

**ADDRESS BY MEC KC MASHEGO-DLAMINI AT THE MPUMALANGA PROVINCIAL
VUNA AWARDS 2007. PROTEA HOTEL, KRUGER GATE, HAZYVIEW:
23 NOVEMBER 2007**

Programme Director,
Members of the Executive Council
Honorable Deputy Executive Mayor of Ehlanzeni, Cllr Selby Khumalo
Honorable Executive Mayor of Bushbuckridge, Cllr Milton Morema
Honorable Executive Mayors and Councilors from our municipalities
The Chairperson of SALGA Mpumalanga, Cllr Speedy Mashilo
Members of the Provincial Legislature
Traditional Leaders present
Heads of Departments
Our esteemed Social Partners representing the DBSA, AND NPI
Distinguished guests
Ladies and Gentlemen

It is perhaps befitting that I should join the Mayor of Ehlanzeni in welcoming you to Kruger Gate. I join the Mayor in welcoming you without in any way trying to influence the outcome of the winners for today.

Let me begin by acknowledging the impressive attendance that is shown here today. We thank you for coming to celebrate with us and showing support to our municipalities. Today is a night that belongs to our municipalities, who have shown confidence in themselves and what they are doing to allow themselves to be scrutinized and evaluated by external judges. We are meeting here to recognize the good work that has been done by our municipalities. It is our belief as a department that all our municipalities should compete for the Vuna Awards. Last year we indicated that we were concerned with the poor participation of municipalities in the Vuna Awards. In the 2004 Vuna Awards we had 16 municipalities, last year we had only 11 and this year we had 15. This is a clear indication that there is a problem, and we must find a solution to it. As we gather here to celebrate the achievements of our municipalities, we must ask ourselves what is it that we need to do in order to see more municipalities participating.

Last year we indicated that as a department we are considering making it compulsory for all municipalities to partake in the Vuna Awards because it is through such an exercise that we can thoroughly examine municipalities. Acting HOD, I think it has become more clearer now that we definitely need to implement this proposal, because if we don't we are losing out on getting some very important information from those municipalities that are not taking part in the awards. Municipalities must not see these awards as exposing their weaknesses but they must view it as an opportunity to test themselves against the best, for how will you know where to improve if you do not compete with the best?

Programme Director despite the challenges faced by our municipalities, it is worth noting that some of you still felt confident to participate in this year awards, which criteria was more stringent. To those who participated in this year's awards we say well done and keep up the good work. You have stood the test of time. Your participation in these awards shows that you want to learn from others in order to improve. It also shows us that although there maybe challenges that you are faced with, you are still confident of what you are doing. I commend you for sharing your experiences and achievements with us. Such endeavors give us hope for the future.

Municipalities have been judged on 5 key Performance Areas. Our adjudicators had to use these to evaluate the performance of our municipalities. The KPA's are

- Institutional Transformation
- Municipal Service Delivery
- Local Economic Development
- Municipal Financial Visibility and Management
- Good Governance and Public Participation

The evaluation of these KPA's is not only for the purposes of the Vuna Awards but it also enables us as a department to gather information on the performance and status of our municipalities. This enables us to make a clear diagnosis of how each municipality is performing and it assists us to be able to know what kind of interventions we need to provide and to provide these timeously.

Now that we have assessed almost all our municipalities performance, our next step will be to profile our findings in order to fine tune our programmes for capacity building interventions into the following three categories:

Category 1: All municipalities from the former homeland governments predominantly characterized by common challenges that warrant specific capacity building interventions that are tailor made to boost the institutional capacity arrangements under this category

Category 2: Municipalities predominantly from the former TPA administrations (former white towns) that are smaller in sizes possessing a fair amount of resources but however facing serious challenges due to institutional capacities to manage their current extended jurisdictions

Category 3: Large municipalities such as districts and the four cities in the province who possess a reasonable level of capacity, whose programme maybe tailor-made to enhance their capacity for redistribution, social-economic development and transformation.

The department is working in partnership with the DBSA, DPLG and all municipalities in the province to ensure that the status quo reports of municipalities is accurately profiled, specific programmes designed and they are ready for funding and full implementation in the beginning of the new financial year. This is in line with the national capacity building framework and the Local Government Strategic Agenda (LGSA) to provide such hands on support to all our municipalities.

Programme Director, some of our municipalities continue to struggle under the weight of challenges that they are faced with, whilst others are indeed distinguishing themselves as pall bearers of service delivery. We celebrate these municipalities because their achievements so far, confirm the reliability of the accelerated progress which our people expect from government. As we celebrate these municipalities we must also seek to encourage those who are still grappling with challenges not to despair. But to continue to seek methods of overcoming these challenges.

This will include a platform where municipalities that will be awarded for excellence today shall be provided with a platform where they will share their best practices and areas of excellence either for the overall achievements or the KPA's in the LGSA.

This year has seen us rolling out the second year of the Local Government Strategic Agenda (LGSA). The LGSA has assisted us to be able to monitor, support and strengthen local government in the province. It also enforces Governments intention to provide hands on support to municipalities by assigning key responsibilities in terms of key performance areas on the following three strategic priorities:

- Strategic priority 1: Mainstreaming hands on support to Local Government to improve municipal governance, performance and accountability.
- Strategic Priority 2: Addressing the structure and governance arrangement of the state in order to better strengthen, support and monitor Local Government.
- Strategic Priority 3: Refining and strengthening policy, regulatory and fiscal environment for Local Government and giving greater attention to the enforcement measures.

Programme Director, I must indicate that the implementation of the Local Government Strategic Agenda has not been without its challenges; however we have scored remarkable successes. As we are all aware planning is the corner stone of any successful development. In ensuring that the LGSA is a success we have sought to make sure that all provincial departments sector plans reflect the Local Government Strategic Agenda. Through the provincial planners forum we have aligned all sector plans to the LGSA and the Integrated Development Plans (IDP's). What has been encouraging to us is that all municipalities adopted their IDP's by June 2007, and in addition to this some municipalities have developed Performance Management Systems with clear Key Performance Indicators linked to the IDP's. What we need to do now is to ensure that we regularly evaluate these performance systems and monitor them to ensure adherence by municipalities.

During the Vuna Awards last year we indicated that we need to assist municipalities develop contracts that indicate clearly the targets on each of the Key Performance Areas, identify core mandates each official has to perform and to ascertain the reasonable period of performance contract that informs the whole package of employment. The Department is assisting municipalities to review and to fill the organograms in line with the powers and functions which municipalities are performing. The department has also coordinated the development of the database for municipal councilors and officials with specific qualifications and experience. The aim of collating this information is to determine the capacity profile in municipalities and to tailor make support programmes in line with the skills gaps. With this information we will also be able to share information and skills amongst municipalities, so that they can learn from each other.

We are encouraged by the positive response that has been shown by our municipalities in appointing both Municipal Managers and Section 57 Managers. All municipalities have appointed Municipal Managers and signed performance contracts and about 93% of the appointed Section 57 Senior Managers have signed performance contracts. The above scenario gives us hope going forward that our system of local government can improve and meet the expectations that our people have. Together with SALGA we will ensure that those who have not signed performance agreements do so immediately.

Programme Director, the shortage of skilled personnel in the form of engineers continues to be a matter of grave concern to the Department. The lack of skills has resulted in our municipalities being unable to spend their MIG allocations. As part of the LGSA we have appointed and deployed engineering firms to provide hands on support to our municipalities. This support has specially focused on the MIG programme for the development of project business plans and the commitment of MIG funds. The current MIG expenditure for 2007/08 was at 25% at the end of September 2007. This percentage rose to 34% as at the end of October 2007.

Through the hands on support provided to municipalities by the province, municipalities were able to finalize their MIG funding for 2006/07 in time except for Ehlanzeni that was at 97% and Thembisile at 72% as at the end of September 2007.

The Department has appointed a service provider to assist municipalities on Local Economic Development matters. This hands on support includes a capacity assessment of all municipalities within the province. This assessment has culminated in a capacity assessment status quo report on LED. From this assessment a report was given to the department. The department is currently finalizing a Memorandum of Understanding with GTZ and Wits University to roll out a Wits University LED Capacity building programme for municipal councilors and officials. The course is equivalent to an Honors Degree and we hope to start rolling it out in early January 2008. I would like to appeal to both councilors and officials to make use of the learning opportunities that are being provided to them.

Programme Director, the debts that our municipalities find themselves battling to recoup the monies has hampered service delivery. Indeed it has been very disturbing to not that on top of the lists of defaulters have been government departments. We have devised an intervention to address this problem and I am glad to say that we are beginning to see positive results in this regard. A task team has been formed comprising of the National Department of Public Works, Provincial Departments of Local Government and Housing, Education, Health and Public Works to look at ways to reduce the debts owed by government departments. Data cleansing has commenced in some municipalities for correct billing. Steve Tshwete has improved its revenue collection drastically and will serve as a pilot.

I must also congratulate all municipalities for submitting their financial statements on time to the Auditor General (31 August 2007). This was happening for the very first time and let us keep up the good work.

Ensuring that we bring services closer to our people still remains one of our priorities. We need to ensure that our people do not have to traverse long distances to access basic government services. A total of 10 unused municipal buildings that are closer to marginalized were identified, renovated and converted into Thusong Service Centres.

The province has further provided an amount of R11, 3 million to set the Thusong service centers operational. I would like to appeal to all municipalities to make use of these service centers, and critically they must assist us monitor them to make sure that our communities derive the benefits that are intended.

I am convinced that with the strides and achievements that we have made we are on course to meet our targets we have set as government and the Millennium Development Goals. We shall definitely halve poverty by 2014.

Programme Director, I would like to thank the adjudicators for the good work they have done. You have provided us with material that will help the municipalities and us as a department to make sure that we assist municipalities improve their service delivery.

At the beginning of January 2008, we will be holding elections for the Traditional Councils in the province; I would like to appeal to all of you who live in Traditional Authorities to be part of these elections. Let us help democratize our traditional councils.

Ladies and Gentlemen, I know you are all eager to know who this years winners for the Vuna Awards are, and I can ensure you its not an obvious case, as some people have come to believe. Let me not keep the house in suspense. Before we announce this year's winners, let me take this opportunity to wish all of you who have taken the time to come and celebrate here with us tonight best wishes for the festive season and a prosperous New Year! Take a well deserved rest and I look forward to seeing you next year.

I thank you.