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GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF CO-OPERATIVE GOVERNANCE

NO. 6118 **10 April 2025**

REVIEW OF THE WHITE PAPER ON LOCAL GOVERNMENT

I, Mr Velenkosini Hlabisa, Minister of Cooperative Governance and Traditional Affairs, hereby invite the public, civil society, public institutions, interested stakeholders and all three spheres of government to provide comments towards the Review of the White Paper on Local Government by responding to the Discussion Document hereto.

Any person or institution wishing to submit written comments on the Discussion Document and specifically the questions contained in Annex 3 to this Notice, should do so on or before 30 June 2025. Comments can be sent to the following addresses: WPLG26@cogta.gov.za or RichardP@cogta.gov.za or MaphutiL@cogta.gov.za

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MR VELENKOSINI HLABISA, MP
MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

cooperative governance
Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA

DISCUSSION DOCUMENT ON THE REVIEW OF THE WHITE PAPER ON LOCAL GOVERNMENT (WPLG)

WPLG
WHITE PAPER ON
LOCAL GOVERNMENT
REVIEW

March 2025

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1) Introduction

The 1998 White Paper on Local Government (WPLG98) was a critical milestone in the implementation of democratic local governance in South Africa. Significant strides have since been achieved in the establishment of a local government system and the expansion of basic services to millions of South Africans.

Despite the achievements of the past three decades with notable areas of excellence, local government performance has regressed due to a variety of administrative, governance, service delivery, infrastructure, financial, structural, and systemic challenges. Poor performance has become evident in key areas of leadership, management, and administration, exacerbated by uncoordinated and ineffective national and provincial regulatory and oversight responsibilities. The failure to do the basics well has become a major constraint on attracting investment, fostering growth, creating jobs, promoting human development, and serving citizens. Reform of the local government system has been prioritised to ensure it does not continue to be a limiting factor in the country's development.

> *"In many cities and towns across the country, roads are not maintained, water and electricity supply are often disrupted, refuse is not collected, and sewage runs in the streets. In part, this has happened because many municipalities lack the technical skills and resources required to meet people's needs. Many municipalities have not reinvested the revenue they earn from these services into the upkeep of infrastructure. Starting this year, we will work with our municipalities to establish professionally managed, ring-fenced utilities for water and electricity services to ensure that there is adequate investment and maintenance. Many of the challenges in municipalities arise from the design of our local government system. We will therefore undertake extensive consultation to develop an updated White Paper on Local Government to outline a modern and fit-for-purpose local government system. We will review the funding model for municipalities, as many of them do not have a viable and sustainable revenue base. We will continue to work with traditional leaders in the implementation of local development programmes."* - President Cyril Ramaphosa, State of the Nation Address, 6 February 2025.

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In September 2022, the Department of Cooperative Governance, in partnership with the Presidency, convened a Presidential Local Government Summit, where an official call was made to review the WPLG98. It was noted that local government system weaknesses and structural issues had persisted despite multiple previous attempts at reform, and there was a need to review the original concepts and assumptions made in 1998. The Minister of Cooperative Governance and Traditional Affairs, Mr Velenkosini Hlabisa, formally introduced the WPLG98 Review at his budget vote in Parliament in July 2024.

Review process

This *Discussion Document* is a step in the process of reviewing the WPLG98, which is part of a process of local government reform and restructuring over the short, medium, and long term. The intention is to publish a revised Local Government White Paper in March 2026 (WPLG26), following an extensive and inclusive process of consultation based on the Discussion Document.

For ease of reference, the first White Paper on Local Government, released in March 1998, is referred to as *WPLG98*. The revised White Paper on Local Government, to be published in March 2026, is referred to as *WPLG26*.

Recommendations emanating from the WPLG26 process requiring legislative amendments will be incorporated into a **Local Government: General Laws Amendment Bill** and other relevant pieces of national legislation. Other systematic changes in the policy and legislative landscape, and the politics and culture of the local government system, will also be considered.

The need for an open and honest review

This *Discussion Document* aims to ask the right questions and provoke open and informed debate, including pressing issues and potential 'holy cows.' This is necessary to identify and address the *underlying systemic and structural challenges* rather than to limit the discussion to the usual list of problems (typically symptoms and not root causes) and 'quick fix' solutions (reactions to the symptoms).

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The need for a results-based review

The *Discussion Document* aims to provoke thinking and action about the process of policy reform, change-making, and implementation. Several local government reviews have been undertaken in the past two decades, providing recommendations for system change leading to multiple local government 'turnaround' interventions and campaigns, with little or no sustained system stabilisation or improvement (Figure 1). There is thus a need to address the *evident weaknesses in the current RSA policymaking and implementation system*, which is characterised in the eyes of many as lots of discussion producing well-crafted reports with little action and indifferent results[1].

The South African public has understandably become cynical about the rhetoric of reform, which raises a key question: *What are we going to do differently this time around about decision-making and implementation to produce more decisive and effective results?* If we cannot answer this question, then the WPLG98 review process will simply produce yet another report, and we will have wasted another year or more!



Figure 1: Previous reviews of the local government system have produced indifferent and uneven results. How will the WPLG98 review process be different?

The need to align concurrent local government reform processes

The WPLG98 review takes place within a wider process of local government reform *already underway*. For example, Operation Vulindlela in the Presidency has a

[1] A summary of previous local government review processes and the resultant recommendations is contained in Annex One. Many current local government challenges are identical to the eight themes common to the 2007-2009, 2019, 2020 & 2023, and 2021-2022 reviews: governance and institutional challenges, capacity and skills deficiencies, financial management problems, planning system inefficiencies, community participation and accountability, service delivery and infrastructure, cooperative governance, and economic development.

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mandate to drive, with National Treasury, municipal trading services reform, starting with the Metros, to review the local government fiscal framework to ensure that municipal revenue is aligned to responsibilities, and to look at ways to standardise and professionalise the appointment of senior officials in local government. National Treasury is currently considering wide-ranging amendments to the Municipal Financial Management Act (MFMA). The Department of Cooperative Governance has tabled amendments to the Municipal Structures Act to improve the stability of municipal coalitions. Some of these reforms are summarised in Figure 2 below.

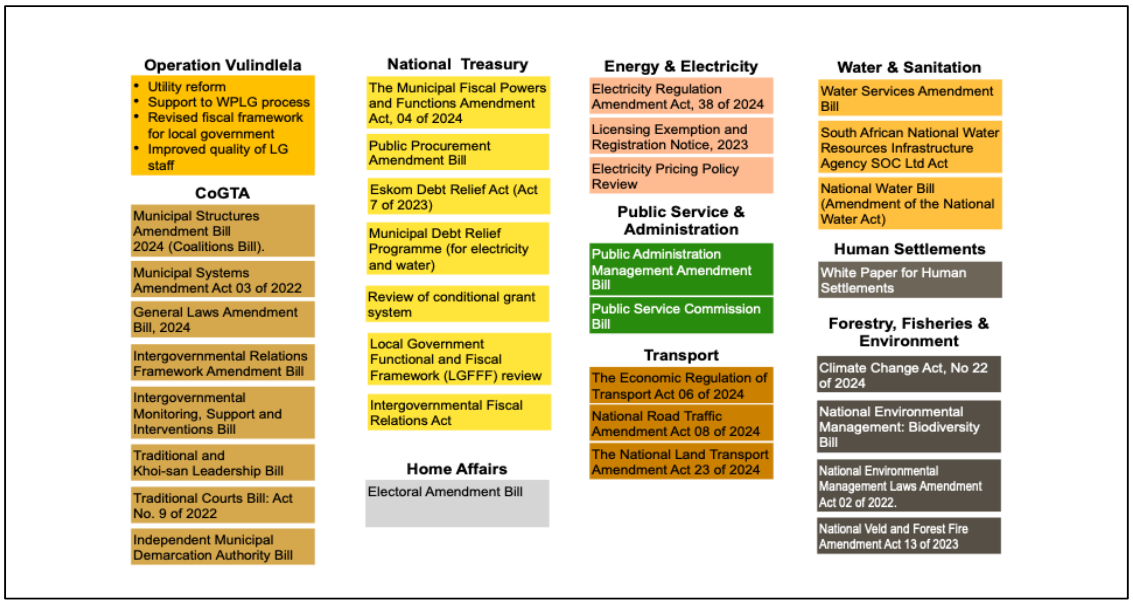


Figure 2: Policy and regulatory reform processes currently underway that impact the local government system.

The *Discussion Document* reasserts the interconnectedness and indivisibility of the four key components of an effective local government system: governance, institutional arrangements, service delivery and infrastructure, and financial arrangements, as graphically presented in Figure 3 below. While each of these components requires detailed and specialised investigation and consideration, *they cannot be resolved separately*. In this regard, the *Discussion Document* references the 30+ policy, legislative, and regulatory processes affecting local government currently underway, which, *if not properly coordinated, sequenced, and aligned, could result in piecemeal, incoherent, contradictory, and ad hoc reforms with negative long-term consequences for a viable, sustainable, and effective system of local government*.

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Figure 3: Local government reforms in each of these four components need to work together as a whole.

The conundrum that presents itself is clear: certain reforms, for example, stabilisation of energy and water supplies to the country, have been mandated to move at a fast pace and *are* moving fast. These reforms could have considerable implications for local government financial, institutional, and governance systems in the future, yet have different timeframes from that of the WPLG26 process. *It is imperative, therefore, that all change processes affecting the future of local government are managed together to ensure a coherent process of short-term, medium-term, and long-term reform.*

Thinking through the time horizons that apply to the WPLG26 and all related policy reform processes impacting the local government system:

1. What needs to be delivered in the short term to stabilise municipalities and to prevent further deterioration to the local government system?
2. What needs to be put in place, through legislative and other changes, before the local government elections anticipated for late 2026?
3. What reforms are to be implemented during the next local government five-year term of office and beyond?

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The 1998 White Paper on Local Government in context

The WPLG98 is a product of its time. It was influenced by the struggles for local democracy and equal basic services waged by civic movements in the 1970s and 1980s and the transition to an integrated non-racial local government system that emerged out of multi-party negotiations in the early 1990s. The WPLG98 sought to give effect to the local government provisions in the 1996 Constitution, some of which, like designating local government as an *equal sphere* rather than a *tier* of government, were a world first.

The emphasis of the WPLG98 at the time was on creating a legitimate and responsive system of government close to citizens, who would be able to exercise their democratic rights and meet their responsibilities. The WPLG98 in turn gave rise to key pieces of legislation in the early 2000s, which set in place the local government system as we know it today.

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Some questions to consider 27 years on from the WPLG98:

1. Were we overoptimistic at the time about designing a 'wall to wall' system of democratic and developmental local governance?
2. As a government and as citizens, did we do everything within our power and capabilities to achieve the aims and ideals of the WPLG98?
3. What have we learnt about the different elements of the local government system: citizen participation, accountability, transparency, ethics, trust, corruption and state capture, service delivery, urban integration, rural development, public and private finance, institutions, capacity-building, partnerships, and collaborative governance?
4. How do the *changes in the material conditions* over the past thirty years—demographic, political, social, cultural, economic, financial, global, technical, digital, regulatory, state capacity and capabilities, and environmental and climate shifts—inform how we should upgrade the local government system to make it fit for purpose?

Climatic transformations in municipal governance since WPLG98.

The escalating climate crisis has profoundly reshaped municipal governance priorities, necessitating that local authorities balance the immediate service delivery demands with long-term resilience planning. Currently, municipalities are operating in an era in which climate considerations are present in every aspect of urban and rural management, from systemic fiscal pressures to calamitous weather events. In addition to revealing critical deficits in institutional capacity and resource allocation, this paradigm shift has required structural reforms in financial planning, infrastructure development, and cross-sectoral coordination. Municipalities have been compelled to become frontline responders for climate adaptation because of the compounding effects of aberrant precipitation patterns, rising temperatures, and intensifying natural disasters, a task made more difficult because of governance models that may be inadequate for managing planetary-scale challenges.

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Example of changing conditions: Technological transformations in local governance since WPLG98

The evolution of technology since the WPLG98 has fundamentally reshaped municipal operations and citizen expectations, creating both opportunities and challenges for local governance. From early e-government initiatives to modern artificial intelligence (AI) applications, municipalities have progressively integrated digital tools to enhance service delivery, optimise resource allocation, and foster participatory governance. This transformation encompasses advancements in internet infrastructure, data analytics, the Internet of Things (IoT)-enabled smart city systems, and artificial intelligence (AI)-driven decision-making platforms. These technologies have the potential to collectively address historical inefficiencies while introducing new paradigms for public engagement, operational transparency, and sustainable urban development. Key tools for municipal planning and service delivery not available in 1998 now include sensor networks and real-time urban management, geospatial analytics and strategic planning, predictive governance models, automated service delivery channels, integrated data ecosystems, and citizen-centric service design and interface. At the same time, cybersecurity challenges have expanded, and bridging the digital divide remains a major problem—34% of South African households lack consistent internet access despite technological advances.

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2) Review of 1998 White Paper on Local Government

a) Local Government Constitutional Framework

The purpose of the WPLG98 was to give effect to the founding constitutional provisions for local government within a system of cooperative governance. The assumptions, core concepts, and recommendations of the WPLG98 need to be assessed on this basis.

A founding provision of the 1996 Constitution states that government is constituted as 'national, provincial, and local spheres of government which are distinctive, interdependent, and interrelated.' The Constitution also sets out the principles of cooperative government and intergovernmental relations.

The 1996 Constitution established local government as a specific sphere of government and gave it a developmental mandate stating that a municipality must 'structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community.'

The local government chapter of the 1996 Constitution sets out:

- *The status of municipalities*, which must be established for the whole of the territory of the Republic, with executive and legislative authority and the right to govern the local government affairs of their own communities.
- *The objects of local government,* which include democratic and accountable government for local communities; sustainable provision of services; social and economic development; a safe and healthy environment; and involvement of communities and community organisations, all within a municipality's financial and administrative capacity.
- *The developmental duties of local government,* which include giving priority to the basic needs of the community and participating in national and provincial development programmes.
- *The role of municipalities in cooperative government*.

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- *The establishment of municipalities*.
- *The powers and functions of municipalities*, read in conjunction with the powers and functions listed in Schedules 4 and 5 of the Constitution.

Any discussion on potential changes to the current local government system needs to begin with the existing constitutional framework.

Question for discussion:

1. Are any of the constitutional provisions for local government within a system of cooperative governance unworkable or unrealistic?

b) White Paper on Local Government 1998

The WPLG98, written shortly after South Africa had emerged from an undemocratic, unequal and conflictual past, placed great emphasis on the need for strong local democracy throughout South Africa. The WPLG98 contained recommendations for a new local government system based on specific concepts, as follows:

Developmental local government, which was defined as maximising social development and economic growth; integrating and coordinating; democratising development; empowering and redistributing; leading and learning; providing infrastructure and services; creating liveable and integrated cities, towns, and thriving rural areas; local economic development; integrated development planning, budgeting, and performance monitoring; and working together with local citizens and partners.

Cooperative government, which was defined as cooperative relations between spheres of government; roles and responsibilities of national and provincial government towards local government; and horizontal cooperation between municipalities.

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An institutional system, which included metropolitan, district, and local municipalities, a role for traditional leadership, and a process for demarcation of boundaries.

A political system, composed of elected political leadership, possessing community-wide leadership and vision, capacity to make sound policy judgements, accountability and transparency, ability to build partnerships and coalitions, and represent the diversity of interests, and to demonstrate value for money; with executive powers, based on efficiency, accountability, individual or committee executives, and delegations; committee systems, with delegated or advisory powers; and electoral systems, with a combination of proportional and ward representation.

Administrative systems, based on the need for change; new approaches for service delivery, to ensure basic services for all, accessibility, affordability, quality, accountability, sustainability, and value for money; seven different mechanisms for delivering services, ranging from in-house to fully privatised; administrative capacities, including strategic capacity, integrating capacity, and community orientation; and a municipal training system, with roles for all three spheres of government.

Financial systems, based on the principles of revenue adequacy and certainty, sustainability, effective and efficient resource use, accountability, transparency and good governance, equity and redistribution, development and investment, and sound macroeconomic management, with a financial framework that included local revenue instruments, intergovernmental transfers, gearing in private investments, and budgeting, accounting, and financial reporting and management systems.

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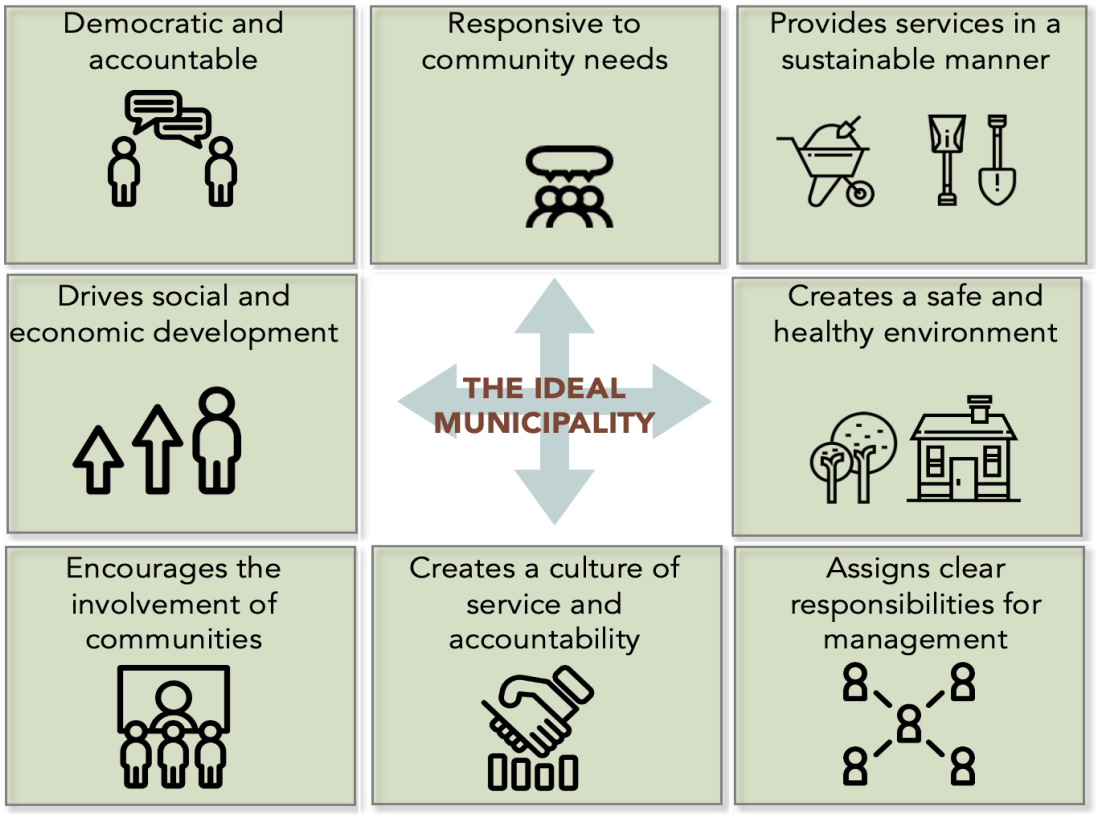


Figure 4: The White Paper on Local Government (1998) envisaged an 'ideal municipality.' Source: Local Government 21-Year Review, Department of Cooperative Governance, 2021-2023.

Questions for discussion:

1. Are any of the *WPLG98 core concepts*—developmental local government, cooperative government, a differentiated and tiered institutional system, a political system led by collaborative and adaptive leaders, a redistributive tax base, and accountable, transparent, and effective administrative and financial systems—no longer valid?
2. If the core concepts of the WPLG98 are still relevant, to what extent have they been successfully implemented?
3. To the extent that these concepts have not been successfully implemented, what are the main reasons for the lack of implementation?

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c) Local government legislative framework

Key legislation emanating from the WPLG98, summarised in Figure 5 below, includes:

(i) ***Local Government: Municipal Demarcation Act*, 1998**, provides guidelines for the establishment of a Municipal Demarcation Board and municipal boundaries. It outlines the procedure to be taken, criteria and objectives, as well as administrative matters. Note: the legislation is currently under review. See the Independent Municipal Demarcation Authority Bill—under consideration by the National Council of Provinces.

(ii) ***Local Government: Municipal Structures Act, 1998,*** clarifies the status of municipalities and provides a framework for the establishment of municipalities in accordance with the requirements and criteria relating to categories and types of municipalities (see Figure 6 below). It further determines the appropriate division of powers and functions between the categories of municipalities and regulates governance structures and electoral systems for newly demarcated municipalities. Amendments to this Act to ensure more stable municipal coalition governments are currently under consideration.

(iii) ***Local Government: Municipal Systems Act, 2000****,* deals with matters of municipal functions and powers, community participation, integrated development planning, performance management, local public administration and human resources, municipal services, monitoring, credit and debt control, as well as legal matters. Latest amendment assented to on 17 August 2022.

(iv) ***Local Government: Municipal Finance Management Act, 2003****,* regulates financial management and provides uniform treasury norms for local government. It aims to modernise budget and financial management practices in order to maximise municipal capacity. This legislation is currently under review by National Treasury.

(v) ***Local Government: Municipal Property Rates Act,* 2004**, regulates the levying of property rates by all municipalities and will also impact properties that previously fell outside municipal boundaries. It also addresses historical imbalances of paying and collecting.

(vi) ***Intergovernmental Relations Framework Act (IGRFA), 2005****,* facilitates collaboration among the three spheres of government and outlines procedures

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for resolving disputes. Note: Currently under review; see Intergovernmental Relations Framework Amendment Bill of 2024.

(vii) ***Intergovernmental Fiscal Relations Act (IGFRA)*, 1997**, outlines the process for dividing national revenue among the three levels of government and establishes processes for consultation and cooperation between the three spheres to ensure equitable distribution of revenue between these levels of government, and

(viii) ***Traditional Leadership and Governance Framework Act*, 2003**, delineates roles and mandates collaboration between traditional leaders and municipalities in service delivery.

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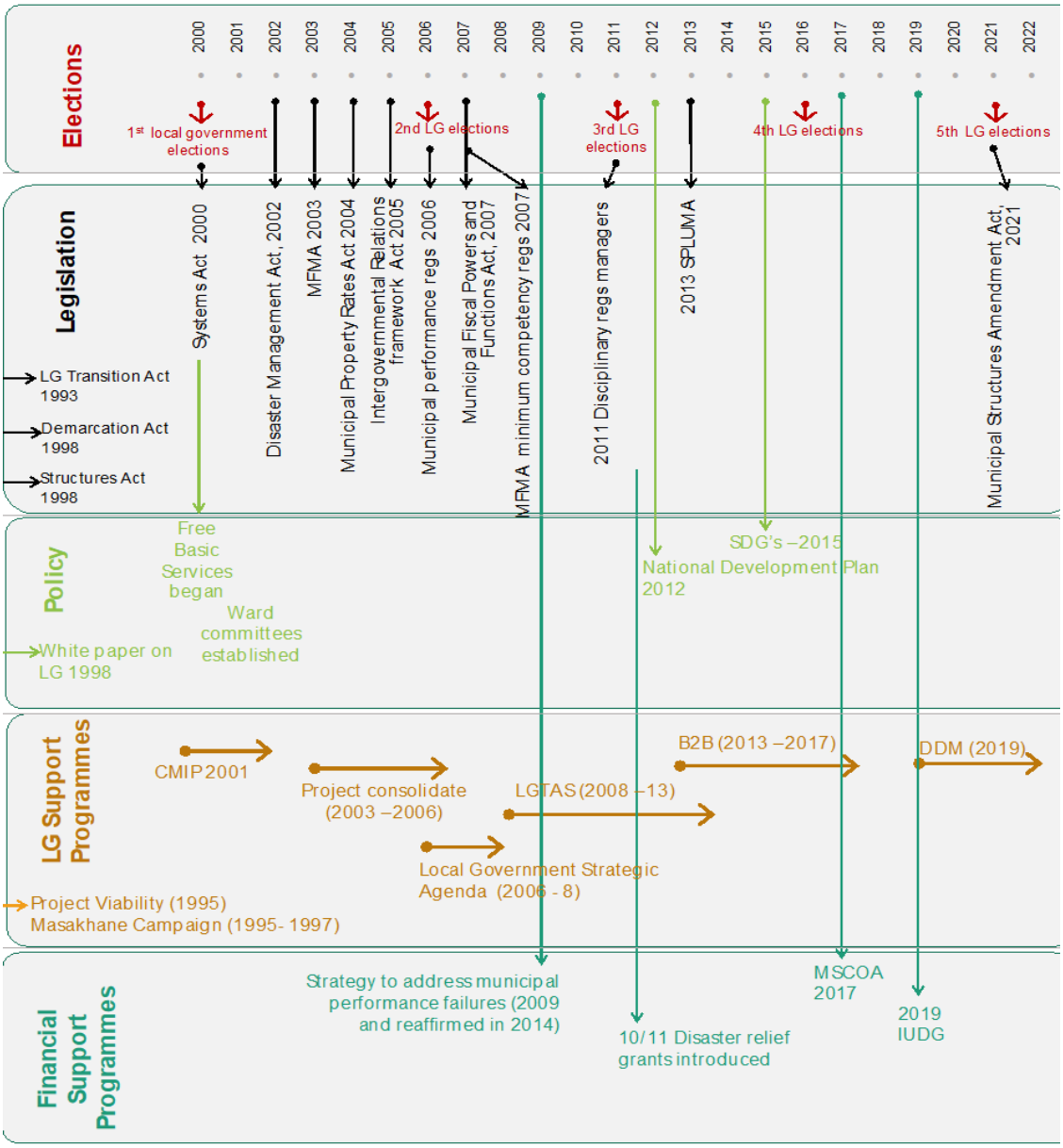


Figure 5: A 21-year overview of the legislative and policy environment for local government in South Africa. Source: Local Government 21-Year Review, Department of Cooperative Governance, 2021-2023.

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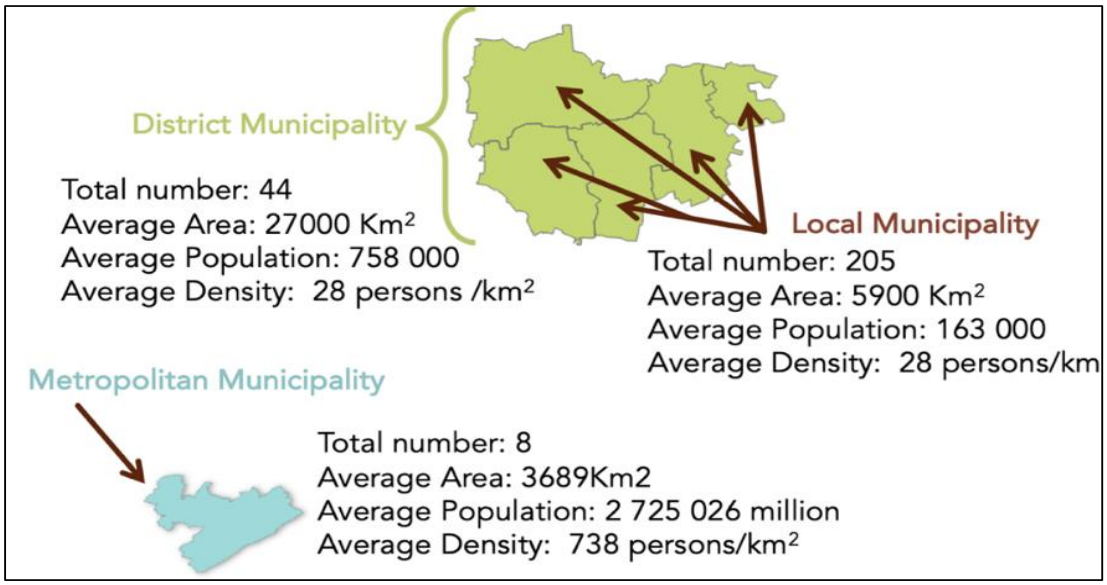


Figure 6: South Africa has three types of municipalities: single-tier metropolitan municipalities and two-tier district and local municipalities.

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Questions for discussion:

1. To what extent did subsequent local government legislation successfully give effect to the WPLG98 recommendations?
2. To what extent has the required oversight and enforcement of the legislation taken place?
3. To what extent did subsequent attitudes, behaviours, practices, and cultures that have evolved in South African government and society give effect to or undermine the WPLG98 recommendations?

Summary question: Are the evident challenges and failures in the South African local government system a result of (i) 1996 Constitutional provisions for local government within a system of cooperative governance; (ii) the core concepts and propositions contained in the WPLG98; (iii) foundational local government legislation (as implemented and amended) emanating from the WPLG98; (iv) attitudes, behaviours, practices, and cultures that have evolved in government and society since the WPLG98; (v) a lack of individual and institutional capabilities?

3) Local government system change: What's the problem?

a) Loss of confidence

The system of local government in South Africa is in crisis! There is reasonable concern and widespread doubt amongst communities, institutions, the private sector, and provincial and national spheres of government about the ability of most municipalities to perform their roles effectively. Within many municipalities as well as organised local government, there is an acknowledgement that deep-seated reflection and change is required.

b) Snapshot of key challenges facing local government

Previous reviews have documented many of the challenges facing the local government system and are summarised in Annex One. A brief snapshot of the major issues and problems is given in Figures 7-11:

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Figure 7: Local government achievements (blue text) and challenges (brown text) over the past two decades are summarised in the 21-Year Review of Local Government by the Department of Cooperative Governance, 2021-23.

As indicated in Figure 7, considerable progress has been made with the establishment and institutionalisation of the local government system, but weaknesses in implementation have increasingly led to poor performance.

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Province 2023	Number of municipalities	Stable 2021	Stable 2022	Stable 2023	Low Risk 2021	Low Risk 2022	Medium Risk 2021	Medium Risk 2022	At Risk 2023	Distressed 2021	Distressed 2022	Distressed 2023
EC	39	0	0	4	14	14	14	14	28	11	11	7
FS	23	0	0	4	1	1	11	11	9	11	11	10
GP	11	1	2	0	1	0	7	7	10	2	2	1
KZN	54	1	11	12	22	14	20	17	39	11	12	3
LP	27	0	0	5	3	3	21	21	20	3	3	2
MP	20	1	1	8	4	4	9	9	12	6	6	0
NC	31	1	1	4	5	5	16	16	18	9	9	9
NW	22	0	3	1	6	3	6	6	18	10	10	3
WC	30	12	12	23	10	10	7	6	7	1	2	0
TOTAL	257	16	30	61	66	54	111	107	161	64	66	35

Figure 8: Overview 2021, 2022, and 2023 comparison of municipal performance, based on 49 key performance indicators. While the 2023 assessment shows that the number of stable municipalities has increased from 30 to 61 across the country, the number of distressed and at-risk municipalities is still a high 196, or 76% of municipalities. There is only one low-risk municipality in Gauteng, the heartland of the South African economy. Source: State of Local Government Report, July 2022/2023, Department of Cooperative Governance.

As shown in Figure 8, DCoG assessments on 49 key performance indicators show a high number of municipalities categorised as distressed or at risk.

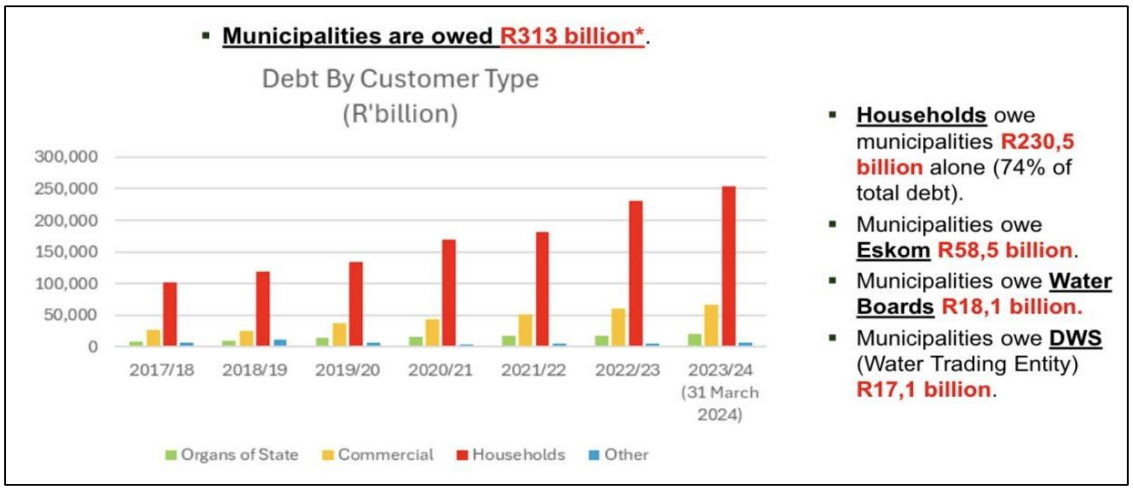


Figure 9: Debt crisis of local government—what municipalities are owed, and what they owe. Source: National Treasury, 2024.

The huge amount of increasing debt owed to municipalities is illustrated in Figure 9, of which the overwhelming share (74%) is owed by households.

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Finance	Governance	Service delivery
• Increasing indicators of collapse in local government finances (more than 65% in financial distress, growing debtors and creditors, including nonpayment to Eskom, waterboards, and pension funds). • Failure of consequence management: recommendations from forensics investigations and AG reports not being implemented. • Underperformance in the spending of infrastructure—poor quality of infrastructure, underspending on conditional grants (17,7bn returned to the fiscus over the past 5 years) • High levels of noncompliance with supply chain management reflect dysfunctional governance and assurance structures- increasing irregular, wasteful and fruitless expenditure • Failure of s154 support and s139 interventions to turn around municipal finances and service delivery • Inadequate spending on asset renewal and maintenance—rising electricity and water losses beyond established norms • Inability of municipalities to recruit and retain required staff.	• Lack of stability in many councils, affecting decision making and service delivery. • Failures in governance and political oversight as the primary causes underpinning the increase in the number of dysfunctional municipalities. • Limited impact of support by Internal audit and Audit Committees. • Some impact by councils approving budgets, monitoring spending and checking AFS against budgets.	• Lack of infrastructure Master Plans to influence section of IDC/IDP projects. • Low maintenance spend. Ave = 4%. • Maintenance spend at 1% or less in 39% of municipalities. • Preventative maintenance not effective. • Deterioration of infrastructure assets. • Poor state of water water treatment works. • Municipal affordability - high cost of maintaining services. • Data integrity - millions of households that should be classified as indigent not registered by municipalities. • Municipalities adopt differentiated approaches to implementing free basic services • Lack of infrastructure and appropriate delivery models in remote rural areas.

Figure 10: National snapshot of key challenges facing local government, January 2025. Source: Department of Cooperative Governance, 2025.

The key challenges in local government shown in Figure 10 indicate three main breakdowns in finance, governance, and service delivery: high and growing debt, instability in councils, and deterioration in and lack of maintenance of infrastructure assets.

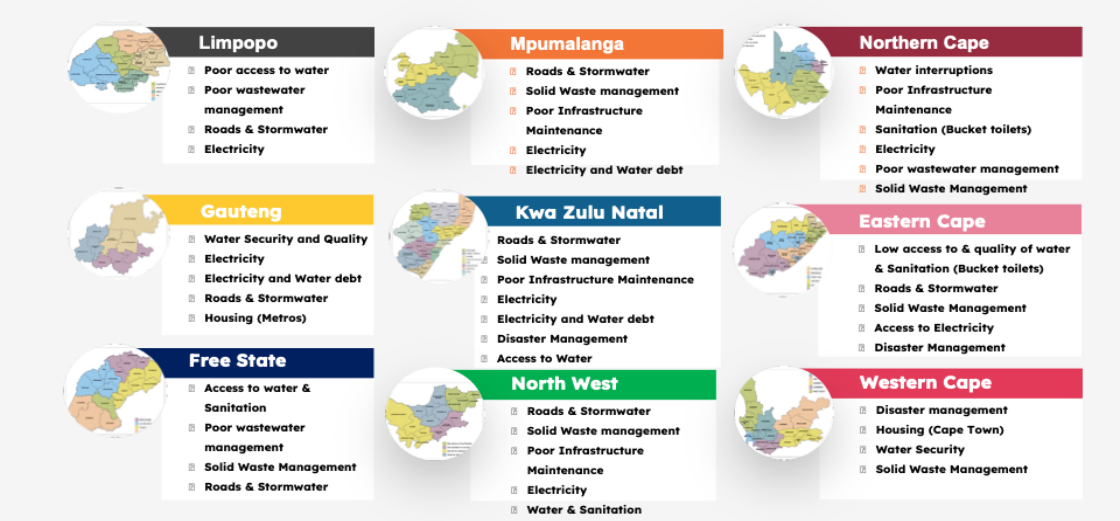


Figure 11: Summary of municipal service delivery priorities per province. Source: Department of Cooperative Governance, 2025.

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The top service delivery priorities per province listed in Figure 11 emphasise the prevalence of water issues (five provinces) and roads and stormwater (three provinces).

With reference to the challenges listed above, the debate, therefore, is not about whether the system of local government needs to be reformed. *The focus needs to be on 'by how much,' 'how quickly,' and 'by who.'*

c) Preliminary views: What needs to change?

The Department of Cooperative Governance (DCoG) commenced the process of reviewing the WPLG98 in October 2024, with an initial round of consultations with groups of stakeholders within and outside of government, including civil society organisations, local government practitioners, academia, research institutions, NEDLAC, SALGA, provincial governments, and national sector departments. In addition, DCOG has received written submissions on stakeholder experience of local government, their views on success, failures, and causes of regression, and ideas for priorities for change.

Below is a summary of the responses to date, grouped according to four questions:

i) What has been achieved since the introduction of the WPLG98?

1.	Devolution and establishment of autonomous municipalities with constitutional powers to manage local development.
2.	Merging of fragmented local authorities into inclusive municipal systems.
3.	Stable, functional democracy with regular elections established at the local level, including ward committees and other mechanisms for community engagement.
4.	Foundational local developmental legislation was passed (Municipal Systems Act and Municipal Structures Act).
5.	The Division of Revenue Act, which allocates resources between the three spheres of government through a mandated process of consultation, and the Local Government Equitable Share formula, which distributes resources equitably among municipalities to close the fiscal gap to support equitable access to basic services.

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6.	Expanding access to basic services, including exponential increase in electricity and water provision.
7.	Adoption of Free Basic Services policies.
8.	Establishment of coherent planning processes for local development through IDPs, SDBIPs, and budgets.
9.	Introduction of conditional grants to support infrastructure development to eradicate backlogs.
10.	Development of financial and fiscal legislation to regulate and support local government finances.

ii) What are the main problems with the current system of local government?

1.	Service delivery failures.
2.	Financial mismanagement.
3.	Shortage of skilled personnel.
4.	Ineffectiveness of public participation mechanisms.
5.	Increase in unreliability of water supply and poor quality.
6.	Deteriorating condition of municipal wastewater infrastructure.
7.	Lack of capacity and key skills of municipalities to distribute and manage electricity.
8.	The current structure of wall-to-wall municipalities lacks differentiation, leading to inefficiencies.
9.	Unethical leadership and poor quality of political and administrative leadership are prevalent.
10.	There are low and declining levels of public trust in local government.

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iii) How has the context for municipalities changed since 1998? What new problems and innovations have emerged, and how have these affected local government?

1.	Climate change. Due to the economic constraints within which municipalities are operating, they are struggling to implement catalytic projects that respond to the just energy transition.
2.	Growing urbanisation and resultant pressures on cities.
3.	Technological advancement. Local government was unprepared for the rise of digital technology. Many municipalities do not have systems in place that enable automation of the operations of the municipality.
4.	Innovations in delivering services.
5.	Changes in the electricity industry related to supply constraints and the increasing cost of bulk electricity have significantly eroded the revenue potential of municipalities.
6.	The ability for all municipalities to fully utilise their own revenue base might have been overly optimistic.
7.	Many municipalities have not realised the expected economic growth and development and therefore have underperformed on the Local Economic Development (LED) function.
8.	Failures in governance have hampered progress in achieving the aspirations contained in the White Paper, resulting in significant discrepancies between policy intentions and outcomes.
9.	Local governments face challenges in disaster management, with concerns about their comfort in a state of emergency, leading to ineffective responses and inefficient use of resources.
10.	More than 65% of municipalities are in various stages of financial distress.
11.	There are 14 million people living in informal settlements in South Africa, representing a major social issue that all three spheres of government must address together.

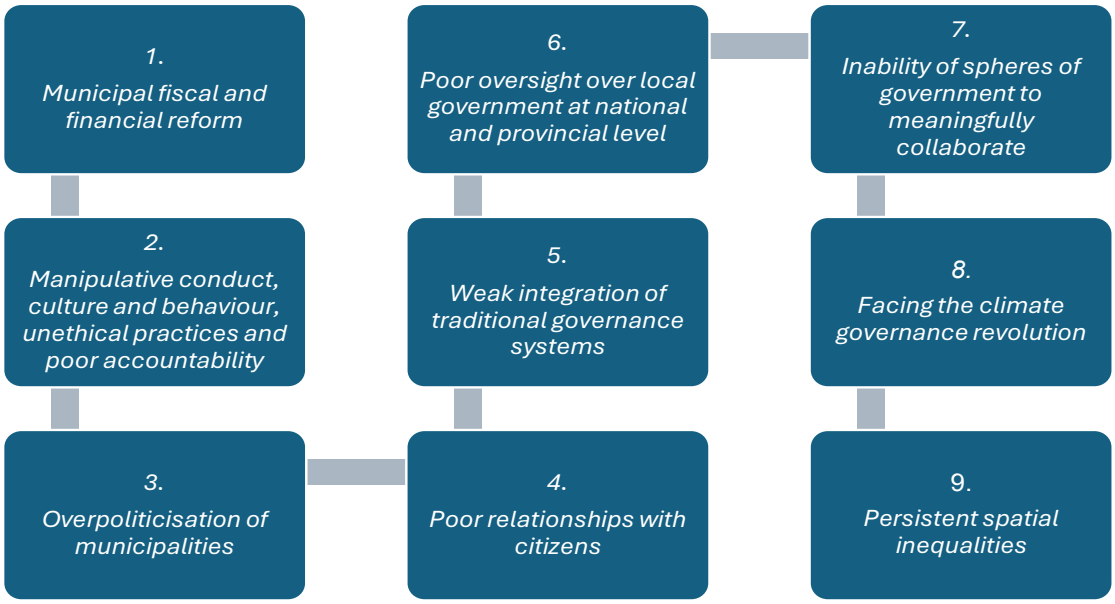
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iv) How should the White Paper address failings in the current system of local government, taking into consideration changes in context, new priorities, and emerging opportunities?

1.	Strengthen ethical leadership through training and codes of conduct and give more autonomy for administration from political interference.
2.	Institutional reform of municipal water and sanitation services.
3.	Reform of revenue management practices.
4.	Review of the Local Government Equitable Share (LGES) formula to reflect actual needs and costs, but addressing underlying issues for poor performance.
5.	Municipalities must engage more collaboratively with private entities and explore opportunities for public-private partnerships.
6.	Simplifying regulations and market access for medium and small enterprises to promote local economic development (LED).
7.	Prioritise long-term urban planning and continuity in implementation.
8.	Re-think the structure of municipalities to allow capacitated ones to take on more powers and responsibilities.
9.	Address the roles and capabilities of provincial and national governments as much as local government. The local government system must be understood beyond functions and mandates, with the interconnectedness of the different parts of the system recognised.
10.	Need for effective participation and relationship management between traditional leaders and local government.

The preliminary views and inputs have been grouped into nine interconnected priorities for change, for discussion:

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d) Municipal fiscal and financial reform

Local government fiscal and financial challenges are multifaceted (see figure 12 below) and impact the delivery of basic services, citizen confidence, and the long-term viability of the local government system. These include, but are not limited to:

- Financial management inefficiencies, including weak internal controls and revenue collection challenges, dysfunctionality in procurement processes, and inefficiencies in billing systems exacerbated by persistent and widespread non-payment for services by the public.
- Poor leadership and governance, mismanagement of public funds, and outright corruption.
- Discrepancies in the revenue base, with rural municipalities being the weakest, some being funded up to 80% by transfers from national.
- Underutilisation and inefficient use of available funding, with approximately R18bn returned by municipalities to the fiscus over the past five years.
- The potential negative impact of short-term reforms to municipal trading services on municipal finances and administration as a whole, if not handled carefully.

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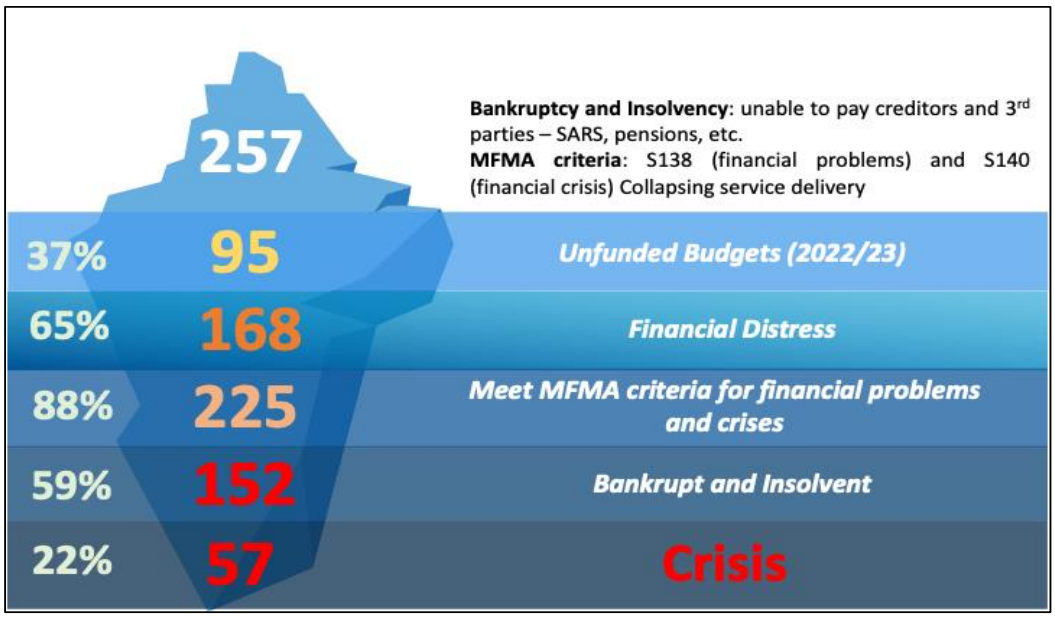


Figure 12: State of Local Government Finance, 2022-23. Source: National Treasury, Feb 2025.

The discussion on options for a new local government financial model will need to take into account:

- Why levels of local government own revenue have declined, with rising debtors resulting in failure to realise potential revenue.
- Expenditure rising above revenue and, at the same time, declining service delivery.
- Persistent weaknesses in internal controls and financial governance.
- The overall costs of the local government system, including the number of tiers, councils, councillors, and staff, and
- Where additional revenue is going to come from, given the slow rate of economic growth, severe national fiscal challenges, and competing infrastructure and service delivery priorities in sectors such as health, education and social development.

The crisis of local government finance was raised front and centre in all four previous local government reviews. The 2019 review, for example, highlighted municipal finance as an area requiring 'extraordinary measures' and proposed addressing the escalating debt owed to municipalities and their creditors, such as Eskom and Water Boards. It recommended a 'thorough review of the financing model for local government and tackling the duplication of financial regulatory functions to streamline

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oversight and improve fiscal health.' Stakeholders need to consider why previous discussions on local government finance have seemingly produced indifferent and uneven results.

Addressing these challenges will require a comprehensive approach over a sustained period of time, including a possible refinement of the local government mandate, improved revenue collection, enhanced governance and fiscal discipline, restoration of public confidence in local government, and citizen behaviour change. It will also require key stakeholders to agree on a common agenda for joint action and to work together to implement the plan.

e) Manipulative conduct, culture and behaviour, unethical practices and poor accountability

The WPLG98's developmental local government principles have been eroded over time by the emergence of a bureaucratic, hierarchical, command-and-control, and compartmentalised local government institutional culture (and in the public sector more broadly). This culture, which includes strong 'inwards' accountability (government for government) and 'upwards' accountability (to the municipal ruling party, regulators, and auditors) rather than 'outwards' accountability (government for citizens) and 'downwards' accountability (to communities, particularly in poor and vulnerable areas), has distanced many municipalities from the people they serve.

Manipulation and methods aiming at maintaining power and/or rapid enrichment have spread, resulting in corrupt, nepotistic, and unethical activity inside municipalities. Many political leaders have continued to turn a blind eye to these practices, especially when municipal resources have been used and abused to fund party political operations and campaigns. Stricter regulatory measures on their own are insufficient without addressing unaccountable attitudes and unethical behaviours inside municipalities and across all levels of government and the body politic.

The problem of the lack of accountability in municipalities was identified in all four previous reviews. The 2021-22 review recommended: 'Accountability in local

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government must be reinforced to build trust. This includes addressing issues like irregular and fruitless expenditure as well as ensuring that officials face consequences for misconduct. At the same time, administrative burdens should be reduced to allow municipal officials to focus on developmental issues rather than bureaucratic processes.'

Reform of public sector institutional culture is not an easy process and will require a concerted, continuous, multi-faceted approach, promoting a service-orientated culture that challenges the 'dead hand' of bureaucratic processes, enhanced staff competencies and institutional capacity, inclusive governance, transparency and accountability, innovations in service delivery, and adaptability. Culture change needs to start with ethical leaders in all three spheres of government who model transparency, accountability, agility, and responsiveness and support strengthening of anti-corruption measures.

f) Overpoliticisation of municipalities and instruments of governance and delivery

The role and conduct of political leadership and political parties need to be addressed to achieve meaningful system change. Politicisation of administrations and political overreach, resulting in failure to maintain professional ethics and failure to operate impartially and equitably, as well as the inability of political rivals to cooperate 'across the aisle' despite differences, has often created a toxic environment within municipalities and has undermined relationships of trust with the public.

Poor conduct by political parties, including contestation over short-term power arrangements and infighting in municipal councils, has undermined sound municipal financing, budgeting, administration, and service delivery mechanisms. There have been 66 hung municipalities since the 2021 elections. The instability of many coalition governments has affected the passing of budgets and resulted in continuous changes to development plans and priorities, as well as external influences on municipal supply chain management processes. The high turnover of councillors after every election has resulted in the loss of institutional memory and experience, as shown in Figure 13. Critical vacancies in senior management, as shown in Figure 14, have been one of the issues impacting directly on the lack of performance by municipalities.

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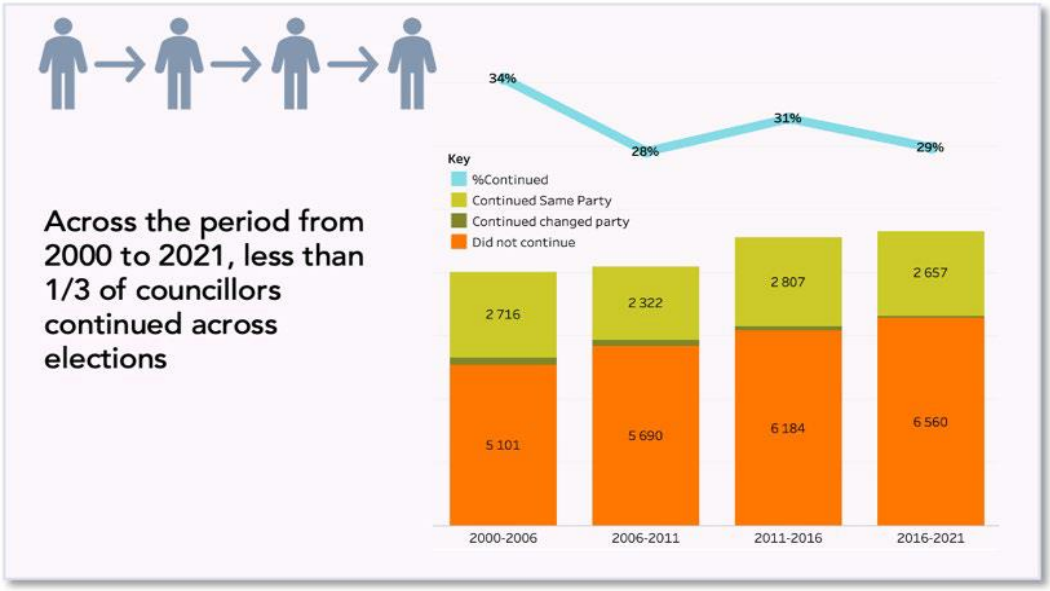


Figure 13: Lack of councillor continuity over four electoral periods. Source: 21-Year Review of Local Government, Department of Cooperative Governance, 2023.

Province	No. of Municipalities	Municipal Manager	Chief Financial Officer	Technical Services	Corporate Services	Development Planning	Community Services	Other Senior Managers	Total
Eastern Cape	39	38	31	33	32	25	33	14	**206**
Free State	23	15	16	15	15	8	13	2	**84**
Gauteng	11	11	8	8	10	10	9	32	**84**
KwaZulu Natal	54	48	44	43	44	27	40	15	**261**
Limpopo	27	26	21	19	17	19	21	8	**127**
Mpumalanga	20	19	18	15	13	13	18	4	**100**
Northern Cape	31	22	19	22	16	4	6	3	**92**
North West	20	14	14	9	8	14	8	20	**107**
Western Cape	30	27	26	18	21	12	15	16	**135**
Total	**257**	**220**	**197**	**182**	**176**	**132**	**163**	**114**	**1196**

Figure 14: Senior management posts showing vacancies in critical areas: 37 municipalities are without municipal managers, 60 municipalities are without chief financial officers, and 125 municipalities are without development planning officers. Source: State of Local Government Report, July 2022/2023, Department of Cooperative Governance.

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Specific steps are needed to strengthen the political-administrative interface, including clarification of roles and responsibilities, professionalisation of municipal administration, mechanisms to hold both politicians and administrators accountable for their actions, enhanced oversight, depoliticised decision-making by focusing on community needs rather than party political directives, prioritising local issues over regional or national party agendas, and limitations on political appointments.

As a policy response to the challenges of coalition governments, the DCoG has developed the Municipal Structures Amendment Bill of 2024. Cabinet has recently approved the publication of the Bill, also known as the “Coalition Bill." The Bill provides a legislative framework to guide the formation and management of coalition governments. The Bill seeks to provide a clear legislative framework that will guide the formation of coalition governments as well as provide systems to minimise challenges of coalitions within the local government sphere.

Previous reviews of local government did not specifically focus on the importance of the role and conduct of municipal political leadership and political parties that contest municipal elections. SALGA, political leaders, and political parties across the spectrum now need to engage directly with this issue.

g) Poor relationships with citizens

The Municipal Systems Act, 2000, stipulates that a municipality consists of the political structures and administration of the municipality *and the community of the municipality*. This tends to be more honoured in the breach than the observance. There is a large divide between many municipalities and their communities (including residential, business, university, and institutional communities). The fact that as of 2024, households owe municipalities a staggering R230.5bn (74% of total municipal debt) is an indicator of the broken social contract.

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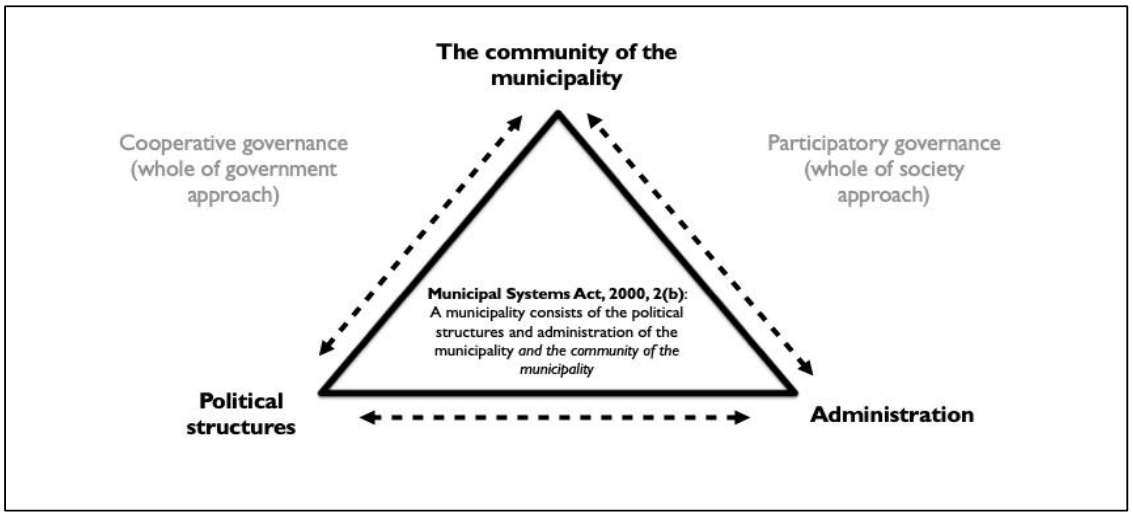


Figure 15: Municipalities in South Africa were designed to function as a three-way partnership between the elected political structure, the administration, and the community, within a framework of cooperative and participatory governance.

As illustrated in Figure 15, a three-way partnership between the elected political structure, the administration, and the community is part of the original conceptualisation of municipalities in the WPLG98. However, relationships have increasingly become strained and, in some cases, have broken down, hence the need for a focus on ways to improve three-way relational governance at the municipal level, within a whole of government and whole of society framework.

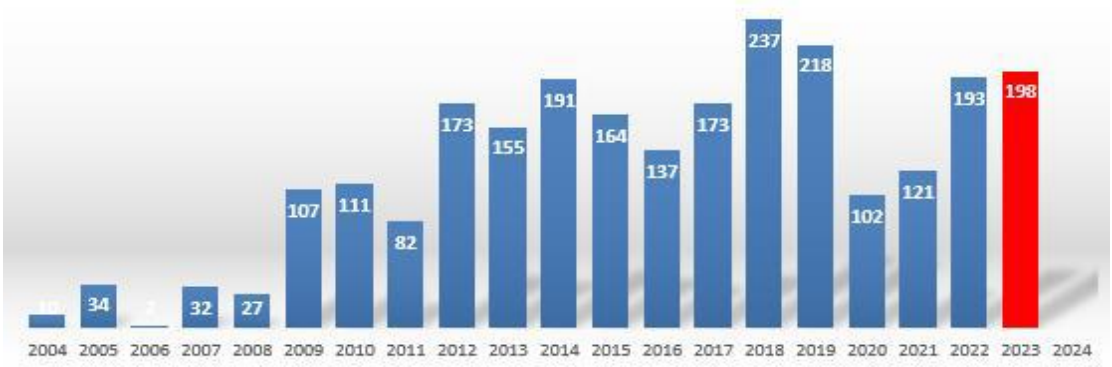


Figure 16: Service delivery protests 2004-2023. Source: Municipal IQ Municipal Hotspots Monitor 2022-2024.

Service delivery protests (Figure 16) have increased steadily since 2004 (except for a drop during COVID-19 in 2020 and 2021) and are strongly linked to the lack of

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services, especially electricity and water, and a lack of respectful relationships between municipalities and communities over the last few years.

DWS 67 Municipalities with Critical Score (<30%) on Water Supply Systems (ND), Blue Drop (BD) and Green Drop (GD) Assessments in 2023											
Municipality	GD	BD	ND	Municipality	GD	BD	ND	Municipality	GD	BD	ND
1. Tokologo LM		cap	cap	23. Thabazimbi LM	cap			46. Msukaligwa LM		cap	
2. Kareeberg LM		cap		24. Vhembe DM	cap			47. Thaba Chweu LM	cap	cap	cap
3. Metsimaholo LM	cap			25. Bushbuckridge LM	cap			48. !Kai! Garib LM			
4. Merafong LM	cap			26. Lekwa LM	cap			49. !Kheis LM			
5. Rand West LM	cap			27. Pixley Ka Seme LM	cap			50. Dikgatlong LM			
6. Blue Crane Route LM	cap			28. Gamagara LM				51. Emthanjeni LM			
7. Kouga LM	cap			29. Nama Khoi LM				52. Ga-Segonyana LM	cap	cap	
8. Makana LM				30. Dr. Ruth S Mompati DM				53. Joe Morolong LM	cap	cap	
9. Ndlambe LM	cap			31. Maquassi Hills LM				54. Kamiesberg LM			
10. Kopanong LM	cap			32. Moretele LM				55. Karoo Hoogland LM			
11. Mantsopa LM	cap			33. Moses Kotane LM	cap		cap	56. Kgatelopele LM			
12. Matjhabeng LM	cap			34. Ngaka Modiri Molema DM	cap			57. Khai-Ma LM			
13. Moqhaka LM	cap			35. Langeberg LM	cap	cap		58. Magareng LM	cap	cap	
14. Nala LM	cap		cap	36. Swellendam LM	cap	cap		59. Phokwane LM			
15. Ngwathe LM	cap		cap	37. Dr Beyers Naude LM	cap	cap		60. Renosterberg LM			
16. Phumelela LM	cap		cap	38. Koukamma LM	cap	cap		61. Richtersveld LM			
17. Setsoto LM	cap		cap	39. Sundays River Valley LM	cap	cap		62. Siyancuma LM	cap	cap	
18. Umkhanyakude DM				40. Mafube LM	cap			63. Ubuntu LM	cap	cap	
19. Umzinyathi DM				41. Maluti-a-Phofung LM	cap	cap		64. Umsobomvu LM			
20. Zululand DM				42. Masilonyana LM	cap			65. Kgetlengrivier LM			
21. Mogalakwena LM	cap			43. Mohokare LM	cap	cap		66. Kannaland LM	cap	cap	
23. Polokwane LM	cap			44. Albert Luthuli LM		cap		67. Prince Albert LM	cap	cap	
				45. Dipaleseng LM		cap					

Figure 17: List of municipalities charged for non-compliant water and sanitation drop standards. The legend 'cap' refers to where a corrective action plan has been submitted. Source: Department of Water and Sanitation, 2023.

The critical state of water and sanitation systems is shown in Figure 17, with 67 municipalities charged for non-compliance after assessments in 2023.

Municipalities need to shift from a 'we will do it for you, without you' culture to the creation of a more *enabling environment for citizens* to be part of driving and contributing to their own development. This includes being more open to partnering with the community of the municipality by demonstrating enabling behaviours rather than command and control attitudes and developing partnering frameworks and capabilities beyond conventional public-private partnership (PPP) models.

Creating an enabling environment also means adopting more adaptive programming and delivery methods, where the municipality and its partners are able to take joint action and simultaneously pause, reflect, and learn from new data and intelligence generated by the process at regular intervals, to adjust and adapt plans to make them more implementable, feasible, and legitimate. This approach also includes the development of individual and organisational learning techniques, communities of practice, and knowledge-sharing and learning networks.

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For this new approach to take root, a shift beyond the limited concept of 'community engagement and stakeholder management' will need to occur. Building a 'capable local state' will need to focus on building the capabilities of both councillors and municipal staff to prioritise relationships of trust with their community and on building the capabilities of communities to partner meaningfully with their municipality.

Citizens need to be directly involved, through the WPLG26 process, in assessing the role and value of local government in their lives and must be part of a joint agreement on how to rebuild an effective and sustainable local government system. Government will not be able to achieve this alone.

h) Weak integration of traditional governance systems

The integration of South Africa's elected local government system with traditional governance structures presents both challenges and opportunities for improving citizen service delivery and community development. Traditional leaders, who wield significant cultural legitimacy and grassroots influence, and command respect from their communities, operate alongside constitutionally mandated municipal structures that are tasked with democratic governance and service provision.

Traditional leaders potentially have an important role to play in nation-building, promoting social cohesion, contributing to municipal integrated development plans, advising on spatial development and land administration, collaborating on local economic development, tourism promotion, and disaster management, championing cultural preservation, and supporting service delivery, including payment for services.

While the principle of a cooperative relationship between local governments and traditional leadership is established in the Constitution and legislation requires the participation of traditional leaders in government, several areas need resolution and implementation. Traditional leaders and their councils currently play a limited advisory role in municipal governance. Legislative frameworks do not effectively integrate their contributions to, for example, land use planning, leading in some cases to parallel centres of power and decision-making. The Spatial Planning and Land Use Management Act (SPLUMA) is the mandate of the Department of Land Reform and

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Rural Development (DLRRD); however, implementation thereof rests with municipalities. Roles need to be clearly outlined in SPLUMA, including those of traditional leaders.

Development in traditional communities is another area that presents opportunities and challenges—opportunities in the sense that the same local communities are serviced by two entities, which could fast-track development in traditional areas, and challenges in that legislative frameworks do not expressly indicate how traditional leadership should be integrated and interface with local government. While legislation enjoins municipal councils to consult traditional councils during the development of Integrated Development Plans (IDPs), the manner and form of such consultations needs to be determined in more detail.

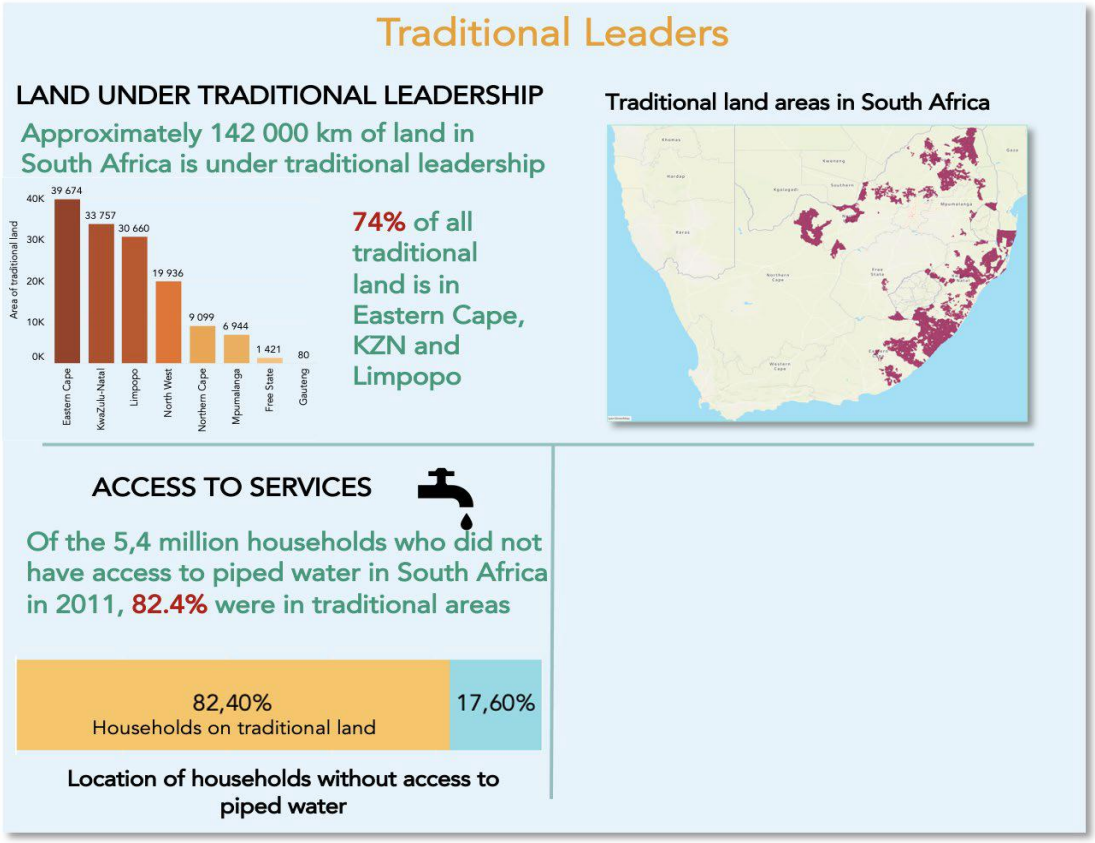


Figure 18: Traditional land and service. Source: 21-Year Review of Local Government, Department of Cooperative Governance, 2023.

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Other issues that need to be addressed include:

- Cooperation between ward committees and traditional councils (this has been difficult, especially in areas where ward committees are dysfunctional).
- Participation by Traditional Leaders in committees of the municipality (section 79 committees).
- Participation in municipal IDP processes and alignment of municipal IDPs and development plans for traditional councils.
- Joint approaches towards service delivery.
- Joint strategies for rural infrastructure investment, economic promotion, and job creation.
- More practical mechanisms for traditional leaders to meaningfully participate in and advise municipal structures and processes.

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The functions of traditional leadership in relation to local governance can be summarised as follows:

1) Advise the local, district, or metro municipality on matters pertaining to customary law, customs, traditional leadership, and traditional and Khoi-San communities.
2) Advise the local, district, or metro municipality regarding the development of planning frameworks and by-laws that impact traditional and Khoi-San communities.
3) Participate in local, provincial, and national programmes geared towards the development of traditional and Khoi-San communities.
4) Participate in local initiatives aimed at monitoring, reviewing or evaluating government programmes in traditional and Khoi-San communities
5) Work with government at all levels in the identification of development needs and the actual development of the community.
6) Form partnerships with government, especially at municipal level, in service delivery to communities; and
7) Participate in the development of policy and municipal by-laws at a local level and with other levels of government.

Section 81 of the MSA

(a) Support municipal councils in the identification of the specific needs of the traditional and Khoi-San communities falling within the area of a municipality.
(b) Facilitate the involvement of traditional and Khoi-San communities in the development or amendment of the integrated development plan of the relevant municipality.
(c) Support the local municipality in promoting integrated local economic development and planning.
(d) Facilitate the participation of the relevant traditional and Khoi-San communities in any affairs of the municipality that requires or allows for public participation, including the affairs of ward committees.
(e) Make recommendations and propose appropriate interventions in respect of service delivery within the defined areas of jurisdiction of the relevant traditional councils.
(f) Promote the ideals of cooperative governance, integrated development planning, sustainable development, and service delivery.

The role of traditional leadership must be clarified to ensure their inclusion within the broader framework of local government reforms, particularly regarding development and economic growth. These issues have been raised during the past four local government reviews and now need to be addressed and resolved as a matter of urgency. A common agenda for joint action could focus more positively on the potential

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value that systems of traditional governance can bring to government in addressing development challenges.

i) Poor oversight capability over local government at national and provincial level

The local government system is highly regulated, with over 200 different pieces of legislation and regulation impacting on local government planning and decision-making processes, with oversight requirements placing a high value on compliance with these provisions often leading to the practice of malicious compliance.

The national and provincial departments given the regulatory and oversight responsibility over local government have not mastered the art of working together towards a coherent approach of supporting and managing effective interventions. For example, a Local Government Collaboration Framework, brokered under the auspices of the Presidency, was signed by National Treasury and the Department of Cooperative Governance in 2024 but has yet to be implemented. The Framework was seen to be necessary because of different legal interpretations of S139 of the Constitution, disagreements over which department initiates and leads local government interventions, non-collaborative attitudes and behaviours, lack of mutual accountability, and lack of trust. The Framework, based on the indivisibility of local government support, intervention, and recovery processes, i.e., governance, institutional arrangements, service delivery and infrastructure, and financial arrangements, is based on the premise that regardless of what the law stipulates about which department should lead a particular process, neither department can have exclusive control and ownership of the intervention process, and therefore a deliberate partnering approach is required.

Furthermore, the capacity and capability of national and provincial departments to support local government to perform its responsibilities is erratic and uneven. There is a welcome and necessary focus on assessing the performance of municipalities, but little focus on the performance and capacity of provincial and national departments to implement their oversight role. A question can be asked: Who builds the capacity of the capacity-builders?

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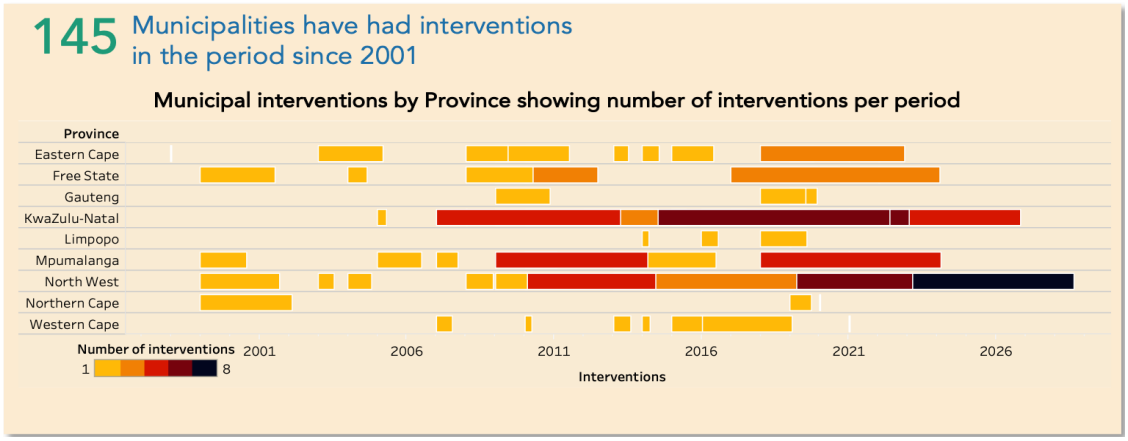


Figure 19: Section 139: Interventions by Province since 2001. Source: 21-Year Review of Local Government, Department of Cooperative Governance, 2023.

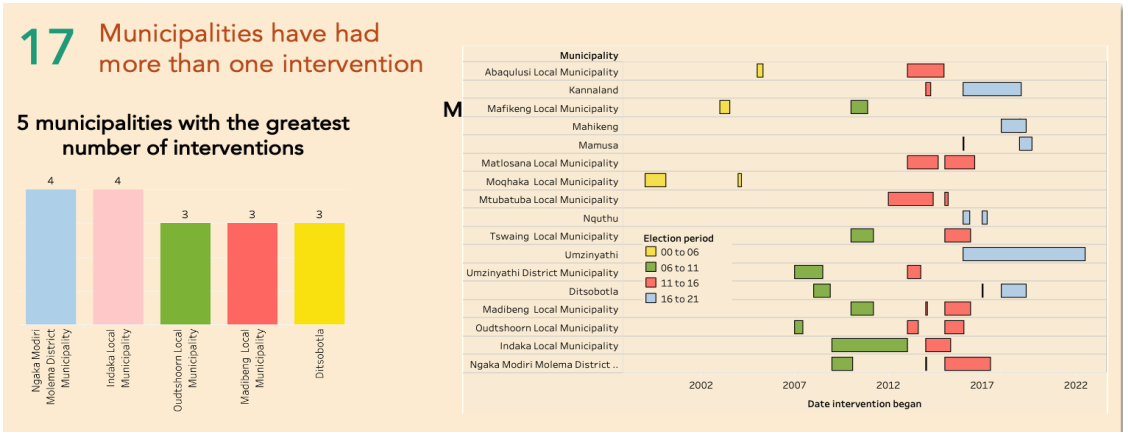


Figure 20: Seventeen municipalities have had more than one intervention. Source: 21-Year Review of Local Government, Department of Cooperative Governance, 2023.

j) Inability of spheres of governance to meaningfully cooperate

Cooperative governance, as mandated by the Constitution, is still largely elusive, with planning and investment spending of all three spheres of government often misaligned, spatially incoherent, and not sufficiently coordinated to optimise service delivery results and integrated development outcomes. Yet effective cooperative governance leading to better outcomes and results is needed now more than ever. Complex problems such as spatial inequality (see below), poverty, and climate change and the implementation of a just transition, characterised by non-linear causality and significant interdependencies, cannot be solved by one department or one sphere of

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government on their own. Yet we persist in segregating institutional mandates, plans, budgets, and accountability systems, and defending institutional territories and boundaries.

Effective cooperative governance requires the emergence of collaborative leaders that can:

- Create a compelling vision that motivates commitment
- Understand and communicate the big picture
- Encourage input and participation
- Translate divergent perspectives
- Facilitate win-win outcomes
- Foster joint ownership and responsibility
- Embrace diversity and difference
- See 'conflict' as an opportunity for innovation rather than a chance to stall
- Respond flexibly and adaptively to changing circumstances

The District Development Model (DDM) was adopted by Cabinet in 2019 with the aim of energising the system of cooperative governance and repurposing it in a practical way as part of building our capability as an ethical developmental state. The model is aimed at addressing siloed planning, budgeting, and implementation and to pursue socio-economic and spatial transformation through a more tangible common vision collectively generated by all three spheres of government in relation to the differentiated challenges and opportunities of the 52 district and metropolitan spaces as strategic spaces for convergence of the 'whole of government' to invest and deliver coherently.

Discuss: to what extent has the DDM succeeded in achieving the goal of integrated development at the local level?

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k) Facing the climate governance revolution

Municipal budgets have borne the brunt of climate-induced disasters, with extreme weather events between 1998 and 2025 increasing emergency expenditures by 320% across South African cities. Flooding in Durban during the 2022 rainy season required R780 million in unplanned drain clearance and road repairs, diverting funds from scheduled housing projects. The frequency of such events has necessitated permanent budget line items for disaster response. Cape Town now allocates 14% of its annual operating budget to climate contingency funds, up from 3% in 2010. Climate impacts systematically undermine traditional municipal revenue streams through property devaluation and commercial sector instability. Coastal municipalities like Nelson Mandela Bay have seen 22% decreases in rates income from properties in flood-prone areas since 2018, while agricultural drought in Free State towns reduced business license fees by R154 million annually. Tourism-dependent regions face compounded losses. Knysna's 2023 wildfires caused R230 million in lost hospitality taxes, equivalent to 18% of municipal revenue.

Critical municipal infrastructure built to twentieth-century climate standards now operates beyond design thresholds. Johannesburg's 2024 heatwave triggered 47 transformer failures as cooling systems overloaded, leaving 300,000 residents without power for 72 hours. Wastewater treatment plants face biological collapse during extreme temperatures. Pretoria's Daspoort facility recorded 63% efficiency drops during 40°C spells, risking regulatory non-compliance fines. Coastal municipalities confront saltwater intrusion into freshwater systems, with Cape Town spending R1.2 billion retrofitting desalination safeguards into reservoirs. The climate resilience gap in existing infrastructure necessitates capital-intensive upgrades, often exceeding municipal borrowing capacities. Durban's stormwater system overhaul requires R4.8 billion to handle 35% increased rainfall intensity—a cost equivalent to 18 months of total municipal revenue.

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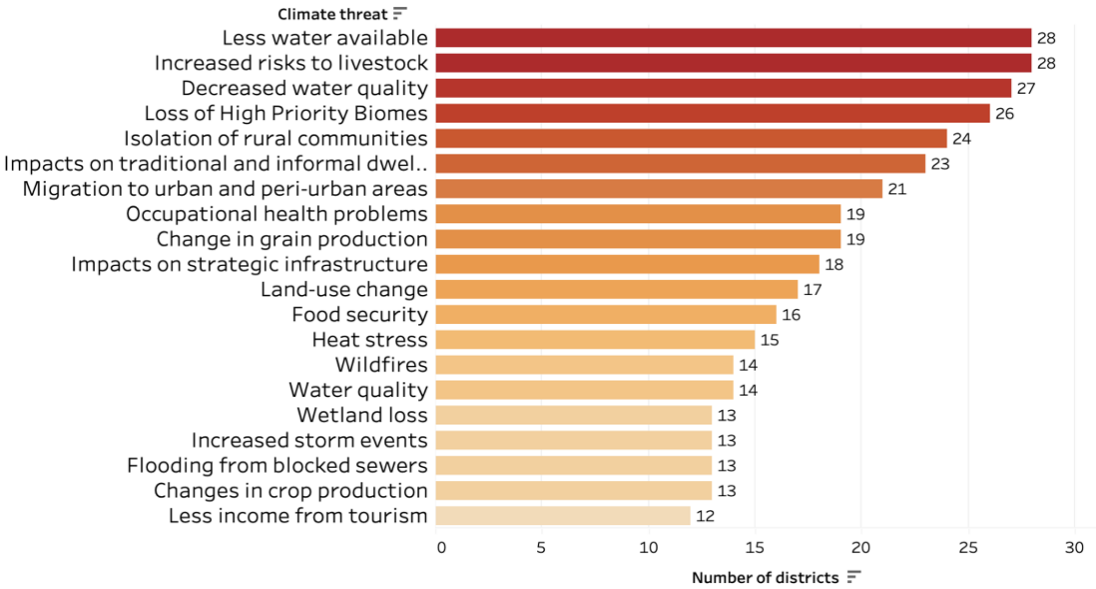


Figure 21: Top 20 climate change risks impacting at a district level. Source: www.letsrespondtoolkit.org, Local Government Climate Change Support Programme.

The climate governance revolution since the WPLG98 has transformed municipalities into laboratories of adaptive innovation, yet exposed systemic vulnerabilities in traditional governance paradigms. While cities like Cape Town and eThekwini pioneer multi-sectoral resilience frameworks, the majority of municipalities remain trapped in reactive cycles exacerbated by fiscal constraints and capacity gaps. The emergence of climate budgeting, nature-based solutions, and digital governance tools points toward a more resilient future but *requires unprecedented intergovernmental cooperation and financing reforms together with massive support for smaller municipalities*. As climate impacts accelerate, the municipal governance model must evolve from service provider to ecosystem steward, integrating traditional administrative functions with planetary boundary management. South Africa's experience underscores the urgent need for global climate governance architectures that empower local authorities as equal partners in the fight against anthropogenic climate disruption.

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Projections of future climate change in Southern Africa

"Southern Africa is a region with a warm and dry climate, which under low mitigation climate change futures is projected to become drastically warmer and likely also drier. Such a change of an already warm and water-stressed region becoming even warmer and drier implies that the options for adaptation are limited. It is for this reason that southern Africa has been classified as one of the world's climate change hotspots. Hot temperature extremes such as heat waves and high fire-danger days are projected to occur more frequently and at greater intensity in southern Africa in a warmer world, in association with the increases in average temperature. The next twenty years in southern Africa are thus likely to be generally drier, with more multi-year droughts compared to the last twenty years, and are certain to be warmer, with heat waves of unprecedented intensity and days with oppressive temperatures occurring at unprecedented frequencies. Under low mitigation futures, these changes are projected to amplify over time, to the extent that the combined impacts of multi-year droughts and intense, long-duration heat waves may lead to the collapse of the maize crop and the cattle industry. More intense multi-year droughts may also pose the risk of more frequently occurring 'day zero' type droughts across the southern African cities. Over the eastern parts of southern Africa, heavy rainfall events are likely to occur more frequently, even in the presence of decreasing rainfall totals. This implies that cities in the east need to increasingly be prepared for the dual challenges of seasons with excessive rainfall and flooding and multi-year periods of below-normal rainfall and drought." - Engelbrecht, F. A., Steinkopf, J., Padavatan, J., & Midgley, G. F. (2024). Projections of future climate change in Southern Africa and the potential for regional tipping points. In *Sustainability of Southern African Ecosystems under Global Change: Science for Management and Policy Interventions (pp*. 169–190). Springer International Publishing.

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I) Persistent spatial inequalities

The WPLG98 highlighted the effect of segregationist policies on South African towns and cities and the role of local government in overcoming its effects: 'Apartheid has fundamentally damaged the spatial, social, and economic environments in which people live, work, raise families, and seek to fulfil their aspirations. Local government has a critical role to play in rebuilding local communities and environments as the basis for a democratic, integrated, prosperous, and truly non-racial society.'

The persistence of spatial inequality in South African towns and cities remains one of the most pressing challenges of the post-apartheid era. Despite three decades of democratic governance, the colonial and apartheid-era urban form—characterised by racial segregation, economic exclusion, and fragmented landscapes—continues to define South Africa's towns and cities. While policies like the Integrated Urban Development Framework (IUDF) and the Spatial Planning and Land Use Management Act (SPLUMA) have sought to dismantle this legacy, progress has been hindered by fragmented implementation, policy contradictions, and insufficient integration of informal systems.

Post-1994 housing policies, while delivering over 3.5 million subsidised homes, have replicated the apartheid spatial logic by constructing low-cost housing on urban peripheries. The unintended consequence has been the entrenchment of 'apartheid cities 2.0,' where poverty remains geographically concentrated despite improved material living conditions.

The challenge of urban spatial inequality cannot be resolved by municipalities on their own. It requires a multi-level governance approach, which is currently lacking.

The basis for the existence of towns and cities lies in the benefits that arise from the opportunity for multiple social and economic interactions in a relatively small area. These drive trade, innovation, and social development and are sometimes referred to as agglomeration benefits. Economies in rural areas are usually underpinned by agricultural and mineral resources, or natural beauty that can support tourism, but for

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towns and cities, the opportunities provided by the concentration of many people are the key economic resource.

However, agglomeration benefits depend on people being able to access the opportunities in the town or city. Ease of access is a function of location and mobility—the further the origin from the destination, the greater the dependence on mobility. Because access is a function of both location and mobility, ideal governance arrangements combine authority over land-use planning, human settlements, and transport across the urban area (with related policies of simplified zoning schemes, unlocking of public land, targeted infill development, formal support for informality, integrated funding pools, unified transit networks, unified fare systems, land-use transit integration, and legislated participatory planning, etc.), enabling the key elements to be managed together to enhance access. Spatial inequality, on the other hand, is perpetuated when the key instruments for urban integration and access, namely, land-use planning, human settlements, and transport, are planned, financed, and managed separately.

The vision of 'cities and towns for all' remains achievable, but only through policies that confront apartheid's spatial legacy with equal measures of technical precision, political courage, and collaboration muscle, based on a fundamental realignment of the governance arrangements for urban spatial development.

m) Conclusion and questions for discussion

The nine focus areas identified above represent just some of the initial reflections on the causes of local government system failure; the list is not exhaustive. The next phase of the WPLG26 Review process will engage with a wide range of stakeholders in both state and society to better understand the root causes of the weaknesses in the local government system and how these underlying issues can be addressed to improve system performance.

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Guiding questions for discussion:

1. How could the relatively complicated and costly local government system be simplified (municipal tiers, number of municipalities, political system, regulatory environment, assignment of municipal powers and functions, etc.)?
2. Should there be a more differentiated or asymmetrical system of local government to cater to widely differing local conditions, capabilities, and capacities?
3. What changes are necessary to ensure an adequate and sustainable system of local government revenue matched to responsibilities?
4. How do we improve relationships of trust between citizens and municipalities?
5. How can we improve the relationships between political leadership and administrations?
6. What changes in public sector leadership and institutional culture are needed to make the system of cooperative governance work?
7. How do we deepen the fight against corruption, fraud, and nepotism in local government?
8. How do we introduce a regulatory governance framework that motivates, encourages, and incentivises good behaviours rather than additional regulations aimed only at preventing bad behaviour?
9. How can the municipal regulatory and financial arrangements incentivise improved service delivery and operations and maintenance of infrastructure?
10. How should elected and traditional governance systems complement each other?
11. How can the high turnover of councillors after each election be addressed?
12. How can the system of local government support and continuous learning and building the capacity of councillors, staff, and communities be improved?
13. How can the voice of local government be strengthened?
14. What is the role of political parties in creating a conducive environment for good governance at the local level?
15. Should there be stricter requirements for candidate selection?
16. Could additional regulation of the behaviour of political parties contribute to an improvement in the governance space?
17. Should the electoral threshold or seat allocation formula be amended at the municipal level to ensure more stability in the distribution of seats in municipal councils?

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4) Challenges of implementing local government system reform

The process of local government reform in South Africa faces two interrelated challenges:

1. The persistent and deepening weaknesses of the local government system itself, as outlined above, and
2. Policy implementation failure, evidenced by marginal improvements over the past 20 years despite four local government reviews, scores of recommendations, and many campaigns and interventions.

These two challenges need to be tackled simultaneously. If the policy reform and implementation processes are not significantly improved and recommendations are not translated into action, the necessary system changes will once again not be made or sustained. The problem can be defined as not so much a floundering local government system but as the chronic inability for key stakeholders to reach binding agreement on what changes are necessary and how to work together to implement a consistent and sustained set of solutions. Figure 22 below provides a way of assessing where we are on the policy reform impact scale.

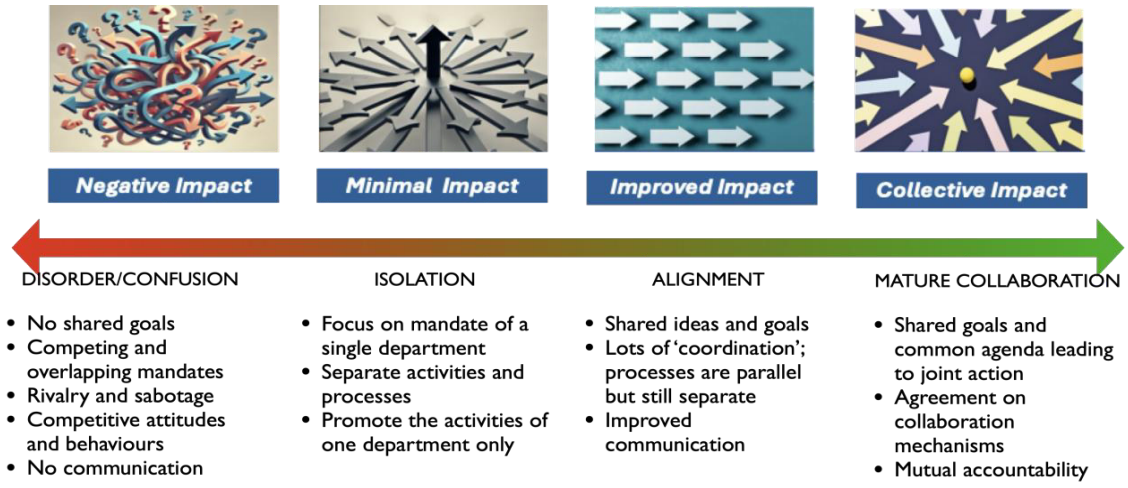


Figure 22: Where are we on the impact scale when it comes to the process of policy reform and implementation? Adapted from De Vicente Lopez, J., & Matti, C. (2016). Visual toolbox for system innovation. A resource book for practitioners to map, analyse, and facilitate sustainability transitions. Climate-KIC.

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What can be done to improve the policy reform and implementation environment? Previous local government policy reform processes tended to focus on *why* change is needed—typically based on a diagnosis incorporating research, surveys, analysis, political priorities, legal mandates, and public engagement and feedback—and *what* needs to be done to improve system performance—typically executed through policy changes, legislative amendments, new regulations, departmental business plans and budgets, and a range of 'interventions'.

Missing from these processes was often the 'who'—who needs to work together to make change happen—and the 'how'—how can the different spheres of governance, sectors, and societal forces work together *in practice* to give effect to change? (See Figure 23 below.)

To ensure that local government policy reform ideas and strategies are translated into accountable and effective action, the WPLG26 review *and the related reform processes currently underway* need to ensure that the 'who' and the 'how' questions receive as much attention as the 'why' and the 'what'.

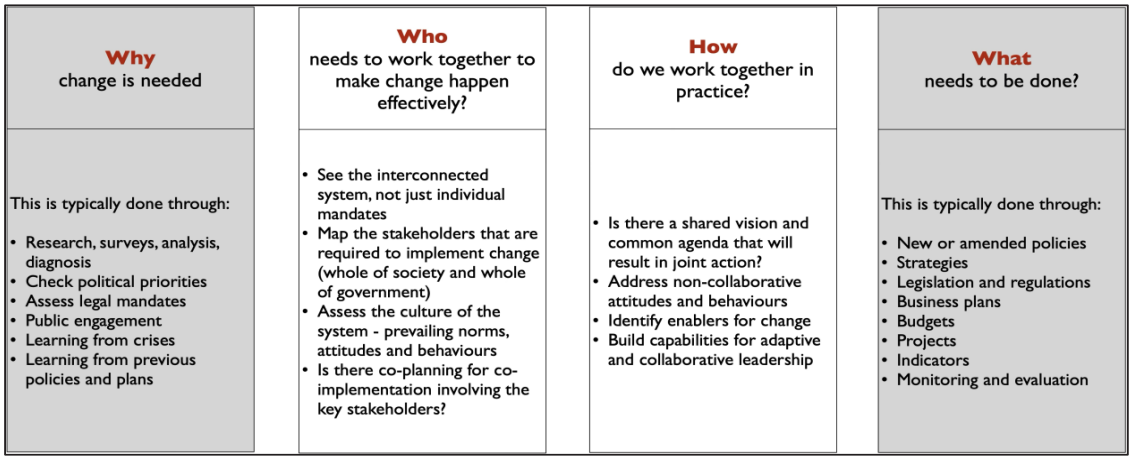


Figure 23: Partnering framework for a more effective policy reform and implementation process. The 'who' and the 'how' parts of the process are often neglected in policy making and planning, thus undermining implementation.

To identify and mobilise the stakeholders who need to work together to give effect to change—moving beyond the limited concepts of stakeholder consultation and public participation to state and society co-design for co-implementation—the WPLG26 Review team will work with stakeholders to achieve the following:

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1. Map the local government system as a set of interconnecting and interrelated parts so that different stakeholders can see the whole system beyond their individual lenses and mandates, appreciate each other's roles in the system, and understand that active and meaningful collaboration is a necessity, not a nice to have.
2. Identify state and societal stakeholders that are required to work together to design and implement change to ensure that diverse ideas are considered and sustained buy-in, commitment, and legitimacy is generated.
3. Assess the prevailing culture of the policy environment and identify attitudes, behaviours, and leadership practices that potentially undermine collaboration.

To address *how to work together in practice*, the WPLG26 Review team will work with stakeholders to address the following:

1. Facilitate a *shared vision* for the future of local government and ensure that the major stakeholders subscribe to a *common agenda for joint action*. This is not a simple task given the many vested and competing interests in the current local government system.
2. Address non-collaborative attitudes and behaviours, including long-standing interdepartmental and intergovernmental rivalries and sabotage and tensions between the state and society, that have undermined previous change processes.
3. Put in place enablers for change (see examples below).
4. Build capabilities for adaptive, collaborative, and ethical leadership inside and out of government through the process.

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Enablers for change

Effective local government system reform and implementation requires an enabling environment, for example:

1. Policy development alignment, coherence, and sequencing, based on a common agenda for joint action.
2. Collaborative, adaptive, and ethical leadership at all three spheres of government and in society.
3. Integrated system of oversight, monitoring, and intervention, based on a collaborative approach between DCoG, National Treasury, and provincial governments.
4. Accountability and consequence management, supported by political leadership.
5. A single system for local government capability building and continuous improvement, with clearly identified roles and responsibilities.

5) How you can become involved and have your say

The review of the 1998 White Paper on Local Government presents a crucial opportunity to assess progress, identify challenges, and propose policy reforms to enhance local governance. Central to this process is public participation, ensuring that diverse perspectives contribute to shaping an inclusive and effective local government system. This chapter outlines how individuals, civil society, research institutions, and government stakeholders can engage with the review process and provide meaningful input.

5.1 Public Engagement and Consultation Process (WPLG26)

The review process (WPLG26) will be guided by an inclusive and structured public engagement process, facilitating broad participation. A key avenue for engagement is the invitation for written submissions in response to the discussion document and in particular to the sets of questions summarised in Annexure Three. Citizens, organisations, and stakeholders are encouraged to provide input on any aspect of

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local government, even beyond the specific topics outlined in the document. The discussion document and consultation questions will be accessible through the Government Gazette and CoGTA website.

To ensure a strong evidence-based and data-driven approach, researchers, academics, and policy specialists are invited to contribute studies and analyses on local government issues. These research contributions will be integral in shaping informed policy proposals. Stakeholders are encouraged to highlight and share relevant research that can inform the review team's work.

Beyond written submissions, extensive consultations will be conducted with key stakeholders, including National and Provincial government departments, municipalities, the South African Local Government Association (SALGA), Non-Governmental Organisations (NGOs), Community-Based Organisations, and the Private Sector. The role of Traditional Leaders will also be emphasised, ensuring rural and traditional communities are included in the policy review process.

Public engagement will be further enhanced through media platforms, with regular updates provided via newspapers, radio, television, and online sources. Provincial consultation roadshows will be held across all nine provinces, offering communities, interest groups, and institutions direct opportunities to engage with the review team. The schedule and venues for these engagements will be communicated through official channels.

5.2 Submission Guidelines and Process

Public input into the review process (WPLG26) can take various forms, including responses to consultation questions, general comments on local government policy, research papers, case studies, and insights on governance challenges or best practices. Submissions should be well-structured, providing clear recommendations and supporting evidence where possible.

The deadline for submissions is **30 June 2025**. Contributions can be submitted via email to WPLG26@cogta.gov.za or RichardP@cogta.gov.za or MaphutiL@cogta.gov.za

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Our official CoGTA website for the WPLG26 is
https://www.cogta.gov.za/index.php/wplg-page/.

Submissions may also be sent to:

Postal Address:
The Minister for Cooperative Governance and Traditional Affairs,
Attention: **Project Manager,** Mr Thabiso Richard Plank (WPLG26 Policy Review)
Private Bag X802, PRETORIA, 0001

Physical Address:
The Minister for Cooperative Governance and Traditional Affairs,
Attention: **Project Manager,** Mr Thabiso Richard Plank (WPLG26 Policy Review)
87 Hamilton Street, Arcadia, PRETORIA, 0001

Telephone contact number
Our contact number is as follows: Tel: +27 12 334-0831 / + 27 64 1395-4695.

5.3 Consideration of Inputs and Next Steps
All submissions will be carefully reviewed alongside ongoing research and stakeholder engagements. The insights gathered from these contributions will shape policy papers aimed at reforming and strengthening local governance. Between July and September 2025, submissions will be analysed, and a draft report with policy options will be developed by 30 September 2025. This will be followed by a further round of stakeholder engagements from October to December 2025 to refine and conclude policy recommendations and options proposals before the draft reviewed white paper is finalised.

5.4 Commitment to an Inclusive and Transparent Review Process
The WPLG26 review is founded on principles of inclusivity, transparency, and broad participation. The process seeks to ensure that all voices are heard, and that the resulting policy framework is informed by the lived experiences of communities, expert research, and stakeholder insights. Public participation is not just an obligation; it is

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fundamental to building a responsive, accountable, and effective local government system.

Stakeholders are strongly encouraged to contribute their insights, experiences, and recommendations to help shape the future of local government in South Africa. Through collective engagement, this review process will set the foundation for a local government system that is resilient, inclusive, and capable of addressing the evolving needs of municipalities and communities.

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Annex One: Summary of previous reviews of local government

1. The Policy Review on Provincial and Local Government (Department of Cooperative Governance, 2007-09)

Between 2007 and 2009, the then Department of Provincial and Local Government (DPLG) conducted a comprehensive policy review on Provincial and Local Government. The review acknowledged the positive contributions of local government, particularly in fostering democracy and expanding access to basic services. However, it highlighted critical concerns, including shortcomings in the following areas:

(i) *Accountability and participation*: Low community participation and poor communication between local governments and communities have led to widespread protests. Public participation has been too focused on service access, neglecting partnerships between councils and communities.

(ii) *Instability in municipal administration*: Factors such as declining experience, poor relations between elected officials and administrators, and high vacancy rates contribute to instability in local governance.

(iii) *Two-tier system*: The current two-tier system, where districts have minimal functions and often lack the capacity, has proven inefficient and complex, creating instability and inefficiency in local governance.

(iv) *Service delivery*: While significant progress has been made in delivering basic services, issues such as underinvestment in infrastructure, particularly in water, and a preference for new projects over maintenance remain challenges.

(v) *Municipal finances*: Many municipalities rely on grants rather than own revenue generation. High outstanding debts and poor fiscal management further hinder local government efficiency.

(vi) *Capacity issues*: The shortage of skilled professionals, especially in technical roles, exacerbates municipal challenges. A lack of experience and a high turnover rate make recruitment and retention difficult.

To address these issues, the 2007-09 policy review made nine specific proposals:

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(i) *Enact legislation on subnational powers:* Regulate decentralisation, clarifying responsibilities and establishing a clear framework for functional devolution and accountability.

(ii) *Strengthen monitoring and supervision of provincial and local government:* Introduce national legislation for performance targets, capacity requirements, and early warning systems for provincial and local governments.

(iii) *Review the national system of development planning*: Establish a consolidated, integrated national legislative framework for spatial planning, including rural and urban areas, and align development plans with municipal planning.

(iv) *Improve traditional leadership's role:* Ensure traditional leadership collaborates with all spheres of government and enhances participation through better consultation and training.

(v) *Legislation for provincial government*: Introduce legislation to clarify the role of provinces, ensuring stability and enhancing their capacity to manage service delivery.

(vi) *Abolish the two-tier local government system:* eliminate districts, reconfigure local government into a single tier, and ensure efficient service delivery through re-demarcation and coordination.

(vii) *Build capacity for vulnerable municipalities:* Establish technical support hubs to assist weaker municipalities, promote revenue generation, and strengthen capacity-building initiatives.

(viii) *Enhance governance and accountability:* clarify the roles of local government officials, strengthen codes of conduct, implement mandatory training, and introduce internal audits and inspectorates to improve accountability.

(ix) *Strengthen ward committees:* Empower ward committees to act as oversight bodies, with greater influence on cooperative governance, sectoral development, and community-based projects.

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2. The 25-Year[2] Local Government Review (Department of Cooperative Governance, DCoG, and Department of Planning, Monitoring and Evaluation, DPME, 2019)

The 25-Year Local Government Review conducted by the Department of Cooperative Governance (DCoG) and the Department of Planning, Monitoring, and Evaluation (DPME) in 2019 reported increased dysfunctionality across South Africa's local government system with negative findings on most aspects. The review made recommendations on six key areas critical to the functioning and sustainability of local government:

(i) G*overnance and institutional arrangements*: The review emphasised the need for differentiation in regulation to address the unique challenges of municipalities. It called for improved support and intervention mechanisms, a review of the two-tier system, and the development of a cooperative governance model that clearly defines the roles of traditional leaders and municipalities.

(ii) *Accountability and participation* emerged as another priority area, with proposals for an overhaul of ward committees to enhance community engagement, the promotion of transparent procurement processes, the establishment of effective service delivery partnerships, and the enforcement of consequence management to address misconduct and inefficiencies.

(iii) *Infrastructure services:* The review underscored the urgency of improving sanitation services, rethinking municipal waste management strategies, and establishing effective programmes and project preparation systems to streamline infrastructure delivery. Additionally, it advocated for incentivising and funding the maintenance and refurbishment of ageing infrastructure to ensure long-term sustainability.

(iv) *Social and economic transformation*: The review recommended devolving key functions such as public transport and human settlements to municipalities, simplifying the local planning system, and recognising spatial development frameworks (SDFs) as vital planning instruments. It also stressed the importance of aligning local development strategies with broader industrial decentralisation initiatives to drive growth and equity.

[2] So-called because it was part of a wider review of government in South Africa since 1994.

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(v) The development of *capacity and skills* within municipalities was identified as a critical need. The 2019 review called for concerted efforts to cultivate technical and professional expertise, foster a culture that balances the political-administrative interface, implement robust performance management systems, and enforce accountability through consequence management.

(vi) Finally, *municipal finances* were highlighted as an area requiring extraordinary measures. The review proposed addressing the escalating debt owed to municipalities and their creditors, such as Eskom and Water Boards. It recommended a thorough review of the financing model for local government and tackling the duplication of financial regulatory functions to streamline oversight and improve fiscal health.

3. The National Planning Commission Reviews (NPC, 2020 & 2023)

The National Planning Commission (NPC), through its reviews published in 2020 and 2023, provided critical insights into the persistent challenges facing South Africa's governance system. These reviews underscored significant difficulties in achieving effective coordination across the three spheres of government, as well as the uneven capacity and performance within national, provincial, and local government structures. Among the most prominent issues identified were weaknesses in inter-governmental relations (IGR), spatial planning, financial management, and service delivery within local government. Proposals from the NPC included:

(i) Developing a model to revive and activate the local sphere of government as the engine of advancing development, expediting service delivery, and promoting local citizen participation.

(ii) Institutionalising planning across the three spheres of government, including developing the District Development Model (DDM) as an instrument for actionable developmental plans.

(iii) Prioritising the provision of reliable quality housing and basic services (electricity, water, sanitation, and refuse removal), as well as access to and proximity to transport in both rural and urban low-income areas.

(iv) Attention should be paid to issues of administrative incapacity, inefficient delivery, underspending and corruption, poor responsiveness, and lack of accountability at

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the local sphere of government. The adoption of a statecraft that creates protected centres of excellent comprising competent officials as a model to revive and activate local sphere of government is imperative. This model warrants local government to be the engine of advancing development, expediting service delivery, and promoting local citizen participation.

(v) Planning should be institutionalised across the three spheres of government by embedding coordinated planning processes and monitoring and evaluation with the requisite public participation.

(vi) The district development model should be reviewed, restructured, and implemented in a way that incentivises the formation of centres of excellence at the local government for formulating and implementing actional developmental plans rather than large complex 'one-plans' written mainly by consultants so that it enhances intergovernmental relations and the coordination of plans across the spheres of government.

(vii) Government should prioritise the provision of reliable quality housing and basic services (electricity, water, sanitation, and refuse removal) in low-income areas as vital factors impacting the health, social welfare, and economic development of both rural and urban areas. This includes prioritising access to and proximity of transport to employment and economic opportunities, including freeing up space for a wide range of private operators, both large and small scale.

4. The 21-Year[3] Review on Local Government (Department of Cooperative Governance, 2021-22)

The 21-Year Review on Local Government, conducted by the Department of Cooperative Governance (DCoG) during 2021-2022, provided a comprehensive assessment of achievements and persistent challenges since the adoption of the White Paper on Local Government. The review acknowledged progress in areas such as regulation, systems development, and institutional frameworks. However, it also highlighted enduring issues related to implementation and service delivery.

[3] So-called because it was 21 years since the introduction of the new system of local government in 2000.

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To address these challenges, the review identified thirteen key areas for transformative change, offering targeted recommendations to enhance governance, improve service delivery, and promote sustainable development:

(i) *Services and Infrastructure*: the review emphasised the need to improve the quality of service provision, prioritise the maintenance of existing infrastructure, and explore shared services and innovative solutions to address service delivery gaps. Effective management and verification of indigent registers were identified as critical, alongside targeted interventions to meet the needs of informal settlements.

(ii) *Planning*: the review advocated for better alignment and integration of planning efforts across all spheres of government, with a strong focus on spatial transformation to address historical inequities and promote inclusive development.

(iii) *Economic Growth and Development*: The review called for meeting the infrastructure needs of businesses and industries, adopting evidence-based municipal economic planning, and supporting the informal economy. It also emphasised the importance of local economic development (LED) as a shared responsibility across all municipal functions and departments.

(iv) *Climate Change*: The review recommended building resilience within municipalities, ensuring infrastructure safety, and addressing critical hazards. This approach aimed to mitigate risks and adapt to changing environmental conditions.

(v) *Democratising Development, Responsive Governance, and Empowerment*: The review stressed the need for gender mainstreaming in municipal budgeting, planning, and service delivery. It also called for the active involvement of youth in planning processes and encouraged meaningful engagements with communities, the private sector, NGOs, and other state institutions.

(vi) *Cooperative Governance:* The review advocated for proposals to simplify the District Development Model (DDM), clarify concurrent functions, and enhance monitoring, support, and interventions across spheres of government. This included exploring the devolution of certain functions to improve efficiency.

(vii) *Demarcation*: The review suggested revisiting the allocation of powers and functions between category B and C municipalities, reconsidering the criteria for category A municipalities, and reintroducing District Management Areas (DMAs) to address governance gaps in certain regions.

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(viii) *Traditional Leadership*: Traditional leadership must be integrated into the governance structures, ensuring traditional leaders are represented in municipal decision-making processes. Economic planning and development in traditional areas should be fast-tracked, ensuring that these areas are included in property rating systems to increase service delivery and promote economic empowerment.

(ix) *Elections:* Elections need to be adjusted to encourage greater stability and capability within local governance. Amendments to the Municipal Structures Act could allow for more flexible executive arrangements and reconsideration of election thresholds to improve the quality of elected officials. Councillors should be required to meet certain educational qualifications to ensure competency, with pay structures adjusted accordingly.

(x) *Accountability:* Accountability in local government must be reinforced to build trust. This includes addressing issues like irregular and fruitless expenditure, as well as ensuring that officials face consequences for misconduct. At the same time, administrative burdens should be reduced to allow municipal officials to focus on developmental issues rather than bureaucratic processes.

(xi) *Information and data:* Municipalities need access to more reliable data to inform their planning. There is a need for a central information repository to guide planning and decision-making, particularly in areas like economic growth and sectoral trends. Municipalities should also use their internal data to anticipate changes and plan accordingly, with a focus on the informal economy to ensure that all sectors are responsive to municipal needs.

(xii) Capacity-building: Efforts should be coordinated across various government entities to address skills gaps, particularly at the senior management level. There must be a focus on professionalising local government administration, with municipalities playing an active role in designing support programs to meet their specific needs.

(xiii) *Financial Management:* The review stressed that financial management is a critical area for review. Municipalities must separate financial audits from performance audits to better assess developmental progress. Infrastructure maintenance must be better funded, with grants adjusted to allow municipalities to prioritise this area. A national infrastructure asset management program should guide investments in infrastructure, particularly in high-need areas like water and sanitation. The review of the Local Government Equitable Share formula must

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continue, addressing fiscal gaps and clarifying powers and functions between different spheres of government. Financial management reviews should also target improved procurement practices and root out corruption through greater transparency. Smart financial systems, including effective billing and revenue management, must be implemented to ensure that resources are used efficiently.

Question for discussion:

1. Almost all the recommendations emanating from the preceding four reviews of local government, starting in 2007-09, are still pertinent today. Why were they not implemented at the time?
2. What should be done differently in the LGWP26 review process to ensure that recommendations emanating from the review are in fact implemented?

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Annex Two: WPLG26 research focus areas

The structure of the local government system.
Leadership, management, and administration of municipalities.
Provisioning, financing, operating, and maintaining infrastructure.
Fiscal and financial reform.
Citizen-responsive local government and culture change.
Local government in intergovernmental relations.
Local government in growth and development.
Traditional governance systems in relation to local government.

The research agenda will be executed in three phases. These are:

1. Short-term, completed by December 2025, undertaken directly by government to answer pressing questions to feed into the drafting of the WPLG26.
2. Medium-term, completed by December 2026, focused on critical inputs emerging from the consultation process but which require more time for the research to be undertaken with appropriate rigour. Undertaken by government and research partners.
3. Long-term, ongoing work to inform sector policymaking, undertaken by government and research partners.

Beyond providing inputs to the WPLG26 process, this approach has the broader objective of strengthening the link between policymaking, legislating, and local government-related research.

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Annex Three: Summary of Discussion Document questions

Local Government in the 1996 Constitution

1. Are any of the constitutional provisions for local government within a system of cooperative governance unworkable or unrealistic?

White Paper on Local Government 1998

1. Were we overoptimistic at the time about designing a 'wall to wall' system of democratic and developmental local governance?
2. As a government and as citizens, did we do everything within our power and capabilities to achieve the aims and ideals of the WPLG98?
3. What have we learnt about the different elements of the local government system: citizen participation, accountability, transparency, ethics, trust, corruption and state capture, service delivery, urban integration, rural development, public and private finance, institutions, capacity-building, partnerships, and collaborative governance?
4. How do the *changes in the material conditions* over the past thirty years—demographic, political, social, cultural, economic, financial, global, technical, digital, regulatory, state capacity and capabilities, and environmental and climate shifts—inform how we should upgrade the local government system to make it fit for purpose?
5. Are any of the *WPLG98 core concepts*—developmental local government, cooperative government, a differentiated and tiered institutional system, a political system led by collaborative and adaptive leaders, a redistributive tax base, and accountable, transparent, and effective administrative and financial systems—no longer valid?
6. If the core concepts of the WPLG98 are still relevant, to what extent have they been successfully implemented?
7. To the extent that these concepts have not been successfully implemented, what are the main reasons for the lack of implementation?

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Local government legislation introduced to give effect to the Constitutional provisions for local government and the recommendations of the White Paper on Local Government 1998

1. To what extent did subsequent local government legislation successfully give effect to the WPLG98 recommendations?
2. To what extent has the required oversight and enforcement of the legislation taken place?
3. To what extent did subsequent attitudes, behaviours, practices, and cultures that have evolved in South African government and society give effect to or undermine the WPLG98 recommendations?

Summary question

Are the evident challenges and failures in the South African local government system a result of (i) 1996 Constitutional provisions for local government within a system of cooperative governance; (ii) the core concepts and propositions contained in the WPLG98; (iii) foundational local government legislation (as implemented and amended) emanating from the WPLG98; (iv) attitudes, behaviours, practices, and cultures that have evolved in government and society since the WPLG98; (v) a lack of individual and institutional capabilities?

What needs to change to improve local government system performance?

1. How could the relatively complicated and costly local government system be simplified (municipal tiers, number of municipalities, political system, regulatory environment, assignment of municipal powers and functions, etc.)?
2. Should there be a more differentiated or asymmetrical system of local government to cater to widely differing local conditions, capabilities, and capacities?
3. What changes are necessary to ensure an adequate and sustainable system of local government revenue matched to responsibilities?
4. How do we improve relationships of trust between citizens and municipalities?
5. How can we improve the relationships between political leadership and administrations?

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6. What changes in public sector leadership and institutional culture are needed to make the system of cooperative governance work?
7. How do we deepen the fight against corruption, fraud, and nepotism in local government?
8. How do we introduce a regulatory governance framework that motivates, encourages, and incentivises good behaviours rather than additional regulations aimed only at preventing bad behaviour?
9. How can the municipal regulatory and financial arrangements incentivise improved service delivery and operations and maintenance of infrastructure?
10. How should elected and traditional governance systems complement each other?
11. How can the high turnover of councillors after each election be addressed?
12. How can the system of local government support and continuous learning and building the capacity of councillors, staff, and communities be improved?
13. How can the voice of local government be strengthened?
14. What is the role of political parties in creating a conducive environment for good governance at the local level?
15. Should there be stricter requirements for candidate selection?
16. Could additional regulation of the behaviour of political parties contribute to an improvement in the governance space?
17. Should the electoral threshold or seat allocation formula be amended at the municipal level to ensure more stability in the distribution of seats in municipal councils?

Effective policy reform and implementation

1. Almost all the recommendations emanating from the preceding four reviews of local government, starting in 2007-09, are still pertinent today. Why were they not implemented at the time?
2. What should be done differently in the LGWP26 review process to ensure that recommendations emanating from the review are in fact implemented?

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Thinking through the time horizons that apply to the WPLG26 and all related policy reform processes impacting the local government system:

1. What needs to be delivered in the short term to stabilise municipalities and to prevent further deterioration to the local government system?
2. What needs to be put in place, through legislative and other changes, before the local government elections scheduled for 2026?
3. What reforms are to be implemented during the next local government 5-year term of office and beyond?

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