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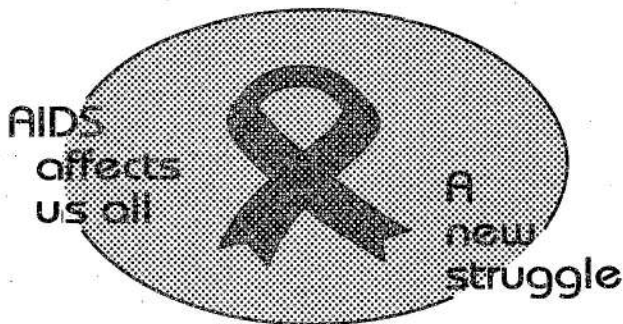
# Government Gazette Staatskoerant

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**We all have the power to prevent AIDS**



**Prevention is the cure**

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DEPARTMENT OF HEALTH

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## GENERAL NOTICE

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### NOTICE 1689 OF 2000

#### DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT

The White Paper on Municipal Service Partnerships (MSPs) is hereby published for comment.

All interested persons are invited to furnish written comments to:

The Director General  
Attention: Ms. G Moloi  
Department of Provincial and Local Government  
Private Bag X804  
Pretoria  
0001

Comments may also be faxed to the facsimile number (012) 3340610

All comments must be received by no later than 2 June 2000.

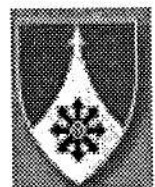
#### **WHITE PAPER ON MSP**

**A strategy to ensure universal access to municipal services during this  
African century**

# White Paper on Municipal Services Partnerships

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Department of Provincial  
and Local Government



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# Foreword

by **Fholisani Sydney Mufamadi**  
**Minister for Provincial and Local Government**

South Africa is facing daunting challenges for municipal service delivery. As the White Paper on Local Government published in March 1998 indicates, achieving the Reconstruction and Development Programme (RDP) objectives within a reasonable time frame requires municipalities to look at innovative ways of providing municipal services. Partnerships between municipalities and the public sector, the private sector and community and non-governmental organisations (CBOs/NGOs) are a key option that municipalities should consider in their efforts to rectify infrastructure deficits and disparities. However, improving and expanding the delivery of municipal services through municipal service partnerships (MSPs) is new ground for South Africa. Developing the partnership concept into a practical and beneficial method for providing good quality and affordable services for all required Government to review and consolidate its policies on these matters.

The delivery of municipal services through MSPs requires a clear and stable policy environment for the municipalities, service providers and investors to enable mobilisation of resources to meet RDP objectives. For these reasons the Government embarked on an intensive 12-month period of consultation and research, which has culminated in the Policy Framework for Municipal Service Partnerships.

In the development of the policy, every effort has been made to ensure that the process has been inclusive, interactive and transparent. A four-phased approach ensured that all stakeholders were included in the consultative process over the past 12 months. The first phase resulted in an Issues Document that identified the key strategic and policy issues to be addressed by the MSP Policy Framework. The second phase, consisting of focused research, extensive interviews and other consultation processes resulted in the publication of the First Draft of the MSP Policy Framework, which was released for public comment in August 1998. The third phase, consisting of MinMec discussions, public submissions, and workshops for councillors, municipal officials, the private sector and CBOs/NGOs, resulted in the Second Draft of the MSP Policy Framework in December 1998. The fourth phase during which stakeholder opinions were further solicited and obtained, resulted in the Final Draft of the Municipal Services Partnership Policy, which was present for public

comment in May 1999 at the conference Towards a Programme for Municipal Infrastructure in the 21st Century.

The Department of Provincial and Local Government (DPLG) has worked closely with the relevant national departments and the South African Local Government Association to produce the Municipal Service Partnership Policy document. To assist them in meeting our commitments in terms of the RDP, we hope municipalities will use this document. The document is the product of an intensive process in which a large number of dedicated people participated. They include the representatives from municipalities that attended the workshops, representatives from the private sector, NGO/CBO sector, unions, the authors of the draft policy papers, representatives from parastatals and members of my Department, to list a few.

I would like to thank the team of local and international advisors who assisted us to draw up this document. A special thanks is given for the financial support from the United States Agency for International Development. To all of you I would like to convey my thanks for the hard work that you have put into this important project. I believe that you will be rewarded through seeing this policy contribute to the social and economic upliftment of communities across the country.



- Review the implementation of policies and legislation
- Review, refine and update policies and legislation
- Discharge other Constitutionally mandated monitoring and oversight requirements (for example, oversight of municipalities by the National Assembly under Section 55(2) (b) (ii) of the Constitution)
- Support the monitoring and oversight roles of national and provincial government with respect to the delivery of municipal services and maintenance of high standards of governance by municipal councils (Sections 152 and 155(7) of the Constitution)

However, the above means that the national or provincial spheres cannot pre-empt or second-guess the decisions of councils, where such decisions conform to relevant policy and legislation. Only where a council fails to conform to these requirements should the other spheres intervene.

**Authority of  
council decisions**

An appropriate system for local governments to communicate their performance (via reporting and other means) needs to be established. This system should be focused on ensuring that the requirements of the MSP Policy and legislative framework are being discharged satisfactorily, but at the same time, should not impose an undue reporting burden on municipalities.

**Communication  
on performance**

DPLG, in consultation with provincial governments, will have the primary role and responsibility for monitoring the performance of municipal councils and for specifically monitoring the application of the MSP Policy. In discharging this role, DPLG will continue to work closely with other national departments, provincial governments and agencies such as SALGA and ILGM. DPLG will also prepare an annual report about MSP transactions and host an annual summit to report on implementation of MSPs, review the status of the Policy Framework and disseminate best practices

**Role of DPLG**



## Glossary of Terms

<b>ab initio</b>	A Latin term, meaning from the outset
<b>capital investments</b>	In order to deliver services, municipalities need appropriate infrastructure, such as roads, sewerage systems, buildings and so forth. Spending capital (money) on the construction of such infrastructure is seen as an investment because it leaves the municipality with fixed assets that it can use in an on-going way.
<b>contractual safeguards</b>	Within any contract between two or more parties, specific clauses can be included that specify what is to be done should the contract not run its normal course as planned. Contractual safeguards typically outline what action should be taken if one or more parties do not or cannot comply with the contract. They may also specify what obligations or rights the parties each have if the fulfilment of the contract is impossible due to external circumstances.
<b>cost-benefit criteria</b>	Using cost-benefit criteria to evaluate a project or course of action is a process of comparing the inputs you need with the outputs you will produce. The primary consideration is whether the costs involved in a particular undertaking are in balance with the benefits that can be achieved.
<b>cost-effective</b>	Something is seen to be cost-effective if it achieves an impact that warrants the amount of money spent.
<b>cross-sectoral</b>	Cross-sectoral programmes or issues are those involving two or more social sectors, such as health and education.
<b>debarment</b>	When an individual or organisation is debarred, they are excluded from the right to participate (in tendering, for example).
<b>earmarked surcharge</b>	A surcharge is an amount of money, added to the basic price of a particular service or product, paid by consumers using that service or product. A surcharge is earmarked when the added amount is to be used for a specific planned purpose.
<b>economies of scale</b>	When operating on a large scale, service providers can often reduce the per unit cost of service delivery because they are offering that service in bulk. For instance, supplying water to two municipalities can reduce the per litre cost of water delivery by making use of shared piping and other large equipment.

<b>environmental sustainability</b>	If a practice or project wastes or abuses natural resources, it will eventually not be able to continue because the resources it requires will be exhausted. An undertaking is said to be environmentally sustainable if it makes appropriate use of natural resources, and will therefore be able to continue into the future.
<b>executive authority</b>	Executive authority is the power to make policy and to implement laws in a particular sphere. Municipalities, for instance, have executive authority in the local sphere.
<b>incentive payments</b>	A structured system of incentive payments can be included in a service contract between parties, or in an employment contract. Typically, such additional payments would be made (to a service provider, for instance) for achieving over and beyond the minimum requirements of the contract.
<b>incumbent</b>	An incumbent is a person holding a particular position or office.
<b>insolvency</b>	Individuals may be declared insolvent if they are unable to honour their debts when called upon to do so.
<b>institutional framework</b>	Every institution has a particular system of structures, roles and procedures within which it operates to achieve its objectives. A supportive institutional framework is one that is designed in such a way that it eases and assists the achievement of institutional objectives.
<b>intellectual property rights</b>	Individuals have the right to be recognised as the owners of their own original work. If their original ideas, plans or written work are used by other parties, the owner has to be recognised and compensated in accordance with intellectual property law.
<b>legislative authority</b>	Legislative authority is the power to make laws and by-laws in a particular sphere. The Constitution sets out which bodies have this power in each sphere.
<b>legislative reform</b>	South Africa's first democratic government inherited a large body of laws from the pre-1994 era. Each law needs to be reviewed, amended or replaced to bring legislation in line with new public policies. Legislative reform is the process of changing existing laws or replacing certain existing laws with new laws.
<b>ministerial regulations</b>	Laws generally set out the broad policies and rules to be followed in a certain area, rather than the detailed

procedures. When new legislation is passed, its implementation generally falls within the mandate of a particular sector or department. The relevant Minister may then issue a set of regulations, which set out the precise rules and procedures to be followed for the law to be implemented.

**multi-jurisdictional  
service areas**

A jurisdiction is the area within which an authority has powers and responsibilities. For example, the jurisdiction of a council extends throughout its own municipal area. Multi-jurisdictional service areas are those that extend across municipal boundaries and therefore involve more than one local authority.

**municipal backlog**

The municipal backlog is made up of the total amount of municipal infrastructure and services that should exist in terms of minimum standards, but have not yet been established.

**municipal infrastructure**

Municipalities need certain basic fixed facilities in order to deliver services. Municipal infrastructure includes all the built or constructed things that a municipality has at its disposal, such as roads, buildings, bridges, dams, water pipes, railways, and so forth.

**operating assets**

Assets are things owned (by a municipality for example) to which a monetary value can be attached. Municipalities generally have fixed assets and operating assets. Fixed assets include things that cannot be moved, such as land or buildings. Operating assets include everything that a municipality owns and uses in its operations, such as vehicles, computers, construction equipment and so forth.

**policy alignment**

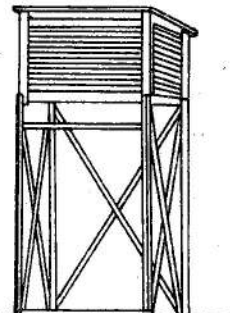
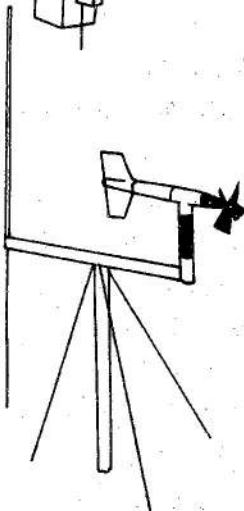
Within a system of co-operative governance, it is important to ensure that the different spheres and departments of government complement each other in achieving nationally accepted policy goals. Policy alignment is a process of ensuring that the rules and procedures of various policies do not contradict one another, but rather support one another and work in the same direction.

**probity**

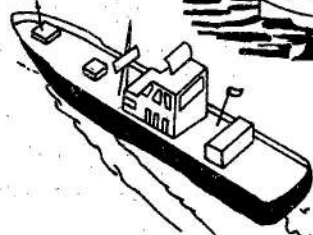
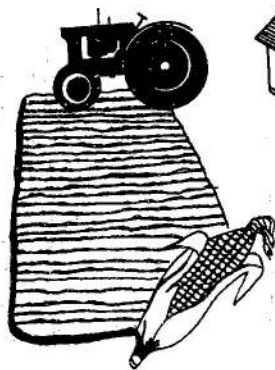
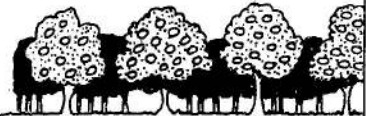
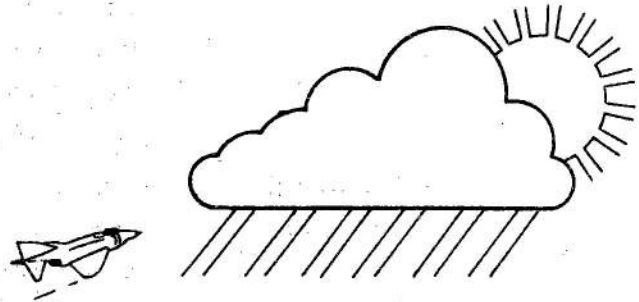
Probity is seen to be upheld when agreed procedures are followed and implemented with openness, honesty and integrity. Probity is the opposite of corruption.

**procurement**

Procurement is the process of successfully establishing a contractual arrangement (for instance, between a municipality and an external service provider) to fulfil a particular objective.

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