

South Africa: Municipal Capacity Building Project

The challenge:

The provision of services by municipalities is a constitutional obligation in South Africa. However, a significant number of municipalities are still grappling with institutional capacity and face severe skills deficiencies.

Most rural municipalities struggle to generate enough revenue to maintain proper provision of basic service delivery to the local communities and the surrounding areas, resulting in backlogs in the delivery of basic services such as water and sanitation.



The municipalities also struggle with the maintenance of infrastructure and when infrastructure comes to the end of its life-cycle, no proper provision has been made for replacement. Consequently municipalities are rocked with service delivery protests and poor audits. In addition, the lack of reliable service provision makes the municipalities not attractive for doing business.

The solution:

ICF is working with Anglo American South Africa (AASA) and the Development Bank of Southern Africa (DBSA) to build the capacities of five municipalities to enable them to improve the provision of basic services in their areas. The objective is to make the municipalities more attractive for businesses to invest there, create jobs and improve the local economy. The municipalities are Thabazimbi, Mogalakwena, and Greater Tubatse municipalities in Limpopo province, and Rustenburg and Moses Kotane municipalities in North West province

The project will cost a total of US\$ 8,975,000. Of this, ICF is providing US\$ 2,700,000, AASA is providing US\$ 4,500,000, DBSA is providing US\$ 275,000 and the five municipalities are providing US\$ 1,500,000.

Expected impact:

By the end of the project, it is expected that there will be a reduction in the number of service provision complaints and petitions, a halving of service delivery protests, and an improvement in the overall perception of business regarding local municipal service delivery.

Project duration: January 2014 – September 2015

The Investment Climate Facility for Africa is a grant providing organisation that works with African Governments to improve the environment in which businesses operate. ICF engages closely with implementing Government bodies throughout the life of the project. For more information about ICF and its work please visit www.icfafrica.org