

Catalytic Urban Redevelopment Projects MFMA Framework and Implementation

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Chief Director: National Treasury



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Legislative Framework

- Constitutional Imperatives
 - Cooperative Governance
 - Objectives of Local Government
 - Powers and Functions
 - Public consultation
 - Supply Chain Management
 - Minimum Level of Basic Municipal Services
- Municipal Systems Act
 - Planning
 - Mechanisms
 - Public Consultation

Legislative Framework

- Municipal Finance Management Act
 - Principles of Accountability, Transparency, Consultation, Value for Money
 - Management of Public Assets, Funding options, Mechanisms
 - Supply Chain Management
 - Public Private Partnerships
 - Risk Mitigation
 - Oversight, Monitoring, Comments and Recommendations, Capacity Building
- Mechanisms, Type of Entities, roles and responsibilities of Council, National Treasury and Provincial Treasuries
 - Feasibility studies, risk mitigation measures, etc

MFMA - Asset Framework

- ❑ Enabling Framework, Regulations and Guides, MFMA helpdesk
- ❑ Use of municipal assets, disposals, transfers, right to use, leases, etc.
- ❑ Key Principles – Checks and Balances
 - ❑ Limitations and Conditions, Periodic Reviews, Risks and Rewards, Valuations, Compensation, Continuity of Services, Shared Assets, Improvements, Performance, Risk Transfer, Asset Preservation and Safeguards, Dispute Resolution, Subsidiary Assets, Ceding and Sub-contracting
- ❑ Central Role of Councils - system of delegations, policy, by-laws, procedures, public consultation and approvals

MFMA – Framework and Steps

- ❑ Government pro-poor policies, e.g. housing – national housing policy

- ❑ Long-terms contracting enabled - section 33 of the MFMA on consultation relating to contracts exceeding 3 years

- ❑ Steps –
 - ❑ Nature of proposal
 - ❑ Long Terms High Value = >3 years, > R10 million
 - ❑ Mandatory considerations – above principles
 - ❑ Discretionary considerations – type of rights, min compensation, negotiations
 - ❑ Granting of rights - disposal, direct neg, service providers, continuity
 - ❑ Compensation
 - ❑ Finalise, agreement, performance, termination etc.

**Submissions for NT formal comments to
MFMA helpdesk - mfma@treasury.gov.za**

Thank You