



ZIMBABWE

A CALL TO ACTION - NO COMPROMISE TO SERVICE DELIVERY: FIRST STAGE OF INTERVENTIONS TO MODERNISE THE OPERATIONS OF LOCAL AUTHORITIES TOWARDS A 2030 VISION



President Mnangagwa officially launches
the Blue Print on “A call to Action - No
Compromise to Service delivery:
First Stage of Interventions to Modernise
the Operations of Local Authorities
towards a 2030 Vision”

A. BACKGROUND

My Government has come up with a 2030 vision for Zimbabwe to be an Upper Middle income economy. Whilst an Upper Middle-income economy is defined by the income per capita, the quality-of-service provision by Local Authorities should be in line with a standard Upper Middle income economy. An integrated approach and program is thus being put in place to ensure that all Local Authorities deliver a service in sync with an Upper Middle income economy. An urgent and immediate requirement is for all Local Authorities to achieve acceptable service delivery levels and observe all applicable laws.

B. OVER-RIDING OBJECTIVE

Every Local Authority should, from an organisational, systems and physical planning perspective, be in a state to develop a road map towards a 2030 vision status. Government will come up with minimum service delivery levels to be achieved by all local authorities. What is not planned for will not be executed. What is planned for and not executed will not be achieved. The question is does each and every Local Authority have a plan?

C. AREAS OF CONCERN

The following are some of the areas which my Government is concerned with: -

1. Revenue collection and distribution

- 1.1. Due to a number of factors, the box of revenue collection is lower than it is supposed to be. This seriously compromises the ability of Local Authorities to deliver service.
- 1.2. The systems for revenue billing and collection are very weak. A number of Local Authorities only bill and collect from residents for only a portion of services rendered. There are instances where some Local Authorities only collect revenue from about sixty percent of water which is generated.

2. Compliance with applicable laws

I have noted with concern that some local authorities are not abiding by applicable laws and policy guidelines which include:

- 2.1. Local Authorities Private Public Partnerships (PPPs) – due process for Private Public Partnerships should be followed as provided for in the Law.
- 2.2. Financial Reporting and Governance in Local Authorities – all Local Authorities to be up to date with audited accounts.
- 2.3. Estates Account – the law is very clear as to the procedures to be followed on the disposal of land and also very clear as to how such revenue is to be utilised. Sadly, a lot of Local Authorities are not observing the provisions of the law in this regard.
- 2.4. Inspection of buildings by Local Authorities – to ensure that we modernise our towns and cities, Local Authorities should enforce the provisions for the inspection of new and existing buildings.
- 2.5. Development and Implementation of Master Plans by Local Authorities – the majority of Local Authorities do not have up to date Master Plans. No Local Authority can run efficiently without a Master Plan.

3. Leasing and selling of land by Local Authorities in Servitudes

Government has noted that in most cases leases are issued by Local Authorities purportedly for temporary occupation, yet, and sooner or later, they are converted to permanency with full title.

4. Leasing and selling of communal and agriculture land by Local Authorities

- 4.1. Government notes with concern reports of some Local Authorities that are leasing and selling traditional, communal, and grazing lands in breach of provisions of the Communal Land Act, the Rural District Councils Act and the Traditional Leaders Act.
- 4.2. This practice is rampant in peri-urban areas close to major towns and cities where dysfunctional and informal settlements have emerged without the basic municipal services and at the expense of arable and grazing land.

5. **Valuation of properties for rating purpose** – Most Local Authorities are not compliant, thus are selling land and levying rates at below market levels.

D. LOCAL GOVERNMENT MODERNISATION AND RENEWAL

The modernisation and renewal of Local Authorities is to be in a two-fold approach: -

- a) Implementation and/or improvement in corporate governance, organisational capacity and systems to lay a base for a modernisation and renewal program. This will be the first stage of intervention, and is the subject of this paper.
- b) Designing and implementation of a plan for each Local Authority to achieve renewal and modernisation to a level consistent with a 2030 Upper Middle income economy. This exercise will be subject of a second stage of interventions.

E. FIRST STAGE OF POLICY INTERVENTION

My Government is introducing a raft of measures:

1. Annual Budgets

- a) Section 47 of the Public Finance Management Act requires that budgets for all Local Authorities be submitted to the Minister for approval.
- b) The Minister of Local Government and Public Works has been instructed that no annual budget shall be approved unless:
 - (i) It demonstrates achievement of minimum acceptable service delivery levels.
 - (ii) It demonstrates compliance with all the provisions of policy and the law which include matters outlined in subsection C above. Government will not condone non-adherence to the laws of the country by approving budgets which are not compliant with applicable laws.
- c) Each Local Authority should demonstrate in its annual plan and budget that it is adequately staffed to achieve set goals.

2. Performance Measurement

Over and above the Annual Performance Contracts administered by the Office of the President and Cabinet, the Ministry of Local Government and Public Works shall immediately prepare a bi-annual review of Local Authorities which shall be presented at a meeting which will be chaired by His Excellency, the President.

3. Establishment of minimum service delivery levels.

- a) Government working with the Urban Councils Association and Association of Rural District Councils’ will develop minimum service delivery levels to be achieved by all Local Authorities.
- b) Each Local Authority will be expected to develop its own standard operating procedures and system to ensure achievement of all the provisions of the law and minimum service delivery levels.
- c) Inspection and systems audits by the Ministry of Local Government and Public Works will be structured in such a manner that all Local Authorities are continuously reviewed to ensure compliance with the law, minimum service delivery levels and respective standard operating procedures.

4. Local Authority Business Interests through Special Purpose Vehicles

- a) A number of Local Authorities are losing revenue through outsourcing the management of income generating functions.
- b) Where income generating streams have been outsourced, Local Authorities should, at budgeting time, come up with timelines and frameworks for the outsourced revenue stream to be fully owned and operated by Local Authorities so that full value accrues to the residents. Alternatively, the Local Authority should demonstrate that the outsourcing of the income generation function has more benefit to residents.
- c) The justification of outsourcing of revenue generating functions shall be a condition of approval of annual budgets by the Minister of Local Government and Public Works.

5. Financial Reporting and Governance in Local Authorities.

- a) The law provides for all Local Authorities to produce audited accounts within 5 months of the end of the financial year.
- b) The Ministry of Local Government and Public Works will not approve budgets of Local Authorities who are not compliant with this provision unless they have clear milestone of being compliant. Master plans should include this activity in the 2024 budget outline.
- c) All Local Authorities are hereby directed to pay their statutory obligations which include pensions payments. As such, the Ministry of Local Government and Public Works will pay close attention to this matter.

6. Development and Implementation of Master Plans by Local Authorities.

- a) Development and abiding by a Master Plan is key to the sound management of every Local Authority as well as enabling the Local Authority to develop to its potential.
- b) All Local Authorities should have operative master plans by 30th of June, 2024. Therefore, in the 2024 budget, all Local Authorities that do not have operative Master plans should include costs and roadmap for the achievement of this.
- c) Local Authorities can utilize money from the Devolution funding to prepare Master plans with prior permission of the Ministry of Local Government and Public Works.
- d) All Local Authorities shall by 30th June 2024, have competent planning functions which are to the satisfaction of the Ministry of Local Government and Public Works.

7. Leasing and selling of Land by Local Authorities in Servitudes.

- a) The leasing of land on road servitudes has contributed immensely to the congestion levels in Metropolitan Provinces.
- b) Local Authorities should include in their lease agreements for such servitudes the following clauses:-
 - (i) No permanent structures must be erected.
 - (ii) There shall be no option to sell or give title to a lease holder.
 - (iii) Government can or may take back the land as and when required

8. Leasing and Selling of Communal and Agricultural Land by Local Authorities.

- a) Government directs that all Local Authorities should cease forthwith to sell communal and agricultural land.
- b) All settlements in communal and peri-urban land should be per the provisions of the relevant laws and authority. Government will take necessary action where settlements are done outside the law.

9. Valuation of Properties for rating purposes.

Government directs that: -

- a) All Local Authorities, as provided for in the law should value their properties by 30th June, 2024.
- b) All budgets for 2025/26 should be based on such valuations.
- c) Local Authorities can use Devolution funds to pay for such valuations subject to approval by the Ministry of Local Government and Public Works.
- d) The valuation of land will enable Local Authorities to:
 - i) have a Balance Sheet which reflects true value which will make it easier for local authorities to raise money from financial institutions;
 - ii) Sell land as well as levy rates based on ruling market prices.

10. Inspectorate Department

An Inspectorate Department will be established in the Ministry of Local Government and Public Works to monitor compliance with the law and established regulations on service delivery; compliance with standard operating procedures for service delivery; compliance with action plans developed to achieve service delivery standards; and implementation of the above policy measures.

11. Implementation

To enable immediate implementation of the above measures, I hereby direct the Ministry of Local Government and Public Works to work with the Public Service Commission and Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development. The review of 2024 Budgets and future budgets has to be on the above basis. The establishment of an Inspectorate Department has to be given urgent attention.

12. I now hereby launch the Local Authorities Blue Print on Service Delivery towards the attainment of Vision 2030.

His Excellency, The President of the Republic of Zimbabwe
Cde Dr. E.D. Mnangagwa

Signature..... Date. 1 November 2023.