Advisory Note on National State of Service Delivery in South Africa

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ACKNOWLEDGEMENT

Executive Summary

Service delivery in South Africa stands at a critical juncture. The National State of Service Delivery Dialogue, convened in February 2025, presented a sobering assessment of South Africa's progress in fulfilling its constitutional mandate to provide basic services. While acknowledging the significant strides made since 1994, the dialogue underscored that the nation is grappling with a severe service delivery crisis. This crisis is characterised by a growing chasm between citizen expectations and governmental performance, deteriorating infrastructure, profound municipal financial distress, and deep-seated governance failures. The decline in public satisfaction, particularly in critical services like water, sanitation, and electricity, signals an urgent need for systemic reform and a renewed commitment to building a capable, ethical, and developmental state.

The challenges are multifaceted and mutually reinforcing. Persistent spatial inequalities, rooted in the apartheid era, continue to marginalise rural and informal settlement communities. Municipalities, the crucial frontline of service delivery, are often hamstrung by political instability, administrative incapacity, unsustainable debt, and a critical shortage of technical skills. Infrastructure backlogs are escalating, and existing systems are crumbling due to decades of underinvestment in maintenance, exacerbated by vandalism and the impacts of climate change.

This advisory note synthesises the evidence presented at the dialogue and proposes a strategic framework for action based on the clear pathways for reform identified. The recommendations are anchored in the foundational principles of the National Development Plan (NDP) and are aligned with the implementation vehicle of the Medium-Term Development Plan (MTDP). Central to this advisory note is the conviction that service delivery is not merely a technical function but the most tangible expression of the social contract between the state and its citizens.

Key strategic imperatives emerging from this advisory note include:

- **Governance Overhaul:** Professionalising the public service, insulating the administration from political interference, and strengthening accountability mechanisms.

- **Financial Sustainability:** Implementing rigorous municipal financial recovery plans, enhancing revenue collection, and optimising the use of conditional grants.

- **Infrastructure Renewal:** Prioritising maintenance, investing in new and resilient infrastructure, and closing the glaring investment gap.

- **Spatial Transformation:** Operationalising the National Spatial Development Framework (NSDF) to guide integrated investment and redress historical spatial injustices.

- **Integrated Planning:** Fully institutionalising the District Development Model (DDM) to break down silos and ensure coherent "One Plan" implementation across government spheres.

- **Citizen-Centric Delivery:** Leveraging technology for transparency, fostering active citizenry, and rebuilding trust through responsive governance.

By embracing these strategies, the South African government can begin to reverse the decline in service delivery, restore public confidence, and accelerate progress towards the goals of the NDP: Vision 2030. The South Africa G20 presidency provides a strategic platform to showcase leadership and attract investment for inclusive infrastructure development.

1. The State of Service Delivery: A Diagnostic Overview

The service delivery landscape in South Africa is one of stark contrasts and systemic challenges. Longitudinal data reveal a troubling paradox: While citizens increasingly identify service delivery as a national priority, their satisfaction with the actual provision of these services has consistently and sharply declined over the past two decades. This indicates a critical failure to meet public expectations and fulfil the state's developmental mandate. The situation is most acute in rural areas and poorer municipalities, where infrastructure deficits and geographic marginality create near-insurmountable barriers to access.

1.1. Access and Quality Deficits.

Significant progress has been made in providing access to basic services since 1994. Access to formal dwellings has increased to 88.5%, and electricity for lighting now reaches 94.7% of households. However, these national figures mask severe backlogs and quality issues. Access to piped water remains low in rural areas, with only 49.3% of rural households having access in their dwelling or yard, compared to 89.7% in urban areas. Similarly, while 65.3% of rural households had access to sanitation in 2023, this still leaves a substantial portion of the population without adequate facilities. The quality of services is a pervasive concern, with water supply disruptions becoming more frequent and prolonged, particularly in rural municipalities.

1.2. Municipal Financial Distress.

The financial health of local government is a primary bottleneck. A significant number of municipalities are classified as being in financial distress, characterised by unsustainable debt levels, poor revenue collection, and irrational budgeting practices. Municipal debt to Eskom has soared above R44 billion, while infrastructure backlogs for sectors like roads exceed R197 billion. Over-reliance on conditional grants, coupled with chronic underspending and misallocation of these funds, further weakens the ability of municipalities to respond to service delivery demands. This creates a vicious cycle where poor financial management leads to service failure, which in turn erodes the revenue base as public trust and willingness to pay diminish.

1.3. Infrastructure Crisis.

South Africa's infrastructure is aging, overburdened, and in many cases, failing. The Infrastructure Quality Index reveals stark provincial disparities, with regions like Limpopo scoring low on water and sanitation infrastructure. Systems are operating beyond their design capacity, as evidenced by wastewater treatment plants processing volumes 50% above their intended limit, leading to environmental contamination and loss of Green Drop status. The gross fixed capital formation stands at just 14.8% of GDP, far below the NDP target of 30%, indicating a critical national under-investment in infrastructure. This is compounded by a culture of reactive maintenance, where breakdowns are addressed only after they occur, rather than through preventative and planned upkeep.

1.4. Governance and Capacity Challenges.

Underpinning these issues is a crisis of governance and institutional capacity. Political instability in hung councils and coalition governments leads to administrative discontinuity and policy paralysis. There is a critical skills shortage, including a "brain drain" of technical professionals like engineers and project managers from the public sector, leaving municipalities unable to plan, implement, and maintain complex infrastructure projects. Weak oversight bodies, political interference in administrative functions, and a lack of consequence management for poor performance have eroded accountability and ethical governance.

This diagnostic overview presents a clear case for urgent and comprehensive intervention. The following sections provide detailed, actionable recommendations to address these interconnected challenges.

2. Strengthening Municipal Governance and Financial Management

The capacity of local government to fulfil its constitutional mandate is fundamental to service delivery. The current state of municipal governance and finance is a primary point of failure, requiring immediate and systemic intervention. A professional, stable, and ethically grounded local state is a prerequisite for all other service delivery improvements.

Recommendations

- **Professionalise Municipal Administrations:** Municipalities and relevant government departments should implement stringent, merit-based recruitment for all senior municipal management and technical positions. This means developing and enforcing a mandatory skills audit for municipal managers and chief financial officers and linking it to their performance agreements. A clear demarcation should be established between political and administrative roles to insulate service delivery from political interference and ensure continuity of operations.

- **Strengthen Oversight and Accountability Mechanisms:** Municipal public accounts and audit committees should be empowered with independent technical support and mandatory training. Municipalities and relevant sector departments should introduce citizen review panels to provide community-level oversight of municipal projects and expenditure. Robust consequence management systems should be implemented so that underperformance, financial misconduct, and corruption are met with swift and decisive disciplinary action.

- **Implement Aggressive Financial Recovery Plans:** For municipalities in financial distress, mandatory, credible, and monitorable Financial Recovery Plans must be developed and implemented under the strict supervision of provincial and national treasuries. These plans must focus on cost-containment, realistic revenue enhancement strategies, and the elimination of wasteful and irregular expenditure.

- **Enhance Revenue Management and Collection:** Municipalities must adopt modern, integrated billing systems and data analytics to improve the accuracy of billing and the efficiency of revenue collection. They should implement structured debt incentive schemes to encourage payment from households and businesses, while simultaneously strengthening measures against illegal connections. Municipal revenue streams should be diversified by exploring public-private partnerships and leveraging assets for commercial opportunities, in line with municipal regulations.

- **Optimise Conditional Grant Utilisation:** The design and allocation of conditional grants, such as the Municipal Infrastructure Grant, should be reviewed to ensure they are responsive to the specific needs of rural and distressed municipalities. Targeted technical support to improve grant application, planning, and implementation capacity should be provided to reduce underspending. Stricter monitoring and reporting requirements should be introduced, with grant payment tranches linked to the achievement of verifiable project milestones.

- **Stabilise Political-Administrative Interface:** In hung councils (municipalities with no outright majority) and coalition governments, political parties with relevant government departments must facilitate the development of cross-party charter agreements on fundamental service delivery priorities. These agreements should be made public to ensure political accountability and provide a stable policy environment for administrators. Councillors should be trained to perform their oversight roles and informed about the legal boundaries between political strategy and administrative execution.

3. Infrastructure Investment, Maintenance, and Modernisation

Infrastructure is the backbone of service delivery and economic activity. The current state of disrepair and underinvestment represents a direct threat to public health, environmental sustainability, and national economic growth. A paradigm shift from reactive breakdown maintenance to proactive, planned asset management is essential.

Recommendations

- **Prioritise Infrastructure Maintenance and Renewal:** Municipalities should allocate a dedicated and protected portion of municipal budgets for planned maintenance of water, sanitation, electricity, and road assets. Comprehensive Asset Management Plans must be developed and implemented for all critical infrastructure, detailing lifecycle costs and maintenance schedules. This is a more cost-effective strategy than repeatedly funding emergency repairs after system failures.

- **Close the Infrastructure Investment Gap:** Municipalities should develop a compelling pipeline of bankable infrastructure projects to attract investment. The capacity of Infrastructure South Africa should be leveraged to assist with packaging projects for blended finance models, which combine public funding with private capital and development finance.

- **Modernise Water and Sanitation Systems:** Sector departments and relevant entities responsible for water must urgently invest in the refurbishment and expansion of water treatment works, wastewater processing plants, and bulk water infrastructure. The high levels of non-revenue water should be addressed through systematic leak-detection and pipe-replacement programs. The development and deployment of appropriate, decentralised sanitation technologies for informal settlements and rural areas must be promoted where conventional sewerage is not feasible, i.e. septic tanks.

- **Build Climate-Resilient Infrastructure:** Municipalities should integrate climate adaptation and disaster risk reduction into all infrastructure planning and design. This includes building flood-resilient stormwater systems, reinforcing infrastructure against extreme weather events, and diversifying water sources to mitigate drought risk. There should be investments in green infrastructure solutions, such as wetland rehabilitation, to enhance natural resilience.

- **Secure and Protect Energy Systems:** Municipalities, government departments and the private sector must collectively accelerate the implementation of municipal energy resilience plans, including investment in embedded generation, renewable energy projects, and grid modernisation. Electricity theft and vandalism must be combatted through enhanced security measures, smart metering technology, and community awareness campaigns. Municipalities should work with Eskom and other stakeholders to ensure a reliable and sustainable energy supply.

- **Address the Roads and Transport Backlog:** The Department of Transport, SANRAL, and municipalities should work together to develop a national strategy to address the estimated R197 billion road infrastructure backlog. This should include increased funding for road maintenance and rehabilitation, exploring innovative financing mechanisms such as road funds, and prioritising strategic corridors for economic development. There should be investments in efficient and integrated public transport systems to improve mobility and reduce congestion.

4. Implementing the National Spatial Development Framework

The NSDF is a transformative national plan designed to dismantle the entrenched spatial inequalities of the apartheid era. Its effective implementation is critical for guiding public and private investment towards a more integrated, equitable, and efficient national space economy.

Recommendations

- **Institutionalise the NSDF across Government:** There is a need to institutionally anchor the NSDF at the centre of government to mediate cross-sectoral priorities, align public investment, and facilitate the alignment of all provincial, metropolitan, and local Spatial Development Frameworks with the NSDF. The NSDF's principles and spatial concepts must be integrated into the MTDP and the "One Plans" developed under the DDM, to ensure the alignment of fiscal and spatial planning systems.

- **Activate National Spatial Action Areas (NSAAs):** Municipalities and sector departments should prioritise investment and catalytic projects in the 13 identified NSAAs (refer to NSDF). Dedicated project management units for these areas should be established to fast-track planning, secure funding, and coordinate multi-sectoral interventions. The NSAAs can be used as demonstration projects to showcase the tangible benefits of spatially-targeted development.

- **Operationalise the Functional Regional-Rural Development Model:** The development of regional-rural systems in selected districts can be piloted by focusing on strengthening linkages between service towns and surrounding villages. This would require investing in connective infrastructure, such as roads, digital networks, and market facilities, to stimulate rural economic activity and reduce dependency on major urban centres.

- **Clarify the Role of Traditional Authorities in Spatial Planning:** The Department of Cooperative Governance and Traditional Affairs (COGTA) should finalise and implement the amendments to SPLUMA to provide clear guidance on the integration of traditional council areas into the formal planning system. The capacity of traditional councils should be improved so that they can engage with and contribute to municipal Spatial Development Frameworks and Land Use Schemes, in a manner that respects both customary law and statutory planning requirements.

- **Develop a Spatial Outcomes Dashboard:** A public-facing, digital dashboard should be created to track key spatial indicators, such as access to services, land use changes, and infrastructure investment, against the goals of the NSDF. This will enhance transparency, facilitate monitoring and evaluation, and hold all spheres of government accountable for spatial transformation.

- **Implement a Comprehensive Communication Strategy:** The Departments of Planning, Monitoring and Evaluation (DPME), Agriculture, Land Reform and Rural Development, and Cooperative Governance, in collaboration with other departments,

should lead a nationwide outreach campaign to educate stakeholders, including government officials, the private sector, and the public, on the vision and practical implications of the NSDF.

5. Enhancing Intergovernmental Coordination through the District Development Model

This section should be read with the advisory note on DDM issued by NPC in 2024.

The DDM is the primary mechanism for overcoming the siloed planning and implementation that has historically undermined service delivery. Its success hinges on moving from conceptual agreement to practical, on-the-ground coordination across all spheres of government.

Recommendations

- **Clarify Roles and Responsibilities:** COGTA, together with relevant stakeholders, should finalise and disseminate clear intergovernmental agreements that delineate the specific roles, functions, and accountability of national, provincial, and local government within the DDM for each district and metropolitan municipality. This will prevent duplication of efforts and ensure clear lines of responsibility.

- **Strengthen the "One Plan" Approach:** When preparing "One Plans", all stakeholders must ensure that they are not merely compilations of existing departmental plans, but are truly integrated, evidence-based strategies that identify joint priorities, shared resources, and co-funded projects. These plans must be backed by aligned multi-year budgets from all participating entities.

- **Establish and Empower District Hubs:** DDM hubs must be fully resourced with skilled personnel and modern data systems. Their mandate should include coordinating planning, monitoring implementation, facilitating problem-solving, and providing timely reports to the Presidency and the public on progress and challenges.

- **Integrate the NSDF with the DDM:** The NSDF should be used as the spatial lens through which all DDM "One Plans" are developed. This will ensure that local development decisions contribute to the broader national spatial vision and that infrastructure investment is strategically located to achieve maximum developmental impact.

- **Broaden Stakeholder Engagement in the DDM:** Formal platforms for meaningful participation by the private sector, civil society organisations, traditional leaders, and community representatives should be institutionalised for the development, monitoring, and review of "One Plans." This will foster local ownership and improve the relevance of interventions.

6.   Fostering Community Engagement and Active Citizenry

The breakdown of trust between citizens and the state is both a cause and a consequence of service delivery failures. Moving from a model of passive receipt of services to one of active co-production and shared responsibility is essential for sustainable development.

Recommendations

- **Revitalise Ward Committees:** A national review should be conducted and capacity-building programmes implemented to ensure that ward committees are representative, functional, and that they effectively channel community priorities into municipal Integrated Development Plans and budgets. This will require providing them with the necessary resources and training to fulfil their oversight role.

- **Leverage Digital Platforms for Citizen Reporting:** Standardised mobile and web-based applications should be developed and promoted for national use so that citizens can report service delivery faults, such as potholes, water leaks, and illegal dumping, directly to the relevant municipality. These reports should be tracked, acted upon, and feedback should be provided to the citizen.

- **Replicate Successful Public-Private Partnerships:** Models, like the "Pothole Patrol" initiative, should be scaled up through strategic partnerships between municipalities, private insurers, and infrastructure companies. These models must be integrated into municipal service delivery plans and used to create employment opportunities for local youth through programmes like the Expanded Public Works Programme.

- **Promote Community Custodianship of Assets:** Municipalities should launch public awareness campaigns that link service delivery to civic responsibility, discourage vandalism and encourage the protection of public infrastructure. By involving communities in the design and monitoring of local projects they can foster a sense of ownership and pride.

7.   Leveraging Data and Technology for Evidence-Based Governance

In an era of constrained resources, the precise targeting of interventions is paramount. Robust data and modern technology are powerful enablers for improving efficiency, transparency, and the effectiveness of service delivery.

Recommendations

- **Formalise Data-Sharing with Research Institutions:** Formal protocols for secure and regular data-sharing between government departments and longitudinal research initiatives should be established to provide planners with real-time, granular data on population dynamics, health, and socio-economic trends to inform targeted interventions.

- **Develop Integrated Government Data Systems:** Data silos between national departments (e.g., DPME, Stats SA, CoGTA, National Treasury) should be broken down by creating a shared, secure data platform. This platform will enable comprehensive analysis, improve policy coherence, and allow for the tracking of individuals and households across multiple government services.

- **Invest in Municipal Technologies:** The adoption of technologies such as Geographic Information Systems, digital twins for urban planning, smart metering for utilities, and automated monitoring systems for water and sanitation infrastructure should be adopted to enable predictive maintenance, optimise resource allocation, and improve operational responsiveness.

- **Build Data Analysis Capacity within Government:** Mandatory training programs for officials at all levels should be implemented to ensure data literacy, interpretation, and utilisation. The monitoring and evaluation units should be equipped with the skills and software needed to move beyond reporting on activities to analysing outcomes and impact.

- **Launch Public-Facing Performance Dashboards:** Open-access data portals and public dashboards should be created to display key service delivery indicators, such as water quality, electricity outage times, and housing project progress, at a municipal and provincial level. This transparency will promote public accountability and allow for comparative analysis.

- **Harness Artificial Intelligence for Predictive Planning:** The use of AI and machine learning should be piloted to analyse patterns in service delivery failures, predict infrastructure breakdowns, and model the impact of policy interventions before they are implemented. This proactive approach can save significant financial resources and prevent service disruptions.

8. Conclusion: A Call for Coordinated Action

The evidence presented in this advisory note leaves no room for ambiguity: South Africa's service delivery challenges are systemic, deeply entrenched, and require a concerted, coordinated, and courageous response from all spheres of government. The persistent decline in public satisfaction, the escalating infrastructure backlogs, and the profound financial and governance crises in local government are not isolated issues but symptoms of a broader failure to build the capable, ethical, and developmental state envisioned in the NDP.

The recommendations outlined herein provide a comprehensive roadmap for reform. They are interdependent and mutually reinforcing. Strengthening municipal governance is a prerequisite for sound financial management. Effective financial management unlocks the capacity for infrastructure investment and maintenance. Spatially targeted investment, guided by the NSDF and coordinated through the DDM, ensures that resources are deployed where they can have the greatest impact on reducing inequality. Finally, rebuilding trust through active citizen

engagement and transparent, data-driven governance is the essential glue that binds these efforts together and restores the social contract.

The implementation of these recommendations must be driven by different national government departments, in partnership with municipalities and the private sector, with clear accountability and relentless follow-up. The MTDP provides the vehicle, the DDM offers the methodology, and NSDF offers the spatial location and orientation for the transformation that is needed. South Africa's upcoming hosting of the G20 presents a unique opportunity to demonstrate global leadership in tackling these complex domestic challenges, leveraging international partnerships for investment and innovation.

The time for diagnostic lamentation has passed. The dialogue acknowledged the significant work done to diagnose the service delivery challenges and further urged the government to focus on implementable solutions. This requires decisive action, political will, and an unwavering commitment to placing the needs of citizens at the centre of all government efforts. By embracing this agenda, the South African government can begin to turn the tide, deliver on its constitutional promises, and set the nation on a firm path towards inclusive growth and sustainable development for all.