashboards linked to the transparency arrangements in Chapter 6. Pilots must begin with the immediate reform agenda, while legal and technical work must clarify concurrence mechanisms, statutory timeframes and the relationship between municipal coordination and the powers of competent authorities.

10.3.1.2 Establish municipality-wide spatial transformation agreements

Chapter 3 is the lead chapter on the general legal and institutional architecture for intergovernmental development agreements and implementation protocols. This section applies that architecture to municipality-wide spatial transformation and priority place delivery.

The White Paper proposes a municipal-led and nationally coordinated spatial transformation agreement as the principal implementation instrument for each municipal area. It must translate the IDP, spatial development framework and land use scheme into a sequenced delivery programme that commits municipal departments, provinces, national departments, public entities and other partners to agreed place, access, economic and resilience outcomes.

The agreement must not become another plan. It must identify the actions required, responsible institutions, funding sources, approval processes, sequencing, timeframes, reporting duties and escalation routes. It may align with the District Development Model where that model is used, but its effect must derive from integration into approved IDPs, spatial and land use instruments, budgets, grant conditions, land release decisions, infrastructure and public entity pipelines and performance reporting.

Access must be a central measure. A limited set of indicators must show whether people have better access to jobs, services, public facilities and public transport, whether investment follows council-approved spatial priorities, whether settlement form is becoming more integrated and inclusive, whether urban productivity is improving and whether development is reducing exclusion and risk. Reporting must combine quantitative indicators, focused explanation and structured intergovernmental review, using existing planning, data and coordination systems wherever possible.

The municipality-wide agreement must cover priority nodes, corridors, settlements and rural service areas; land ownership, custodianship, rights, claims, release and land use actions, including required servitudes and wayleaves; human settlement and upgrading commitments; public transport, mobility and walking access; water, sanitation, electricity, roads, stormwater and waste infrastructure; public facilities and social infrastructure; public space and urban management arrangements; local economic development and investment support; climate adaptation and disaster risk reduction; ecological infrastructure and nature-based solutions; funding, grants and procurement milestones; public entity commitments; community partnerships; and dispute resolution and escalation arrangements.

Municipal councils must approve the agreement through the IDP and budget cycle. Provinces, national departments and public entities must align their plans and capital pipelines where their mandates affect the municipal area. An institution that cannot align must give written reasons through the Chapter 3 coordination system. Municipalities with weaker capabilities must receive model frameworks, programme support and shared technical assistance.

The municipality-wide agreement must be implemented through a limited number of spatial transformation agreements for priority places where coordinated action can materially change outcomes. The policy intent is that commitments should be binding through the lawful instruments identified in Chapter 3. These places may include township economic nodes, inner-city renewal areas, informal settlements, well-located housing and mixed-use development areas, public transport corridors, industrial and logistics areas, mining transition towns, dispersed rural regions, rural service centres, traditional or communal land growth areas and areas exposed to flood, fire, coastal, drought or other disaster risks.

Each priority place agreement must define the spatial problem, intended outcome, required projects, participating institutions, responsibilities, sequencing, funding, approval pathway, community participation route and reporting process. Housing, roads, water, sanitation, rezoning, public transport, stormwater, public space management, safety and business support measures must be planned as one area programme where they depend on one another.

The agreements must be publicly reported so that communities and local businesses can see what has been agreed, funded and completed, what is delayed and which institution is responsible. Model frameworks and templates must be developed during the immediate reform agenda. Legal review must settle the instruments through which municipality-wide and priority place commitments become binding on the participating institutions.

10.3.1.3 Use land and tenure reform to support spatial justice

Well-located public land must be treated as a strategic public asset. It must support affordable and mixed-use development, social facilities, public transport access, local economic activity, ecological protection and climate adaptation. National, provincial and municipal government, public entities and state-owned companies must maintain a shared inventory of land that affects municipal spatial priorities. The inventory must identify the cadastral description, registered owner or responsible custodian, title or other recorded rights, land claims and restitution status, servitudes and restrictions, current use, zoning, infrastructure access, environmental constraints, release status and development potential.

A cross-sphere public land release framework must allow land to be released, transferred, leased or made available below market value where this is necessary to achieve agreed public outcomes. These include affordable housing, in situ upgrading, social facilities, transport-oriented development, public space, small business areas, industrial land, ecological infrastructure and climate adaptation. Every transaction must state the public purpose, selection process, value basis, development and inclusion conditions, infrastructure responsibilities, timeframes, reversion or penalty clauses, reporting duties and community participation requirements.

Land release must be aligned with municipal spatial plans and priority place agreements and must not create unfunded service burdens. Safeguards must prevent patronage, speculation, elite capture and land banking. Legal and fiscal work must clarify release below market value, disposal rules and the relationship between public land decisions and municipal spatial priorities.

Informal settlements, backyard rentals, farm settlements, traditional and communal land areas, mining settlements and peri-urban growth areas must be visible in municipal planning and investment. Municipalities must map settlement size, density, services, land status, environmental, flood and fire risk, facilities, access routes and upgrading potential through their IDPs, spatial development frameworks, land use schemes, infrastructure plans and disaster risk plans.

In situ upgrading must be the first option where land is suitable, risk can be managed and upgrading is fiscally and technically feasible. Relocation may be used only where risk, land constraints or public purpose require it and where lawful, fair and serviced alternatives are available. Tenure security must be strengthened through fit-for-purpose mechanisms that recognise registered title, customary and off-register rights, occupation rights, rental arrangements and other tenure realities relevant to planning, compensation, upgrading and climate adaptation.

Township proclamation and land regularisation must support spatial transformation and economic growth through coordinated decisions that lead to secure tenure and service planning. Municipalities must work with provinces, national departments, land holding entities, traditional and Khoi-San leadership institutions and communities on tenure-sensitive upgrading pathways that include public participation, rights recordation where appropriate, land use regularisation, climate risk screening and protection against unlawful eviction.

In traditional, communal, trust, restitution and community property association (CPA)-held land areas, municipal planning authority must be exercised through lawful, structured and recorded cooperation with traditional and Khoi-San leadership institutions, land holding entities and affected communities. Chapter 7 is the lead chapter on the compact between municipalities and traditional and Khoi-San councils and provides the formal cooperation framework. Local protocols must address settlement growth and land allocation information, land use scheme alignment, SPLUMA processes, infrastructure corridors and service access, public facility land, environmental and disaster risk areas, commercial leases and development agreements, community participation and consent where required, recordation of relevant land rights in a spatially referenced system and dispute resolution.

In rapidly growing customary land areas, municipalities should be able to use a simplified Community Plan, prepared jointly with traditional and Khoi-San leadership institutions and affected communities, where full township establishment or a detailed land use scheme would be disproportionate or too slow. The plan should identify existing and projected settlement growth, basic land uses, high-risk and protected areas, agricultural and communal resources, indicative residential and business areas, roads, servitudes, infrastructure corridors and sites for schools, clinics, recreation and other public facilities. It should be supported by restored, digitised and spatially referenced land rights, occupation and transaction records, subject to lawful privacy safeguards, and by minimum health, safety, environmental and building standards that can be progressively strengthened. The Community Plan must support, not replace, the municipal spatial development framework and land use scheme and may form the basis of an agreement linking compliant land allocation to coordinated public infrastructure investment.

Commercial leases and development agreements on trust, communal or traditional land that affect municipal planning, services or local development must be transparent and publicly reportable, subject to lawful privacy and commercial limits. Community benefit arrangements must have clear governance, audited records and public reporting. National and provincial systems must not leave municipalities with unfunded service obligations where land information, access, wayleaves, valuation information, a reliable billing base or enforceable service arrangements are absent. Chapters 8 and 9 address the related revenue, grant, service delivery and infrastructure access issues.

Public land inventories and informal settlement and climate risk mapping must begin with the immediate reform agenda. Legal and technical work must address tenure recordation, transparency of commercial leasing, public land disposal and SPLUMA-related instruments for areas involving municipal and traditional or communal land authority. Lower-capacity municipalities must have access to standard methods, shared technical teams and province-led facilitation.

10.3.1.4 Align mobility, public investment and fiscal tools to access

Spatial justice and economic productivity depend on access, which is produced by both location and mobility. Effective public transport allows people without private vehicles to share the agglomeration benefits of cities and other economic centres. Municipal spatial plans, agreements and performance reports must therefore include a minimum set of access-to-opportunity measures. Where data permits, these should cover travel time to employment by private and public transport, walking access to public transport, safe pedestrian and cycling access, commuting costs for low-income households, access to schools, clinics and social facilities, freight and logistics access, rural road access to service centres and universal access for people with disabilities.

Human settlements, roads, public transport, passenger rail, land use management and economic planning must be aligned. Well-located affordable housing and in situ upgrading must reduce the time and cost of reaching opportunity. New peripheral development that increases transport, infrastructure and household costs may be approved only where there is a clear and funded rationale.

National and provincial transport authorities, human settlements departments, roads entities, passenger rail institutions and public transport operators must align with municipal spatial priorities through Chapter 3 agreements. Municipalities must lead the alignment of land use and mobility even where transport authority lies elsewhere and should act collectively where functional urban or labour market areas cross municipal boundaries.

There is support for making municipalities the principal locus of public transport responsibility in appropriate areas. Any assignment or devolution must reflect the relationship between mobility patterns and municipal boundaries, municipal capability and the financial implications. This requires further legal, institutional and fiscal work and may not be treated as an unfunded transfer of responsibility. Chapter 2 is the lead chapter on the assignment framework, and Chapter 8 is the lead chapter on the associated funding arrangements.

Fiscal instruments must reinforce approved spatial outcomes. Grants and municipal budgets must not fund projects that contradict spatial priorities, create unaffordable maintenance burdens or increase climate risk. Funding must support well-located housing and mixed-use development, in situ upgrading, public transport and walking access, infrastructure renewal in priority areas, township and industrial area upgrading, land preparation, ecological infrastructure, climate adaptation and priority place agreements.

Municipalities with sufficient capability must use development charges, land value capture, betterment contributions or other lawful land-based instruments where appropriate. These instruments must be transparent, fair, linked to infrastructure and applied in a way that supports inclusion rather than excluding affordable development. Lower-capacity municipalities must receive simplified tools, standard methods, shared advisory support or phased thresholds before complex instruments are required. Chapter 8 provides the fiscal rules, while Chapter 10 defines the spatial outcomes they must support.

10.3.2 Economic growth and functioning local economies

10.3.2.1 Make the municipal operating environment work

The municipal contribution to economic growth must be understood as the performance of the local operating environment, not as the output of the local economic development unit alone. Businesses and households respond to whether a municipality provides reasonable certainty,

reliable services and workable places. Where municipal performance weakens, investment, enterprise and livelihoods are retained, delayed, redirected or lost accordingly.

The operating environment includes reliable water, sanitation, electricity, roads, waste and stormwater services; maintenance of public infrastructure; clean and safe public spaces; predictable land use and building approvals; fair and consistent by-law enforcement; supplier payment discipline; transparent tariffs and development charges; functioning industrial, business and trading areas; public transport where it falls within or materially affects local operating conditions; freight access; local data on economic activity and land use; and structured partnerships with the community of the municipality.

Municipalities should use lawful local procurement and supplier development practices to support smaller and local enterprises and must pay suppliers on time, especially small businesses that cannot carry prolonged municipal arrears. Practical support for informal and small enterprises must be part of ordinary municipal operations rather than an isolated programme.

Local economic development (LED) units must coordinate economic intelligence, investment facilitation, partnerships, local business support, sector opportunities and area-based economic action across the municipal administration. They must not be expected to compensate for failing services, weak approvals, poor maintenance or unsafe public spaces. The LED function must participate in service delivery monitoring and provide a growth perspective on municipal decisions.

All municipalities must track a minimum set of economic operating indicators. These must include service reliability in economic areas, approval turnaround times, supplier payment times, maintenance backlogs, land vacancy or occupancy where available, investment enquiries, land release progress, safety interfaces and business complaints. Municipalities with greater capability should track broader indicators and whether activity is being retained, expanded or displaced across major nodes and sectors.

10.3.2.2 Differentiate economic strategies by place and function

Local economic strategies must reflect the economic base, labour market, infrastructure, land assets, climate exposure, municipal capability and regional role of each place. They must distinguish between metropolitan economies and city regions, secondary cities, small towns, mining and post-mining towns, agricultural and agro-processing regions, tourism and coastal towns, logistics and freight corridors, extended or displaced urban areas, traditional and communal land economies, rural service centres and climate transition localities. Each municipality must identify the functions and sectors it can realistically support at a level suited to its category and capability. These may include tradable sectors, local services, township economies, informal trade, tourism, agriculture, manufacturing, logistics, green and circular economy activity and public sector service economies. Strategies must be based on land, infrastructure, labour market conditions, sector opportunities, climate risk, regional links and municipal operating constraints, not on generic project lists.

Local enterprise development, infrastructure investment, skills, procurement and regulatory reform must be linked to the actual growth drivers of the place and to wider industrial and sector strategies. National and provincial economic departments, sector agencies, development finance institutions, state-owned entities and public entities must align support to the municipal and regional role. A logistics node, rural tourism municipality, coal transition town and metropolitan industrial area require different packages.

South Africa's national economic performance depends heavily on the strength of its cities and major urban economies. Metros, secondary cities and strategic regional cities support manufacturing, logistics, agro-processing, tourism, public services and higher-value activity. National economic and infrastructure institutions must work deliberately with them to align industrial policy, freight and logistics, energy, housing, public transport, public land, economic infrastructure and investment facilitation.

This engagement must be differentiated and linked to municipal spatial transformation agreements and regional economic arrangements. Further policy and implementation work must determine how the national economic cluster's alignment with cities and major urban economies is expressed in intergovernmental and sector planning instruments.

10.3.2.3 Support township, informal, rural and small-town economies

Township economies, informal trading areas, rural service centres and small towns support household livelihoods, provide access to goods and services and connect rural, township and urban markets. They must be treated as parts of wider local and regional economies rather than as marginal or isolated markets.

Municipal support must move beyond one-off business projects. With differentiated support where needed, municipalities should provide trading spaces, market facilities and serviced business sites; fair and transparent permit systems; water, sanitation, electricity and waste services in trading and business areas; safe and well-managed public spaces; lighting, transport access and local connectivity; maintained roads, sidewalks and basic trading infrastructure; proportionate compliance arrangements where lawful; and practical conflict resolution between traders, residents, landlords and formal businesses.

Municipalities must maintain structured engagement with business associations, trader formations, cooperatives and community economic forums to identify licensing backlogs, land use delays, utility connection problems, unsafe trading environments, weak infrastructure and exclusion from value chains or support programmes.

The wider local government system must connect local enterprises to markets, distribution systems, aggregation platforms, supplier development programmes, business support, finance, urban demand, commercial property and formal procurement where lawful. Rural support must address access roads, service centres, local markets, agro-processing, tourism, water security, land use coordination and regional value chains. Township support must improve trading space, small enterprise infrastructure, local distribution, market intelligence and links to urban and regional markets.

Small towns should be supported according to their actual role as service centres, logistics links, agricultural hubs, tourism nodes, mining support towns, renewable energy locations or connectors to larger urban economies. National and provincial departments, municipalities, development finance institutions, business chambers and public entities must coordinate commercial land, operating space, infrastructure, regulatory reform, finance, procurement links and local data according to the comparative strengths and spatial conditions of each place.

10.3.2.4 Coordinate cities, regions and value chains

Local economies, labour markets, public transport systems, freight routes, water and energy systems, tourism routes, agricultural value chains, industrial corridors and climate risks cross municipal boundaries. Regional economic coordination must therefore form part of the Chapter 3 cooperative governance system.

Municipalities, districts, provinces, national economic and infrastructure departments, public entities, state-owned entities, business formations, labour, development finance institutions and community partners must use regional partnerships where outcomes depend on several institutions. These partnerships must align shared economic geography, priority sectors and value chains, industrial land and infrastructure, logistics and freight, skills and labour market measures, public transport, energy, water and waste constraints, climate transition risks, investment pipelines, public entity commitments and municipal responsibilities.

Regional arrangements must show how township, village and small enterprise economies connect to wider markets and value chains and how supplier development, lawful local procurement and local participation opportunities link to public and private investment. State-owned entity planning and infrastructure delivery must align with regional economic priorities.

The White Paper prioritises coordination over destructive competition. Municipalities must not undermine regional outcomes through disconnected incentives, duplicated industrial parks, competing plans or uncoordinated land release. Where regional work involves public-private partnerships, development agreements or private investment, the finance rules in Chapter 8, integrity rules in Chapter 4 and transparency duties in Chapter 6 apply.

Regional economic partnership pilots must begin with the immediate reform agenda. Development finance institutions should help prepare and de-risk municipal and regional infrastructure and support blended finance where this can convert agreed plans into bankable projects without weakening public accountability.

10.3.3 Climate resilience and disaster risk reduction

Chapter 10 is the lead chapter on spatial climate risk screening, ecological infrastructure, disaster risk planning and climate-related finance. Chapter 9 leads the design, operation, maintenance and renewal of climate-resilient municipal infrastructure.

10.3.3.1 Integrate climate and disaster risk into municipal decisions

Climate resilience must be built into municipal decisions before damage occurs. Every municipality must apply a core minimum level of climate risk screening to spatial development frameworks, land use schemes, major infrastructure, informal settlement upgrading, public land release, industrial and logistics areas, coastal and riverine development, disaster management plans, priority place agreements and municipal economic strategies.

Screening must identify relevant flood, drought, fire, heat, coastal, water security, storm, slope, pollution and public health risks. High-risk areas must be managed through land use controls, relocation where lawful and necessary, improved infrastructure standards, early warning, drainage, ecological protection, fire safety, water efficiency and disaster readiness. The depth of screening and technical support must be differentiated according to exposure, municipal category and capability.

Climate and disaster risk must also inform service standards, asset management, maintenance, public health, economic planning and settlement upgrading. Coal transition municipalities, carbon-intensive industrial areas, water-stressed towns, agricultural regions and coastal economies require differentiated plans for labour market change, reskilling, enterprise opportunities and investment shifts, prepared with national and provincial departments, labour, business, communities and training institutions.

The Disaster Management Act and Climate Change Act must be implemented together. Municipal disaster management frameworks and plans, climate response plans, IDPs, SDBIPs,

spatial development frameworks, land use schemes and sector plans must use the same risk profile, assign responsibilities and translate priority risk reduction actions into funded programmes, maintenance plans and service delivery targets.

10.3.3.2 Treat ecological infrastructure as a municipal asset

Ecological infrastructure must form part of the municipal asset and risk reduction system. Wetlands, rivers, floodplains, catchments, coastal systems, dunes, urban trees, open spaces and ecological corridors can reduce flooding, heat, erosion, water insecurity and disaster loss when they are protected and maintained.

Municipalities must identify ecological infrastructure in spatial development frameworks, land use schemes, infrastructure plans, climate plans and disaster risk plans or have access to shared ecological data and technical support. Ecological assets must be mapped, risk-rated and linked to maintenance, rehabilitation and monitoring actions.

Nature-based solutions must be eligible for funding where they reduce risk, protect infrastructure, improve public spaces or support livelihoods. Funding instruments must support wetland rehabilitation, river and stormwater corridor management, catchment protection, invasive species control, urban greening and shade, coastal protection, erosion control, floodplain management and community stewardship where appropriate.

Ecological infrastructure must be planned, budgeted, maintained and reported as part of municipal resilience and infrastructure management, not treated only as environmental compliance. National departments must clarify the roles, responsibilities and consequences of regulatory institutions across spheres, particularly where failure affects catchments and shared environmental systems.

10.3.3.3 Clarify disaster risk roles and strengthen preparedness

Municipal disaster management centres or functions must coordinate risk assessment, risk reduction, early warning, preparedness, response and post-disaster reporting. They must support accessible and community-based early warning arrangements, evacuation and contingency planning and local preparedness for floods, droughts, fires, storms, heat and other hazards.

In the two-tier system, district municipalities should lead cross-local risk profiling, shared early warning and information management, specialist technical support, surge capacity, inter-municipal mutual aid and coordination for catchments, wildfire corridors, regional droughts and other cross-boundary risks. Local municipalities should lead community-level vulnerability mapping, local risk identification, drainage and stormwater maintenance, floodplain and slope management, fire risk reduction, water conservation, shelters, relief arrangements and the inclusion of risk reduction projects in ward planning, IDPs and SDBIPs.

District and local municipalities must agree minimum planning standards, shared templates, simulation exercises, incident command training, mutual aid arrangements and ecosystem-based adaptation actions for functions that must be performed jointly. These arrangements must prevent overlapping mandates, unfunded coordination, duplication, omissions and unclear accountability.

Accessible early warning, evacuation planning and preparedness must take account of disability, gender, age, language, transport access and the needs of informal and remote settlements. Community participation and local knowledge should inform risk mapping and preparedness without replacing professional assessment or lawful authority.

10.3.3.4 Establish climate and disaster risk finance

Climate and disaster risk work must be funded. Municipalities cannot implement adaptation, early warning, ecological infrastructure, settlement upgrading and resilient infrastructure through unfunded planning duties. Chapter 8 establishes the fiscal framework. Chapter 10 requires predictable funding pathways, project preparation support and technical assistance, especially for municipalities with limited capacity.

The funding pathway must support climate risk assessments, project preparation, resilient infrastructure, informal settlement risk reduction, ecological infrastructure, local early warning systems, disaster prevention, post-disaster recovery that reduces future risk, public employment, livelihoods and gender-responsive interventions, insurance and risk-pooling where feasible and technical support for lower-capacity municipalities.

National Treasury, DCoG, sector departments and provinces must coordinate access so that municipalities with weak technical capacity are not excluded because they cannot prepare complex applications. Climate and disaster commitments must be visible in SDBIPs, annual budgets, maintenance plans and operating responsibilities.

Disaster funding must shift from reactive relief towards risk reduction. Post-disaster recovery must follow a build-back-better approach by improving drainage, culverts, roads, bridges and public facilities, relocating repeatedly exposed assets where lawful and necessary and applying resilient standards rather than restoring the same vulnerability.

Fiscal modelling is required for climate finance, ecological infrastructure, informal settlement upgrading, mobility, land preparation, priority place agreements, shared services and technical support. Grant reform, project preparation and clear budget commitments must support spatial transformation, economic growth and climate resilience as connected outcomes.

10.3.4 Implementation, institutional responsibilities and sequencing

10.3.4.1 Institutional responsibilities

Most reforms can begin under current law through stronger use of planning, budgeting, land use, infrastructure, public transport, economic development, climate, disaster management and intergovernmental coordination instruments. Municipal councils must approve spatial priorities, municipality-wide agreements, budgets and public performance reporting. Municipal managers must coordinate delivery across planning, finance, infrastructure, transport, economic development, land use, disaster management and other municipal functions.

DCoG must coordinate Chapter 10 implementation and differentiated municipal support. Provinces must align provincial investment, provide technical assistance and monitor implementation. National Treasury must lead fiscal alignment, development charge and land-value-capture work, grant reform and climate and disaster risk finance. National departments responsible for land, human settlements, transport, environment, water, economic development and public works must act within their mandates and align sector plans and capital pipelines.

Public entities and state-owned companies must align land, infrastructure and investment commitments where their mandates affect municipal spatial priorities. District municipalities must coordinate shared planning, data, regional economies and cross-boundary disaster risk where appropriate. Traditional and Khoi-San leadership institutions, land holding entities, development finance institutions, organised business, labour, community partners and other affected institutions must participate according to their lawful roles.

Chapter 3 institutions must enforce intergovernmental commitments, including written reasons and escalation where alignment or delivery does not occur. Chapters 4, 5, 6, 7, 8 and 9 provide the integrity, digital, transparency, traditional and Khoi-San leadership, fiscal and service delivery rules on which this chapter depends. The Chapter 11 transition arrangements must track implementation without displacing the statutory responsibilities of councils, municipal managers, departments, MECs or oversight institutions.

10.3.4.2 Enabling data and measurable outcomes

Spatial, land, mobility, economic, ecological and climate data capabilities are core municipal functions. Every municipality must maintain or have access to a minimum dataset covering geospatial base information, land ownership and use, public land, informal settlements and settlement growth, infrastructure capacity and assets, approvals, building and development records, transport and mobility where available, local economic activity, climate and disaster risk layers, ecological infrastructure and ward or area-level access to opportunity.

The data system must follow the Chapter 5 digital backbone and Chapter 3 common data rules. Municipal land and spatial datasets must align, where lawful and technically possible, with authoritative cadastral, deeds, land right and spatial data custodians rather than duplicate disconnected local records. Open standards, interoperability, security, privacy safeguards, audit trails and public-facing reporting must apply where appropriate. Municipalities may not be locked into systems that they cannot audit, integrate or afford.

A limited national outcome framework must track improved access to jobs and services, land release in priority areas, in situ upgrading, densification and mixed-use development, approval turnaround times, service reliability and maintenance in economic nodes and priority areas, public transport and walking access, local economic operating indicators, climate risk screening, ecological infrastructure protection or rehabilitation, disaster risk reduction in high-risk settlements and fulfilment of intergovernmental commitments.

Indicators and targets must be differentiated by municipal type, economic role, risk profile and land system. A metro, secondary city, rural municipality, coastal or mining town, rapidly urbanising peri-urban municipality and municipality with substantial traditional, communal, restitution or CPA-held land cannot be assessed through one identical template. Municipalities must set locally relevant targets through their spatial transformation agreements while retaining enough comparability to identify where performance supports or weakens access, growth and resilience. Public reporting must show progress, delay, responsible institutions and corrective action in forms communities and businesses can use. Evaluation against the indicators must inform policy review, funding allocation, differentiated support and any reassignment of roles and responsibilities.

10.3.4.3 Legal, regulatory and fiscal programme

Legal and regulatory review must address the binding status of municipality-wide and priority place agreements; one-window approvals and concurrence mechanisms; differentiated SPLUMA requirements; planning instruments for municipal, traditional and communal land; public land release and disposal below market value; tenure recordation; transparency of commercial leasing on trust or communal land; development charges and land value capture; public transport assignment; climate risk screening; data governance and enforcement arrangements.

Further policy and institutional work must clarify how national economic cluster alignment with cities and major urban economies is expressed in intergovernmental and sector planning, how ecological regulatory responsibilities are enforced across spheres and how minimum requirements are differentiated or phased without leaving municipalities with unfunded duties.

Funding reform must begin with project preparation and immediate support for pilots, mapping, data, shared technical capacity and initial agreements. Longer-term fiscal reform must align grants, conditionality, municipal budgets, development finance and lawful land-based instruments to approved spatial, economic and climate outcomes. Funding may not reward only municipalities that already have the capacity to prepare complex projects.

The immediate reform agenda must establish the implementation architecture and begin work that can proceed under current law. This includes model spatial transformation agreements, priority place agreement templates, one-window pilots, public land inventories, informal settlement and climate risk mapping, access and economic operating indicators, climate risk screening tools, ecological infrastructure mapping, regional economic partnership pilots, data standards and differentiated support packages.

The longer-term systemic reform agenda must complete the legal, regulatory, fiscal and institutional changes required for binding agreements, concurrence procedures, land release, tenure recordation, traditional and communal land planning instruments, development charges and land-value capture, public transport assignment, climate risk duties, data governance, climate and disaster finance and national economic cluster alignment. Chapter 10 succeeds when plans become funded programmes, approvals become predictable, public land serves public outcomes, access to opportunity improves, local economies function better and climate and disaster risk is reduced before damage occurs.

10.4 Implementation priorities

The table summarises reforms already stated in this chapter. It does not create additional policy, responsibilities or deadlines.

Priority Projects	Action required	Responsibility	Timeframe
Chapter 10 coordination and municipal readiness (Section 10.3.4.1)	Establish the reform stream, assess municipal capability and funding needs, assign responsibilities and incorporate differentiated support and milestones into the Chapter 11 transition plan.	Lead: DCoG. Support: provinces, National Treasury, sector departments, SALGA, municipalities and the Chapter 11 transition arrangements.	Immediate reform agenda: establish coordination and readiness work. Longer-term systemic reform agenda: continue structural reform tracking.
Executable IDPs, spatial development frameworks and land use schemes (Section 10.3.1.1)	Align plans with budgets, infrastructure, grants, public entity programmes, land release, climate risk and access outcomes; provide differentiated tools, shared data and technical support.	Lead: municipal councils and municipal managers. Support: DCoG, the national department responsible for land reform and rural development, provinces, districts, sector departments and public entities.	Immediate reform agenda: apply current instruments and support. Longer-term systemic reform agenda: complete differentiated SPLUMA and planning reforms.

Priority Projects	Action required	Responsibility	Timeframe
Municipal-led one-window development approvals (Section 10.3.1.1)	Pilot and implement a single entry, parallel coordination, risk-based review and public status system while preserving the statutory powers and safeguards of competent authorities.	Lead: municipalities. Support: the national department responsible for land reform and rural development, DCoG, provinces and environmental, heritage, roads, water, transport and other competent authorities.	Immediate reform agenda: pilots and minimum public information. Longer-term systemic reform agenda: concurrence and legal framework.
Municipality-wide spatial transformation agreements (Section 10.3.1.2)	Apply the Chapter 3 intergovernmental agreement architecture to municipality-wide spatial transformation; approve agreements through the IDP and budget cycle, align plans and capital pipelines, set access and outcome indicators and require written reasons where institutions cannot align.	Lead: municipal councils. Support: DCoG, provinces, national departments, public entities and state-owned companies; Chapter 3 institutions enforce follow-through.	Immediate reform agenda: model agreements and initial adoption. Longer-term systemic reform agenda: settle binding status and enforcement.
Spatial transformation agreements for priority places (Section 10.3.1.2)	Use the Chapter 3 implementation protocol and agreement instruments to select priority places, sequence interdependent projects, assign funding and approvals, provide community participation and publish commitments, delays and responsibilities.	Lead: municipalities. Support: provinces, national departments, public entities, community partners and other institutions named in each agreement.	Immediate reform agenda: templates and first agreements. Longer-term systemic reform agenda: institutionalise binding arrangements.
Public land, upgrading and tenure-sensitive planning (Section 10.3.1.3)	Build public land and land governance baselines; identify cadastral, ownership and rights gaps; align land release to spatial priorities; map informal, restitution and CPA-held settlements; prioritise in situ upgrading; and pilot Community Plans and lawful tenure and land coordination pathways.	Lead: the national department responsible for land reform and rural development, the Department of Human Settlements and municipalities within their mandates. Support: provinces, public entities, state-owned companies, land holding entities, traditional and Khoi-San leadership institutions and communities.	Immediate reform agenda: inventories, mapping and upgrading pathways. Longer-term systemic reform agenda: land release, tenure recordation and planning instruments.

Priority Projects	Action required	Responsibility	Timeframe
Mobility and access to opportunity (Section 10.3.1.4)	Apply access measures, align land use, housing, roads, public transport, passenger rail and walking routes and assess assignment of public transport responsibilities and funding.	Lead: municipalities for spatial and access planning. Support: national and provincial transport and human settlements departments, roads entities, passenger rail institutions and public transport operators.	Immediate reform agenda: measures and alignment. Longer-term systemic reform agenda: assignment and fiscal decisions.
Municipal economic operating environment (Section 10.3.2.1)	Track and improve service reliability, maintenance, approvals, supplier payment, public space management, industrial and trading areas, transport access and business complaints.	Lead: municipal managers through the municipal administration. Support: councils, provinces, DCoG, National Treasury, SALGA and business and community formations.	Immediate reform agenda: indicators and operating improvements. Longer-term systemic reform agenda: embed in performance and support systems.
Differentiated local, city and regional economic strategies (Section 10.3.2.2)	Define realistic economic roles, align national and provincial support, strengthen cities and major urban economies and pilot regional partnerships across functional economic areas.	Lead: municipalities and provinces according to geography. Support: the national economic cluster, DCoG, infrastructure departments, public entities, state-owned entities, development finance institutions, business and labour.	Immediate reform agenda: strategies and pilots. Longer-term systemic reform agenda: formalise national economic cluster and regional alignment.
Township, informal, rural and small-town economies (Section 10.3.2.3)	Improve trading and business spaces, services, permits, safety, local infrastructure, market links, aggregation, finance, supplier development and structured engagement.	Lead: municipalities for local operating conditions. Support: national and provincial economic departments, development finance institutions, business chambers, public entities and community economic formations.	Immediate reform agenda: local operating and market-enabling measures. Longer-term systemic reform agenda: deepen regional and value chain integration.
Climate risk screening and resilient municipal decisions (Section 10.3.3.1)	Apply a core minimum risk screen to plans, projects, land release, settlement upgrading, infrastructure and economic strategies and integrate climate and disaster plans with IDPs and SDBIPs.	Lead: municipalities. Support: DCoG, the department responsible for climate and environment, provinces, districts, the South African Weather Service and sector departments.	Immediate reform agenda: screening tools and initial application. Longer-term systemic reform agenda: legal duties and full institutionalisation.

Priority Projects	Action required	Responsibility	Timeframe
Ecological infrastructure and nature-based solutions (Section 10.3.3.2)	Map and risk-rate ecological assets, link them to maintenance and rehabilitation, make nature-based solutions fundable and clarify regulatory responsibilities across spheres.	Lead: municipalities and the department responsible for climate and environment within their mandates. Support: provinces, water sector institutions, National Treasury and technical bodies.	Immediate reform agenda: mapping and initial programmes. Longer-term systemic reform agenda: fiscal modelling and regulatory reform.
Disaster risk planning, preparedness and mutual aid (Section 10.3.3.3)	Align district and local risk profiles, early warning, preparedness, simulations, incident command training, surge capacity, mutual aid and community-level risk reduction actions.	Lead: district and local municipalities according to the roles in this chapter. Support: DCoG, provinces, emergency services and relevant national institutions.	Immediate reform agenda: shared standards and preparedness. Longer-term systemic reform agenda: resolve mandate, capacity and funding gaps.
Aligned spatial, economic, climate and disaster finance (Section 10.3.3.4)	Align grants and budgets, provide project preparation, support lawful land-based instruments, establish climate and disaster risk funding pathways and apply build-back-better principles.	Lead: National Treasury. Support: DCoG, sector departments, provinces, municipalities and development finance institutions.	Immediate reform agenda: project preparation and support. Longer-term systemic reform agenda: grant, land-based, climate and disaster finance reform.
Data, outcomes, public reporting and transition oversight (Section 10.3.4.2)	Set minimum data and open standard requirements, provide shared geographic information system and technical services, establish differentiated outcome measures and targets and report progress, delays and corrective action.	Lead: DCoG and Department of Planning, Monitoring and Evaluation through the Chapter 3 performance system, with Chapter 5 digital governance leads. Support: National Treasury, Statistics South Africa, the national department responsible for land reform and rural development, climate and environment institutions, provinces, municipalities and the Chapter 11 transition arrangements.	Immediate reform agenda: data standards, initial indicators and reporting. Longer-term systemic reform agenda: data governance and phased institutionalisation.

Chapter 11: Implementation, sequencing and transition management

11.1 Problem statement: why implementation is decisive

The White Paper will matter only if it changes how the local government system works in practice. Cabinet adoption is not the endpoint of reform. It is the point at which government must move from policy agreement to disciplined implementation.

The challenge is not only to set policy direction. It is to determine who must act, by when, through which mechanism, with what resources and with what accountability. Local government has not lacked diagnosis, legislation or support programmes. The recurring weakness has been fragmented execution, weak sequencing, poor cooperation between departments and regulators, uneven follow-through, limited enforcement and consequence management, and weak accountability for results.

Government is not starting from a blank slate. A substantial portfolio of national, provincial, sectoral and municipality-specific reforms, stabilisation and recovery programmes, fiscal measures, debt resolution processes and interventions is already under way. These processes are not sufficiently held within a single authoritative framework showing their objectives, mandates, municipalities affected, funding, conditions, reporting requirements, dependencies and relationship to systemic reform. Unless they are mapped and managed as an integrated portfolio, they may duplicate one another, impose conflicting requirements, compete for scarce capacity and resources, or respond to immediate crises without contributing to longer-term reform.

Local government reform cuts across democracy, governance, finance, the economy, wellbeing, water, electricity, infrastructure, human settlements, transport, planning, climate and social resilience, disaster management, professionalisation, data, accountability, provincial oversight, powers and functions, partnerships and community relations. No department or sphere can implement the White Paper alone. Implementation must therefore be managed as a cross-government transition, with clear responsibilities for every institution and organisation whose cooperation is required.

The implementation tables in Chapters 2 to 10 contain a large portfolio of priority projects that differ in legal status, time horizon, institutional lead and readiness. Many depend on one another: powers and functions must be matched by finance and capability; digital and reporting reforms must use common standards; service provider and infrastructure reforms must preserve municipal authority and accountability; and new duties must be reflected in plans and budgets before implementation. Without a single programme mechanism, existing processes and White Paper priorities could continue as disconnected initiatives, be sequenced incorrectly or proceed without the necessary fiscal, legal and institutional work.

The transition process is not a vehicle for reopening settled policy. It must distinguish between the policy adopted by the White Paper, matters that remain open for consultation and reforms that require later legal, fiscal, technical or institutional work. The response set out in this chapter is a time-bound transition system built around two reform horizons, three connected pathways, a single Local Government Transition Plan and a dedicated Transition Management Body (TMB). Its purpose is to integrate current action, organise implementation, preserve the policy direction and hold institutions accountable for delivery.

11.2 Policy intent, principles and transition pathways

The policy intent is to establish a single, time-bound transition system that integrates current reform, stabilisation, recovery and intervention processes, sequences implementation of the White Paper, and prepares the longer-term restructuring of the local government system, while retaining statutory responsibility within the institutions to which it is legally assigned.

11.2.1 Transition management as a time-bound process

Transition management is a deliberate, time-bound process for moving from the current system to the reformed system described in the White Paper. It is not a permanent new layer of government, and it does not transfer statutory authority from departments, provinces, municipalities, regulators or public entities. Its purpose is to keep reform coherent, sequenced, focused, visible and accountable while mandates remain where they legally belong.

The transition must operate as a connected system rather than as a single committee. Political authorisation, executive coordination, a full-time implementation team, municipal practitioner input, technical capability, structured engagement, communication, monitoring and escalation must work together.

11.2.2 Two connected time horizons

Local government reform must be pursued across two connected time horizons.

The first is the immediate reform agenda. It must produce visible improvement quickly, with a focused first-wave programme for the first 18 months. It must begin by bringing the reforms, stabilisation and recovery programmes, crisis measures, fiscal and grant actions, debt resolution processes, interventions and sector programmes already affecting municipalities into one managed portfolio. It must also implement selected White Paper priorities that are urgent, feasible, visible and foundational.

The second is the longer-term systemic reform agenda. It must address the structural features that continue to reproduce failure or uneven performance, including the intergovernmental system, powers and functions, the district-local relationship, fiscal alignment, support and intervention arrangements, professionalisation, digital systems, accountability design, sector coordination and reforms that require legislation or constitutional amendment.

These are not alternative agendas. Immediate improvement without deeper reform will not last. Longer-term reform without visible early gains will lose legitimacy and momentum. Work on structural reform must begin during the immediate agenda so that government moves from evidence-led preparation to implementation rather than reopening the entire reform debate later.

11.2.3 Three transition pathways that must run together

The TMB must hold together three transition pathways. They must be managed in tandem because decisions in one pathway affect the sequencing, feasibility and design of others.

Pathway one: integrate current reform, stabilisation, recovery and intervention processes. The first pathway must map and align all current national, provincial, sectoral and municipality-specific reforms, crisis measures, fiscal and grant actions, debt resolution processes, support programmes and statutory interventions affecting local government. It must identify overlaps, contradictions, gaps, dependencies and opportunities to simplify reporting or combine action. At the time of drafting, the portfolio includes, among other processes, water and electricity reform, Eskom municipal debt negotiations and debt relief measures, withholding of grant

funding to municipalities and associated recovery arrangements, Presidential interventions in eThekwini and the City of Johannesburg, metro trading services reform, provincial support and intervention programmes, and other stabilisation, enforcement and recovery measures. The list is illustrative, not necessarily complete, and the authoritative map must be kept current as processes begin, change or complete.

Pathway two: implement the White Paper priorities. The second pathway must convert the Priority Projects in Chapters 2 to 10 into a sequenced programme with named leads, supporting institutions, decision routes, resources, dependencies, milestones and accountability. It must distinguish projects that can begin under the current framework from those that require consultation, legislation, fiscal decisions, technical work or institutional design.

Pathway three: prepare longer-term systemic restructuring. The third pathway must undertake the legal, fiscal, institutional and constitutional work needed to address structural problems that cannot be resolved through better coordination, enforcement or practice alone. It must preserve the policy direction adopted in the White Paper while taking unresolved design questions through the authorised decision processes.

The pathways must inform one another. Current reforms and interventions will reveal practical constraints and implementation risks. Early implementation will test what can be achieved within the current framework. Longer-term restructuring must address issues that cannot be resolved through coordination or improved practice alone.

11.2.4 Principles for the transition management system

Implementation, not policy renegotiation. The TMB must implement the White Paper and must not become a representative bargaining forum in which settled policy is reopened. It must preserve the distinction between adopted policy, matters requiring consultation and enabling work that follows.

Authority without mandate takeover. The TMB must have authority to convene, integrate, coordinate, sequence, monitor, communicate, unblock and escalate. It must not take over the statutory mandates of departments, provinces, municipalities, regulators or public entities.

Direct access to the centre of government. The TMB must report through a Cabinet or equivalent centre-of-government route able to resolve blockages across departments and spheres. Problems that cannot be resolved technically must reach political principals with clear options and recommendations.

One programme, no parallel architecture. The TMB must use and align existing institutions, programmes, datasets and reporting systems wherever possible. It must prevent duplicate structures, contradictory standards and additional reporting burdens.

Accountability to the local government sphere and wider society. Municipalities are not passive recipients of reform. Councillors, municipal officials and organised local government must be engaged in implementation. Professional bodies, business, labour, civil society, universities, development partners and community organisations must have structured routes to contribute expertise and review progress.

Outcomes, not activity. The transition system must measure whether implementation improves governance, financial sustainability, service reliability, infrastructure condition, community accountability and institutional capability. Completion of a guideline, meeting, Bill or system is not success unless it advances the relevant White Paper outcome.

Dedicated capacity and accountable leadership. The TMB cannot operate as a part-time committee of officials with other full-time responsibilities. It requires dedicated leadership, a professional secretariat and a full-time implementation team with programme management, communication, legal, technical, financial, municipal systems, data, partnership and change management skills.

11.3 Transition management framework

The transition framework has two core instruments: a single Local Government Transition Plan and a time-bound Local Government Transition Management Body. Cabinet must authorise both as one connected system. The Plan is the programme instrument. The TMB operates the Plan, coordinates the portfolio and escalates decisions, while statutory responsibility remains with the institutions that hold it in law.

11.3.1 Local government transition plan

Cabinet must require a single Local Government Transition Plan within 90 days after adopting the White Paper. The plan is the main implementation instrument for the transition and the single source of truth across the three pathways. It must be a practical programme instrument, not another broad strategy.

The first part of the Transition Plan must be an authoritative map of all current reforms, stabilisation and recovery programmes, crisis measures, fiscal and grant actions, debt resolution processes, statutory and municipality-specific interventions, and sector programmes affecting local government. For each process it must record the responsible mandate and institution, municipalities affected, objectives, legal or policy basis, funding and conditions, milestones, reporting requirements, dependencies, risks and expected end point. It must identify duplication, gaps, contradictory requirements, competing demands on municipal capacity and opportunities to consolidate reporting or align action.

The second part must compile a complete register of the Priority Projects in Chapters 2 to 10. Where projects overlap or depend on one another, the plan may group them into reform streams, but every source project must remain traceable to its chapter, policy status, action required, responsibility and authorised time horizon. The register must identify projects that begin under the immediate agenda, projects that continue into longer-term reform, and projects dependent on consultation, legislation, fiscal decisions, technical work or institutional design.

From this complete register, the plan must select a limited first-wave package for the first 18 months. It cannot implement the whole White Paper at once, but projects not selected for the first wave must remain scheduled and accounted for. First-wave projects must be important, feasible, visible and foundational. The package must also align with the municipal electoral transition following the local government elections on 4 November 2026.

The third part must define and sequence the longer-term restructuring questions that require further agreement, evidence and design. It must identify the decision routes and clarify which matters may require legislative, fiscal, institutional or constitutional change.

For every existing process, Priority Project or grouped reform stream, the plan must identify the lead institution, supporting institutions, decision route, implementation mechanism, milestones, resource requirements, dependencies, risks, reporting line and escalation route. It must distinguish actions that can begin immediately from matters requiring consultation or enabling work.

The Transition Plan must identify the critical path across the programme. It must show which fiscal approvals, legislative processes, institutional designs, data standards, readiness assessments and capability measures must occur before other work can proceed. Lead institutions must incorporate approved commitments into annual performance plans, budgets, programme plans and, where relevant, senior performance agreements. Work is not implementation-ready until the responsible institution has authority, resources, capability and a defined delivery mechanism.

The Transition Plan must also:

- establish reporting arrangements to Cabinet authorising structures, appropriate parliamentary reporting, structured reporting to the local government sphere and periodic public reporting;
- establish engagement arrangements through which municipalities and non-government institutions can test implementation proposals, contribute expertise and raise implementation concerns;
- create a public communication and induction plan for the municipal electoral transition, including the integrated candidate preparation, councillor induction and continuing development programme in section 11.5.1;
- identify the leadership, staffing, secondments, technical support, practitioner input and administrative capacity required for the TMB; and
- set out how the three pathways will be reviewed together, how the authoritative map and project register will be maintained, and how course correction will be authorised.

The plan must include a limited outcome and benefits framework with baselines and indicators drawn from the content chapters. It must track both implementation outputs and whether communities and municipalities experience improved service reliability, financial control, accountability, capability and responsiveness. It must not create a new reporting burden where reliable information already exists.

11.3.2 Local government transition management body

Cabinet must establish a time-bound Local Government Transition Management Body to operate the Transition Plan, manage the three pathways as one portfolio, coordinate and sequence work across government, monitor progress, communicate change, resolve blockages and escalate decisions. Institutions assigned to each process or priority project retain their legal authority and remain accountable for delivery.

The case for a dedicated TMB draws on the transition after the 1998 White Paper. In 1999, government established the Local Government Transformation Programme (LGTP) Board so that transition would be treated as a high-priority, cross-cutting programme involving several departments rather than as the responsibility of one department. The LGTP was initially constituted as a section 21 not-for-profit company, governed by a representative board and supported by a dedicated programme unit, a full-time project manager and workstreams led by different departments. This made responsibility visible and reduced the risk that transition work would be absorbed into routine administration or delegated below the level needed to resolve blockages. The TMB need not reproduce the institutional form of the LGTP and must comply with the current legal and institutional framework. It must, however, retain the features needed for a high-priority transition programme: centre-of-government authority, cross-government governance, dedicated full-time capacity, clear project and workstream leads, and direct accountability for delivery.

DCoG, the Presidency and National Treasury must jointly lead the transition through a binding authorising arrangement. DCoG remains the lead policy and system steward. The Presidency provides centre-of-government authority, strategic alignment and support for resolving cross-government blockages. National Treasury co-leads the fiscal, budget, grant, incentive and financial accountability dimensions.

The TMB must be small enough to act and strong enough to convene. It must report directly into appropriate Cabinet authorising structures, provide periodic information to Parliament through existing constitutional arrangements, report to the local government sphere and publish progress, risks and corrective action in a form that allows public scrutiny.

The TMB is temporary and must not be confused with the permanent Coordination Centre proposed in Chapter 3. It may coordinate the design and establishment of that Centre but must not pre-empt choices still requiring consultation and legislation. Cabinet's authorising decision must define the TMB's duration, review points, exit criteria and handover arrangements. It should close only when priority transition functions, records, unresolved decisions and accountability arrangements have been transferred to the responsible institutions and permanent coordination architecture.

11.3.3 Connected components of the Transition Management Body

The detailed institutional design remains open for final authorisation. However, the TMB must provide for the following connected components, established through one arrangement or linked structures with clear responsibilities and reporting lines.

Political authorising component. An appropriate Cabinet committee, inter-ministerial committee or equivalent centre-of-government mechanism must provide political authority, resolve cross-mandate blockages and decide matters that cannot be settled administratively.

Senior officials steering component. Directors-general or delegated senior officials from DCoG, the Presidency, National Treasury, relevant sector departments, provinces and organised local government must coordinate administration, resolve operational blockages and prepare matters for political decision.

Full-time implementation team. A small, skilled and credible team must serve as the delivery engine. It must manage the portfolio, maintain the authoritative map and project register, track milestones and dependencies, maintain risk and decision logs, prepare escalation proposals and support reform leads.

Technical and practitioner capacity. The TMB must be able to establish task-based and time-bound panels or workstreams and draw on municipal practitioners and external expertise. These arrangements must support the responsible lead rather than become parallel policy structures.

Local government engagement platform. Organised local government, municipalities, councillors and municipal officials must have a structured route to test proposals, identify risks, support peer learning and prepare municipalities for change. The platform must not become a forum for renegotiating the White Paper. Non-government partnership and accountability mechanism. Business, labour, civil society, professional bodies, universities, development partners and community organisations must have a structured route to contribute expertise and delivery support, raise implementation concerns and review public progress information.

Secretariat and communication component. The TMB requires administrative machinery to manage meetings, track commitments, maintain dashboards, prepare reports, organise

engagement and support public communication and induction. Communication must explain what is changing, why it matters, who is responsible and what progress has been made.

11.3.4 Leadership, staffing and operating discipline

Cabinet must decide the leadership arrangement. It should provide for a full-time or substantially dedicated chairperson and deputy chairperson, or an equivalent arrangement capable of holding the transition system together. These must be working leadership roles, not ceremonial appointments.

The implementation team and secretariat must have dedicated budgets, staff and operating authority. DCoG, the Presidency and National Treasury must allocate officials, time and funding. Sector departments should provide secondments or designated programme capacity. The TMB must be able to draw on experienced municipal practitioners, professional bodies, universities and other expertise where government lacks the required capability.

The TMB must operate through clear programme disciplines: an authoritative map of current processes, a consolidated priority project register, named lead and supporting institutions, milestone tracking, dependency and risk management, decision logs, escalation protocols, regular implementation reviews and public reporting. These disciplines must make responsibility visible and prevent shared responsibility from becoming no responsibility.

11.4 Roles and accountability in implementation

The Transition Plan must identify who leads each current process, Priority Project or grouped reform stream, who supports it, who makes the required decisions and who coordinates where mandates intersect. Every item must have one named lead institution. The TMB coordinates the portfolio, but the lead institution remains accountable for delivery within its mandate.

Sector departments, regulators, public entities and state-owned enterprises must lead reforms and interventions within their mandates. They must disclose relevant processes, provide the information required for the authoritative map, align their milestones and reporting with the Transition Plan, and avoid contradictory local government systems or requirements.

Provinces remain responsible for support, monitoring, oversight and intervention within the constitutional framework. They must align provincial departments and current support or intervention programmes to the transition, identify risks early, provide differentiated support and use intervention powers consistently where legal thresholds are met. National government must strengthen provincial capability where it is insufficient and escalate where failure to act places communities or the system at risk.

Municipalities are not merely recipients of reform. Councils, mayors, speakers, municipal managers and senior municipal officials must implement reforms within municipal authority, improve governance and financial discipline, professionalise administrations, strengthen asset management and services, use data more effectively, and report honestly on progress and blockages. The TMB must use municipal practice to test whether reform designs are workable. Organised local government must support structured engagement, peer learning, practical problem-solving and feedback. The Municipal Demarcation Board, the Auditor-General, the Public Service Commission, professional bodies and social partners must contribute where their mandates, expertise or implementation capacity are relevant.

11.5 Sequencing and early priorities for the first transition period

The first deliverable of the transition must be the integrated mapping exercise under pathway one. It must establish, within the 90-day Transition Plan, a reliable baseline of what government and public institutions are already doing to reform, stabilise, finance, regulate, support or intervene in municipalities. Immediate risks and contradictions identified through the mapping must be escalated without waiting for completion of the full plan.

At the same time, the first transition period must select a limited number of high-impact priority projects or grouped reform streams from the consolidated Chapters 2 to 10 register. The first-wave package should prioritise important, feasible, visible and foundational work, including accountability, enforcement and consequence management; ethical leadership and preparation of incoming councillors; urgent stabilisation of critical services; municipal finance and revenue management; protection of senior manager appointments; professionalisation and administrative stability; clearer political-administrative boundaries; differentiated support; decision-useful data; reduced compliance overload; and coordinated design of the longer-term policy coordination mechanism.

These priorities must be implemented in a differentiated way. Stronger municipalities should receive more flexibility where they can take on greater responsibility. Weaker and rural municipalities should receive simpler tools, focused support, clearer standards and practical shared service or coordinated arrangements where appropriate.

Water reform should be the first practical test of integrated transition management. Water brings together service failure, infrastructure decline, fiscal stress, weak contract management, misaligned powers and functions, regulatory fragmentation and economic risk. The National Water Action Plan and WATERCOM should form the first sector-led implementation stream without being duplicated by the TMB. WATERCOM should retain responsibility for water sector delivery, while the TMB aligns that work with the wider portfolio, tracks dependencies and milestones, escalates cross-government blockages and tests whether emergency action is producing sustainable institutional and service delivery improvements.

11.5.1 Integrated post-election induction and continuing development

The transition must be aligned with the local government elections on 4 November 2026. The Transition Plan must establish one integrated programme that prepares the local government system for the next municipal term, with a specific focus on political governance, administrative governance and community-accountability responsibilities set out in Chapters 4, 5 and 6.

DCoG and SALGA must jointly lead the development and delivery of the official, non-partisan post-election induction programme and the continuing role-based learning of councillors throughout the municipal term. Provinces, municipalities, the Auditor-General, the Public Service Commission within its lawful mandate, and relevant oversight, integrity, professional, training and community-governance institutions must support the programme according to their responsibilities. The programme must include common core content for all councillors and differentiated learning for mayors, speakers, whips, members and chairpersons of MPACs and section 79 committees, and other councillors with specific governance or oversight responsibilities.

Political parties are expected to educate their candidates before the election about the constitutional purpose of local government and the key themes and policy directions of the White Paper. This includes ethical and non-partisan public leadership, the authority of the

council, the political-administrative boundary, accountability to communities, the rule of law, sound financial governance, professional administration, reliable service delivery and the responsibilities that candidates will assume if elected. Party-based candidate preparation complements, but does not replace, the official induction led by DCoG and SALGA. Official induction and continuing development must remain non-partisan and directed at councillors' lawful responsibilities to the municipality and the whole community.

The integrated curriculum must at least cover the following responsibilities and policy directions emerging from the White Paper:

- Ethical and non-partisan leadership. Councillors must act in the interests of the municipality and all its communities, place the public interest above personal, party-political and factional interests, protect constitutional rights and understand the Code for Ethical Leadership in Local Government.
- Council authority, the political-administrative boundary and appointment integrity. Councillors set policy, approve budgets and delegations, represent communities and exercise oversight. They must apply merit, competence and integrity requirements and may not issue unlawful operational instructions or interfere in staffing, appointments, procurement, contract management, billing, debt enforcement, investigations or service operations outside lawful council channels.
- Councillor conduct, consequence management, municipal integrity and protected reporting. Councillors must understand the statutory Code of Conduct, conflicts of interest, misconduct and referral procedures, integrity risk controls, disclosures, risk-based lifestyle audits, integrity case registers, whistleblower protection, and the consequences of obstruction, intimidation, corruption, improper interference or repeated governance failure.
- Council oversight, financial accountability and procurement separation. Councillors must understand the distinct roles and reporting routes of section 79 committees, MPACs, audit committees and internal audit units; act on material irregularities, audit action plans, unauthorised, irregular, and fruitless and wasteful expenditure and failures to implement corrective action; remain outside operational supply chain management; and use oversight structures to scrutinise procurement and contract performance.
- Administrative stability, performance and professional and technical capability. A change in political leadership is not a lawful basis for removing senior managers. Councils must limit prolonged vacancies and acting appointments, use fair and evidence-based performance and disciplinary processes, support lawful staff structures and skills plans, protect professional and technical advice, provide for lifecycle asset management, and ensure that consultants transfer capability rather than replace the municipal administration.
- Digital governance, records and decision-useful information. Councillors must oversee interoperable, secure and accessible digital systems; protect municipal data, privacy and cybersecurity; guard against vendor lock-in; preserve face-to-face and other non-digital access; ensure reliable records and audit trails; and use information on service reliability, revenue, assets, maintenance and complaints to act on risk and non-performance and account publicly.
- Downward accountability and the relationship with the community of the municipality. Councillors must report back regularly, provide usable local and ward-level information, follow up concerns, explain decisions and constraints, support public-facing

performance commitments and ensure that participation inputs, referrals, complaints and public undertakings receive clear and timely feedback.

- Meaningful and inclusive participation. Councillors must understand the participation spectrum of informing, consulting, involving and collaborating; ensure equal civic standing and practical access for people affected by disability, poverty, distance, language barriers, care responsibilities, unsafe environments and the digital divide; and recognise that participation may use ward committees, subcouncils, area-based structures, village arrangements, sector forums and other recognised community structures suited to local conditions.
- Ward and area accountability. Ward councillors must convene participation, report back, escalate matters and secure political follow-through without dominating structures or suppressing independent community voice. Speakers must oversee the fairness, functionality and integrity of the participation system. Participation and partnership structures may not become parallel municipal authorities, exercise binding ward powers or displace the authority of the elected council.
- Intergovernmental accountability and referral. Councillors must distinguish municipal from provincial and national functions, record and refer matters such as schools, clinics, policing and Eskom services to the responsible institution, track the response and report back to communities without blurring constitutional responsibilities.
- Partnering and collective action. Councillors must understand the distinction between consultation, procurement and partnering; require partnerships to have a shared public purpose, agreed roles and contributions, transparent governance, council oversight and clear accountability; and distinguish the lawful routes for non-financial cooperation, section 67 transfers, grants, procurement, concessions, co-management and external service delivery.
- Transparency, citizen care, social accountability and civic education. Councillors must oversee accessible information on budgets, projects, service performance, contracts, delays and corrective action; citizen care, complaints, billing disputes, petitions and escalation routes; safe reporting and protection against retaliation; the use of social audits, community scorecards and other community-generated evidence; and continuous, non-partisan civic education on municipal responsibilities, service standards, rights, responsibilities, trade-offs and lawful redress.
- Coalition and minority governance. Councillors must understand the requirements for written and public coalition or support agreements, lawful and respectful council conduct, continuity of essential governance and services, dispute resolution and early escalation where instability creates governance or service-delivery risk.
- Support, recovery and intervention. Councillors must understand the need for public participation and accountability plans during municipal support, recovery and intervention processes and their responsibility to preserve service continuity, public information and community accountability while corrective measures are implemented.

11.6 Implementation risks and mitigation

The transition faces implementation risks that must be managed through the Transition Plan. The TMB must maintain a live risk register, assign responsibility and resources for mitigation, track early warning indicators and escalate risks that cannot be resolved within the responsible process, Priority Project or reform stream.

Short-term stabilisation overshadows systemic reform. Urgent crisis management may consume political attention, staff and funding. Stabilisation and systemic reform must therefore

be managed as connected but distinct workstreams, with protected milestones, capacity and reporting.

Existing interventions remain fragmented. Institutions may withhold information, continue separate reporting arrangements or resist alignment. Cabinet authorisation must require full disclosure of current processes, participation in the authoritative mapping exercise and escalation of unresolved conflicts.

Insufficient national coordination and implementation capability. The Transition Plan must include an early capability assessment, targeted secondments, practitioner and technical support, and a focused first-wave programme matched to available delivery capacity.

Failure to reprioritise plans and budgets. Cabinet authorisation must require departments and provinces to record necessary changes to plans, budgets, staff allocations and programme commitments, with unresolved fiscal or mandate constraints escalated for decision.

Weak support capability in national and provincial government. The transition programme must identify support gaps, strengthen provincial and regional support capacity, use municipal practitioner expertise and align existing support programmes to agreed priorities.

Insufficient political will to lead and enforce change. The TMB must have direct access to Cabinet authorising structures, named political and administrative accountability, time-bound escalation routes and transparent reporting on delayed decisions, non-performance and corrective action.

Transition management is not prioritised or adequately resourced. The TMB must have dedicated leadership, a full-time implementation team, a professional secretariat, an approved operating budget and protected programme status for the initial transition period.

Activity is mistaken for outcomes. The TMB must maintain the critical path, consolidate related workstreams, enforce common standards and test progress against outcomes rather than the number of meetings, guidelines or plans produced.

11.7 Immediate Cabinet decisions

To avoid a gap between policy adoption and implementation, Cabinet must make the following authorising decisions when adopting the White Paper:

1. Confirm the joint leadership of DCoG, the Presidency and National Treasury through a binding authorising arrangement;
2. Establish the time-bound TMB on the basis set out in sections 11.3.2 to 11.3.4, including its legal basis, mandate, leadership, duration, review points, exit criteria, handover, reporting arrangements, engagement mechanisms, implementation team and secretariat;
3. Require the single Local Government Transition Plan within 90 days, comprising the authoritative map of current processes, the complete and traceable register of Priority Projects in Chapters 2 to 10, the limited first-wave package for the first 18 months and the sequenced longer-term systemic reform programme;
4. Direct the TMB to manage the three pathways together and require departments, provinces, regulators, public entities and state-owned enterprises to disclose relevant processes, align approved commitments with the Transition Plan and incorporate them into plans, budgets and performance agreements while retaining responsibility for delivery within their mandates;
5. Require the first mapping exercise to record mandates, responsible institutions, municipalities affected, objectives, legal basis, funding and conditions, milestones,

reporting requirements, dependencies, overlaps, contradictions, risks and opportunities for aligned action and simplified reporting;

6. Provide dedicated leadership, a full-time implementation team, a professional secretariat, seconded officials, experienced municipal practitioners and access to necessary non-government expertise;
7. Approve a first-wave package focused on urgent and foundational work, including water reform, accountability and consequence management, professionalisation, municipal finance, integrity of senior appointments, digital and data reform, reporting simplification and design of the longer-term coordination mechanism;
8. Require regular reporting to Cabinet, appropriate reporting to Parliament, structured reporting to the local government sphere and periodic public reporting on progress, risks, delays and corrective action; and
9. Require a live implementation risk register and resourced mitigation plan and align implementation with the municipal electoral transition following 4 November 2026, including councillor induction, municipal leadership orientation and continuing role-based development.

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