



Topic: Framework for Financial Resource Mobilisation



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INTRODUCTION

Dr Shilenge R.R. **Introduction**



South Africans frustrated with poor municipal service delivery.



Communities expect better services, yet financial resources are insufficient.



- Predominantly rural, high poverty & unemployment.
- Heavy reliance on government grants; culture of non-payment.
- Poor infrastructure (water, roads, electricity).



- Financial distress threatens sustainability & constitutional mandate.



- **Section 152:** Equitable, sustainable services with community participation.



Weak budgeting, revenue generation, and grant management undermine municipal sustainability.

ROLE OF MUNICIPAL COUNCILS IN RESOURCE MOBILISATION

Dr Shilenge R.R.

Role of Municipal Councils in Resource Mobilisation



ROLE OF MUNICIPAL COUNCILS IN RESOURCE MOBILISATION

Dr Shilenge R.R. Major Findings of the Study



Strengthening resource mobilisation is essential for effective service delivery and governance.

MAJOR FINDINGS OF THE STUDY

Dr Shilenge R.R.
Major Findings of the Study

MAJOR FINDING ONE (1)



Financial resources
are available in
Vhembe municipalities.



Municipal councils
fail to mobilise
effectively.

Key Issues:



Weak oversight of municipal
budgets → adoption of
unfunded budgets.



Revenue enhancement
strategies exist but suffer
from **ineffective implementation.**



MAJOR FINDINGS OF THE STUDY

MAJOR FINDING TWO (2)



Mechanisms are ineffective → fail to secure additional funding for service delivery optimisation. Municipalities continue to rely mainly on mandatory government grants.



Key Issues:



Failure to raise funds beyond grants.



Inability to develop funding proposals.



Poor credit records → cannot raise loans.



Low revenue collection rates.



Lack of infrastructure maintenance.



Limited pursuit of international funding opportunities.



MAJOR FINDINGS OF THE STUDY

MAJOR FINDING THREE (3):

Resource mobilisation presents numerous opportunities for service delivery and development.

Key Opportunities:



Investor attraction & access to development initiatives.



Infrastructure development: roads, water, sanitation.



Revenue generation & job creation.



Social improvement: health, sports facilities, community development.



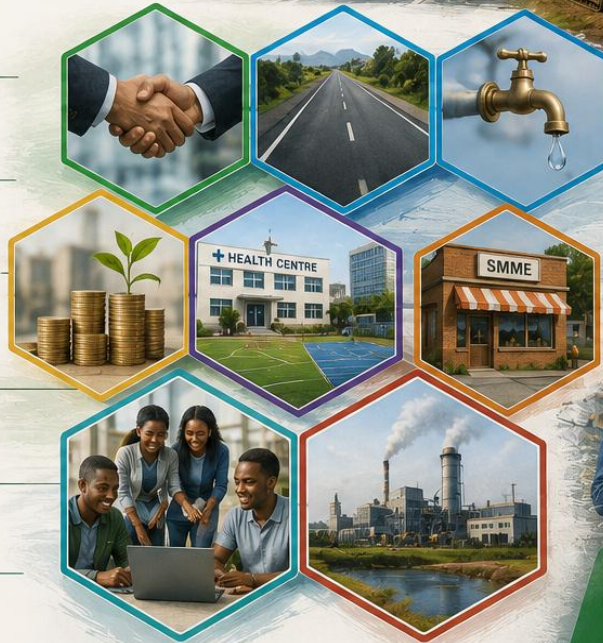
Poverty alleviation & SMME development.



Project funding & youth empowerment.



Industrial development & stronger revenue base.



**STRONG RESOURCES
STRONG COMMUNITIES
BETTER FUTURE**

**STRONG RESOURCES.
SUSTAINABLE DEVELOPMENT.
BETTER LIVES FOR ALL.**



Author: Dr Shilenge R.R.

MAJOR FINDINGS OF THE STUDY

MAJOR FINDING FOUR (4)

Legal and regulatory framework has a direct impact on service delivery optimisation.

Key legislations:

-  Constitution
-  Municipal Structures Act
-  Municipal Finance Management Act
-  Public Finance Management Act
-  Division of Revenue Act
-  Municipal Systems Act
-  Water Services Act

EFFECTIVE LAWS.
EFFECTIVE COUNCILS.
EFFECTIVE SERVICE DELIVERY.



- ### LEGAL FRAMEWORK
- ✓ Guides municipal actions
 - ✓ Promotes accountability
 - ✓ Supports resource mobilisation
 - ✓ Ensures effective service delivery
 - ✓ Drives sustainable development



STRONG LAWS
STRONG COUNCILS
BETTER SERVICES
STRONGER COMMUNITIES



Insights:

-  Legal instruments **exist to support councils** in mobilising resources.
-  Municipalities face **legislative challenges** → hinder effective mobilisation.
-  **Mixed perceptions:** some view framework as effective, others as weak.
-  **Poor/weak legislation** contributes to failed strategies and programmes.
-  **Knowledge and skills gaps** remain obstacles.

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MAJOR FINDINGS OF THE STUDY

MAJOR FINDING FIVE (5)

Municipalities face multiple challenges undermining resource mobilisation and service delivery.

Key Challenges:

-  Entrenched culture of **non-payment** of services.
-  Lack of **information & capacity** to develop funding proposals.
-  **Low** revenue base & poor collection rates.
-  **Weak policies** & poor change management.
-  Bureaucratic funding **red tape** & silo mentality.
-  Inappropriate **funding models** & over-regulation.



CRITICAL INSIGHT:

-  Even with **discounts**, reluctance to pay remains high.
-  Rural communities expect continuous services **without contributing** to municipal revenue.

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MAJOR FINDINGS OF THE STUDY

- **Major Finding Six (6)**
 - Current funding model is **inappropriate and outdated**.
 - Municipalities struggle to optimise service delivery under existing mechanisms.
- **Recommendation:**
 - Develop a **new financial resource mobilisation framework** tailored to local government needs.
 - Framework should:
 - Provide **step-by-step guidance** for implementation.
 - Ensure **standardised, consistent, efficient, and accurate** mobilisation.
 - Strengthen fiscal stability and enhance service delivery.
 - Promote transparency, accountability, and sustainable development.



FOUR STEP FRAMEWORK FOR FINANCIAL RESOURCE MOBILISATION

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Four Step Framework for FINANCIAL RESOURCE MOBILISATION 2025



FOUR STEP FRAMEWORK FOR FINANCIAL RESOURCE MOBILISATION

- **Step 1: Planning**

- **Activities:** Council approval, committee establishment, expert workshops, stakeholder consultation, risk management
- **Responsible:** Mayor, Municipal Manager, CFO, Chief Risk Officer
- **Timeline:** First Quarter (July–September)
- **Visual:** Flowchart with council approval → committees → workshops → stakeholder engagement → risk management



FOUR STEP FRAMEWORK FOR FINANCIAL RESOURCE MOBILISATION

- **Step 2: Development**
 - **Activities:** TOR development, bidder advertisement, appoint service providers, workshops, stakeholder consultation, submission to council
 - **Responsible:** Municipal Manager, CFO, Supply Chain Manager, Mayor, Speaker
 - **Timeline:** First & Second Quarter (July–December)
 - **Visual:** Process diagram showing TOR → procurement → strategy development → council approval



FOUR STEP FRAMEWORK FOR FINANCIAL RESOURCE MOBILISATION

- **Step 3: Implementation**
 - **Activities:** Identify funders, networking, prepare funding docs, strategic meetings, customised proposals, sign agreements, workshops, stakeholder consultation
 - **Responsible:** Financial Resource Mobilisation Committee, CFO, Municipal Manager, Mayor
 - **Timeline:** Third Quarter (Jan–March)
 - **Visual:** Funnel diagram showing funder identification → proposals → agreements → workshops



FOUR STEP FRAMEWORK FOR FINANCIAL RESOURCE MOBILISATION

- **Step 4: Monitoring & Evaluation**
 - **Activities:** Monitor implementation, resource utilisation, performance reports, evaluation, funding impact assessment, workshops, stakeholder consultation
 - **Responsible:** Council, External Auditors, Committee Chairperson, Municipal Manager, Mayor
 - **Timeline:** Fourth Quarter (Apr–June)
 - **Visual:** Circular cycle diagram showing monitoring → evaluation → reporting → impact assessment



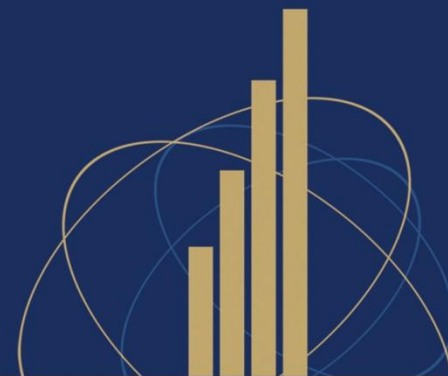
FOUR STEP FRAMEWORK FOR FINANCIAL RESOURCE MOBILISATION

- **Governance (Cross-Cutting)**
 - **Activities:** Continuous communication, capacity building, risk management, stakeholder engagement, anti-corruption programmes, financial management systems, governance structures, policy approval
 - **Responsible:** All Stakeholders, Mayor, Municipal Manager, Council, Chief Risk Officer
 - **Timeline:** Continuous across all quarters
 - **Visual:** Governance wheel with spokes: Communication • Capacity • Risk • Engagement • Integrity • Systems • Structures • Policies





Thank You!



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