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Mamokhere, John; Mabeba, Selaelo John; Kgobe, France Khutso Lavhelani

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THE CONTEMPORARY CHALLENGES MUNICIPALITIES FACE IN EFFECTIVELY IMPLEMENTING MUNICIPAL SERVICE PARTNERSHIPS

Mamokhere John ✉

*Department of Research Admin & Dev¹
johnmamokhere@gmail.com*

Mabeba Selaelo John

Department of Public Administration¹

Kgobe France Khutso Lavhelani

Department of Development Planning & Management¹

¹*University of Limpopo*

University str., Turfloop, Sovenga, Limpopo Republic of South Africa, 0727

✉ **Corresponding author**

Abstract

In South Africa, Municipal Service Partnerships (MSPs) have been in existence afore the global breakout of COVID-19 Pandemic as an essential mechanism to expand and accelerate municipal service delivery in the local government sphere. However, once the National Lockdown (NL) was put in place by the state president Cyril Ramaphosa on the 26 of March 2020, many South African municipalities were and still are pushed to look for assistance from their partners in the private sector in order to help with addressing the challenges, imposed by the pandemic, especially, service delivery backlogs. Municipalities are entering into service contracts with the private sector for the provision of basic services that are deemed essential in terms of the National Lockdown Regulations (NLRs). In curbing the spread of the virus in the communities, municipalities extended their effort by commonly co-operating with private partners. For instance, most municipalities went to an extend of collaborating with private partners and other government agencies like Rand Water for the provision of water and water tanks at different schools and communities across the provinces and Personal Protective Equipment (PPE), namely masks and hand sanitisers. Methodologically, this is a conceptual paper that is embedded from secondary data. The secondary data was analysed through the Critical Discourse Analysis (CDA) approach. The article argues that South African municipalities and their MSPs are faced with huge challenges more than ever. It also argues that private partners have been long-standing with a commitment to serve communities on behalf of the government and that now includes partnering with the government in the fight against the COVID-19 pandemic. The call by President Ramaphosa has been noted for increased partnerships, solidarity, collaboration and the sharing of knowledge and experience to fight the pandemic, poverty, service delivery backlogs and social injustice. The paper concludes by offering feasible solutions to curb the challenges, faced by MSPs and service delivery backlogs.

Keyword: municipalities, municipal service partnerships (MSPs), COVID-19, national lockdown, service delivery and South Africa.

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1. Introduction

A global pandemic has been a looming risk for decades. But, the COVID-19 pandemic has come as a shock to society, health systems, economies and governments across the world. Leaders are under pressure to make decisions on handling the immediate effect of the epidemic and its ramifications, decisions that will influence the status of the globe for years to come, in the face of enormous obstacles and uncertainty, as well as numerous personal tragedies [1]. Equally, the empirical study, conducted by the Department of Planning, Monitoring and Evaluation [2], suggests that the COVID-19 pandemic is wreaking havoc on the country's economy, as well as the health and lives of its residents. During this crisis, municipalities still need to function and provide essen-

tial services, such as water, sanitation, electricity and solid waste removal. At this unusual juncture in history, it is more important than ever that the municipal sector fulfil its responsibilities to local communities.

Since the declaration of the State of Disaster in March 2020, the state's President Cyril Ramaphosa has stated that R20 billion will be allocated to municipalities for services, such as emergency water supply, enhanced sanitation, and the provision of food and shelter for the homeless. Ordinarily, municipalities face numerous and complex challenges. However, the virus has increased the pressure on municipalities to provide temporary housing for the homeless, quickly address food security, quickly allocate quarantine sites, roll out mass burial preparations, and quickly ensure safety and health within informal settlements for the most vulnerable. Municipalities have been required to coordinate their response and act quickly, but there is still much to do [3]. Zvobgo and Do [4] indicated that municipalities were strongly recommended to establish public-private partnerships (PPPs) or municipal service partnerships (MSPs) to create immediate and long-term investments. The White Paper on Local Government provisions recommend that municipalities should look for innovative ways of providing and accelerating the delivery of municipal services. The Municipal Service Partnership (MSP) Policy aims to provide a clear framework, within which to leverage and marshal the resources of public institutions, community-based organizations (CBOs), non-governmental organizations (NGOs), and the private sector towards meeting the country's overall development objectives. Municipal councils are required by the Constitution to guarantee that municipal services are given in a sustainable manner to their constituents [4]. However, this is an overwhelming challenge for many municipalities due to many socio-economic issues, such as corruption, poor leadership and mismanagement of public funds. Despite the significant contribution, made by recent public infrastructure programs, the demand for basic services continues to far outpace available government finances [5]. For instance, the partnership between Rand Water Board and the government is "a prime example of a partnership, intended to fight against the service delivery challenges, imposed by the COVID-19 pandemic. The Department of Water and Sanitation situated the national COVID-19 Command Centre for Water and Sanitation at Rand Water in March. In this role, the water utility works with national and local governments to distribute and install almost 8000 water tanks in water-stressed communities. Rand Water has a long-standing commitment to serve communities that now includes partnering with the government in the fight against the COVID-19 pandemic. Rand Water has heeded the call by President Ramaphosa for increased partnerships, solidarity, collaboration and the sharing of knowledge and experience to fight the pandemic" [6].

Therefore, this article investigates the challenges, confronting the South African municipalities in effectively implementing the MSPs, and at the same time, assesses the importance of MSPs before and post the COVID-19 pandemic.

1. 1. Problem statement

No one could have predicted that the COVID-19 outbreak would expose the degree of poverty that many rural and urban communities have experienced for years when the country went into national lockdown at the end of March 2020. Not only has the pandemic rattled our healthcare system, but it has also highlighted the numerous infrastructure difficulties that our communities face daily. Access to adequate healthcare, running water, sanitation, housing, transportation, and the ability to engage in the digital revolution is mainly lacking [7]. Dale [6] indicates that the impact of the COVID-19 epidemic and the national lockdown has negatively impacted service delivery at the local government level. While essential government services have been permitted to continue operating throughout the lockdown, the economic and social consequences of the epidemic have hampered efficient service delivery. To solve these difficulties, the government, especially local government, has turned to private-sector partners. However, the challenges above, faced by the local government, are not of today, according to the White Paper on Local Government, 1998 [8]. The White Paper on Local Government,

1998 [8], states that “municipal councils can improve, expand, and accelerate service delivery through partnership arrangements with public institutions, the private sector, or community-based organizations or non-governmental organizations. Recent commitments, made by municipal councils to use municipal service partnerships, have highlighted the existence of several significant gaps and constraints in the existing policy and legislative framework. These gaps and constraints create uncertainties and impose risks on both municipal councils and MSP service providers. Currently, these factors limit the scope for widespread and cost-effective application of MSP options”. Mashilo and Kgobe [9] indicate that the South African procurement system is confronted with many unprecedented human behaviour challenges. In their study, [9] there are unethical conduct in the procurement of municipal services. Unethical procurement is characterized by corruption, fraud, and nepotism, which have a negative influence on people’s quality of services. In other words, the COVID-19 pandemic has opened doors for public officials and cronyism to loot state funds. Public preferential procurement procedures are not complied with; tenders are awarded to friends and family members without advertisement. For example, the arrival of public procurement of Personal Protection Equipment (PPEs) for COVID-19 has resulted in numerous scandals of unethical behaviour [9]. However, some scholars believe that the COVID-19 pandemic has presented both challenges and opportunities for local government [1]. Dale [6] also posits that in the fight against the COVID-19 pandemic, effective municipal-private partnerships have become more crucial than ever before. Dr Zweli Mkhize, the former Minister of Health, and Mr Cyril Ramaphosa, the President of the State, have always emphasized the importance of collaboration between the public and private healthcare sectors in combating the virus.

This article intends to assess the importance of the MSPs and further investigates the challenges, faced by the local government, with specific reference to how municipal service partnerships between the public and private sector are beginning to bring about some much-needed changes.

1. 3. Legislative framework as a lens

South African municipalities are governed by different legislative frameworks. For this article, the researchers analyse the contribution or provisions of the White Paper on Local Government, 1998, the Municipal Finance Management Act, and the Municipal Systems Act. These Acts are specifically relevant to the context of this article based on their grounds and provisions. The white paper makes provision for the adoption of the MSPs as an innovative tool to enhance service delivery and fight against local government disasters like the COVID-19 pandemic. Van der Berg [10] concurs that the South African municipalities are faced with a number of obstructions to successfully achieving their disaster management mandate. Some municipal territories also face the visible effects of climate change, the outbreak of COVID-19 and the growing demand for improved service delivery generally. The White Paper (1998) recommends that municipalities look for innovative ways of addressing such challenges. Public-private partnerships (PPPs) do seem to be an instrument of choice. The instrument or mechanism, according to Van der Berg [11], is a legal provision, made by the white paper on local government, and can assist the municipalities in the context of service delivery challenges and improving the health system. The Municipal Service Partnership (MSP) Policy aims to provide a clear framework for leveraging and marshalling the resources of public institutions, community-based organizations (CBOs), non-governmental organizations (NGOs), and the private sector to meet the country’s overall development goals. Municipal councils are obligated by the Constitution to ensure that municipal services are sustainably provided to their communities by encouraging MSPs [8]. The White Paper on Local Government, 1998, imply that the MSPs in South Africa are specifically aimed at expanding municipal infrastructure and service delivery capability by appointing a private provider to perform a municipal function [8].

Equally, the Municipal Systems Act (Act 32 of 2000) enables South African municipalities to exercise their executive and legislative authority by appointing external service providers or mechanisms to provide municipal services, known as MSPs. In this context, the interface between a municipality and the external service provider is regulated by municipal service partnerships, or PPPs [10]. Lastly, the Municipal Finance Management Act (Act 56 of 2003) provides conditions,

under which a municipality may enter into a PPP agreement, and also requires that before entering into a PPP agreement the municipality must conduct a feasibility study. Once the feasibility study has been concluded and a decision has been made to enter into the PPP agreement, the performance of the service under the PPP agreement must be monitored monthly and the capacity within the municipal administration must be managed accordingly. With the above discussion in mind, it is submitted, that municipalities in South Africa are for service delivery (and also disaster management services, for example) able to enter a partnership with external service providers.

The aim of the article was to investigate the challenges, confronting the South African municipalities in effectively implementing the MSPs as a mechanism for improved service delivery, and at the same time to assess the importance of MSPs before and post the COVID-19 pandemic.

2. Materials and Methods

2. 1. Design

The article adopted a conceptual research design, which is characterized by the extensive review of secondary data. In other words, conceptual research is a type of qualitative research. Conceptual research is seen as a methodology wherein research is conducted by observing and analyzing already present information on a given topic. It is related to abstract concepts or ideas. Philosophers have long used conceptual research to develop new theories or interpret existing theories in a different light. Conceptual research framework constitutes of a researcher's combination of previous research and associated work and explains the occurring phenomenon. It systematically explains the actions, needed in the course of the research study based on the knowledge, obtained from other ongoing research and other researchers' point of view on the subject matter according to Jaakkola [11]. Equally, another author [12] opines that a conceptual framework represents the researcher's synthesis of the literature on how to explain a phenomenon. It maps out the actions, required in the course of the study, given his previous knowledge of other researchers' points of view and his observations on the subject of research. In other words, the conceptual framework is the researcher's understanding of how the particular variables in his study connect. Thus, it identifies the variables, required in the research investigation. It is the researcher's "map" in pursuing the investigation. As McGaghie, Bordage and Shea [13] put it: The conceptual framework "sets the stage" to present the particular research question that drives the investigation being reported based on the problem statement. The problem statement of a thesis gives the context and the issues that caused the researcher to conduct the study. Conceptual research doesn't involve practical experimentation but instead relies on the researcher, analyzing available information on a given topic.

The researchers adopted this design because conceptual papers ultimately create new knowledge by building on carefully selected sources of information, combined according to a set of norms. In the case of conceptual papers, arguments are not derived from data in the traditional sense but involve the assimilation and combination of evidence in the form of previously developed concepts and theories [14]. In that sense, conceptual papers are not without empirical insights but rather build on theories and concepts that are developed and tested through empirical research.

Below are some of the important steps that researchers followed when conceptualizing and conducting this article. The model below was followed (**Fig. 1**).

Once again, the article adopted the conceptual research design, thereby reviewing existing literature. Methodologically, the article begins where the researchers collectively conceptualize the title of the study. The researchers selected a topic within their field of expertise. Given the researcher's field of study, the researchers have adopted a topic under public administration and development studies. According to Figure 1 above, the researchers collected data through a review of existing literature. The data for this article was generated from peer-reviewed journal articles, books, government legislation, and internet sources as outlined by [15]. The data collection focused on the importance of MSPs in combating the COVID-19 pandemic, as well as the challenges, faced by South African municipalities in implementing MSPs during and after the pandemic. The data was also collected from different databases and sources, such as Google Scholar, Google, J-Gate, Scopus, and university libraries using the key themes of this article. "The materials used should be preferably scientific journals, research papers, published by well-known scientists, and similar materials"[11]. Therefore, the researchers of this article extensively reviewed secondary data to validate the argument of this article.

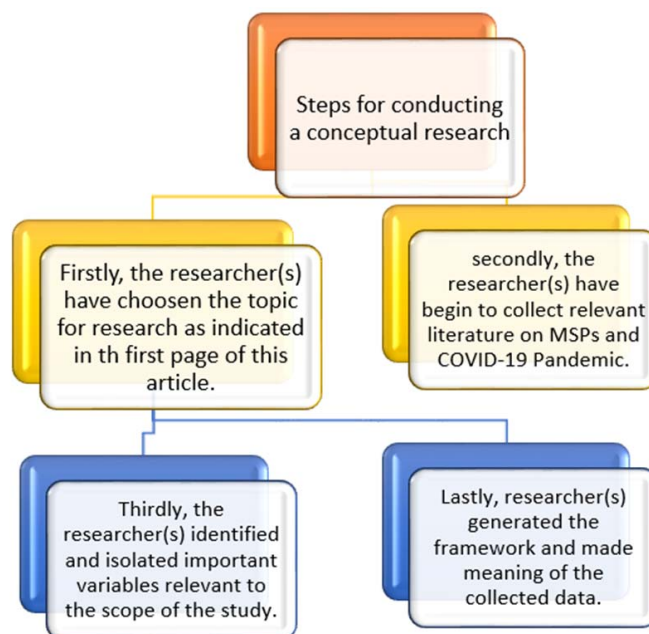


Fig. 1. Steps for conducting a conceptual paper (Source: Authors)

2. 2. Data analysis

Data analysis in qualitative research is defined as the process of systematically searching and arranging the interview transcripts, observation notes, or other non-textual materials that the researcher accumulates to increase the understanding of the phenomenon [16]. The process of analysing qualitative data predominantly involves coding or categorising the data. It involves making sense of huge amounts of data by reducing the volume of raw information, followed by identifying significant patterns, and finally drawing meaning from data and subsequently building a logical chain of evidence [17]. Analysing qualitative data entails reading a large number of transcripts, looking for similarities or differences, and subsequently finding themes and developing categories [15].

In this regard, the article adopted the Critical Discourse Analysis (CDA) approach to analyse conceptualised documents or secondary data. According to [18], CDA is a qualitative analytical approach for critically describing, interpreting, and explaining how discourses construct, maintain, and legitimize social inequalities. The CDA approach is mostly used in qualitative research as opposed to quantitative, which focuses on statistics. The existing literature on municipal service partnerships, the COVID-19 pandemic, and other emerging variables were systematically reviewed and synthesised. In other words, the secondary data was carefully consulted from different sources, such as journal articles, books, government legislation, and internet sources.

3. Result

3. 1. Conceptualising municipal service partnerships in the South African context

Municipal service partnership is one of the alternatives at disposal for the South African Local Government sphere to provide services to its constituents. In many instances, the discourse of MSPs is regarded as a strategy by the government to actively assign service delivery responsibilities to the private sector, at the expense of public institutions. MSPs are not meant to replace traditional and old ways of providing municipal services but rather to provide services innovatively and strategically [19]. However, they should be regarded as a mere option to improve the state of service delivery within the jurisdictions of various municipalities across the country. To a certain extent, they are considered more efficient and effective compared to municipalities. MSPs are meant to provide municipalities with advanced options of addressing service delivery backlogs in various communities [19]. On the other hand, Mamabolo [20] argues that the MSPs are seen as a channel for corruption instead of a strategic and innovative way of rendering services effectively.

Another author [20] further questions if MSPs are useful in eradicating service delivery backlogs in South Africa. On that brighter note, the paper argues that MSPs are an alternative in instances where municipalities cannot provide services. These services are but are not limited to housing, electricity and water as outlined in Schedule 4 and 5 of the Constitution of the Republic of South Africa [21]. Proper execution of MSP arrangements can improve the efficiency of service delivery. Therefore, greater efficiency means that quality services can be rendered at the expense of the municipal council's budget. On the other side, MSPs also allow municipalities to minimise their costs for equipment rental, lease and technology licensing arrangements. As time goes on, the local government sphere can spend less on the capital costs of infrastructure expansion and technology advancements. Arguably, allowing potential service providers to bid for the rendering of municipal services during and post COVID-19 could give municipalities an advantage of choosing the best service provider from a pool of bidders.

3. 2. The importance of municipal service partnerships

MSP is a critical tool that municipalities may use to get necessary services from the private sector. According to [22], the private sector can help municipalities solve their service delivery difficulties. They went on to say that pursuing short- or medium-term municipal public-private partnership contracts as a solution to the difficulties is a good idea. According to [23], South Africa has a massive backlog of service delivery and insufficient access to key services, which has led the government to devise new solutions to address service delivery issues, one of which is municipal service partnerships. According to [19], municipalities must explore new ways to provide municipal services to meet Reconstruction and Development Programme (RDP) objectives in a realistic period. Municipal service partnerships arose as a result of the creative ways of providing services. Below are some of the importance of MSPs in South African Municipalities;

– Accessibility of services

Municipal service partnerships (MSPs) are one of the instruments or mechanisms that municipalities utilize to realize the right to adequate municipal services according to Keluh [24]. MSPs were created to ensure that all communities have access to a basic level of services. This is not a goal, but a constitutional need that underpins the municipal-private sector cooperation [24]. The significant inequities in service access that still exist should be addressed through the construction of new infrastructure as well as the repair and upgrade of existing infrastructure.

– Accountability for services

Accountability is a crucial component of MSPs according to the South African Local Government Association [25]. According to [26], Public accountability is a tool for participatory local democracy. The government has introduced legislation to ensure that all the key local role players and stakeholders discharge their respective obligations and responsibilities to facilitate the delivery of quality municipal services. Despite these measures and initiatives, public accountability remains a catchword and is certainly not taken seriously particularly by the municipal functionaries. The recent marches by the local citizenry in protest against poor service delivery countrywide bear full testimony to the significance of accountability [27]. A certain amount of openness, access to information, and the availability of punishments in some form are all prerequisites for this accountability. As a result, MSPs may be said to necessitate a framework based on responsibility, openness, clarity on risk-sharing mechanisms, and the integration of economic, environmental, and social processes [25]. In other words, MSPs are the key drivers of accountable governance by ensuring that there is shared risks and that the service provider should account to the municipality as the employer. Municipalities are as well accountable to the citizens in their jurisdiction. The continued success of a municipality is determined to a large extent, on the accountability of all key role players and stakeholders in the local governance process.

– Integrated development and services

In MSPs, the IDP planning process has a significant influence. It does not only establish goals and guides the selection of service delivery mechanisms, but it also has ongoing effects on longer-term MSPs [19].

– *Sustainability of services*

Although all municipalities are mandated by law to provide sustainable and effective services, achieving this goal is not as simple as it may appear [28]. The MSP was created to guarantee that services to local communities are provided sustainably, and it is also a constitutional requirement for all municipal governments. Service supply is a continuous activity in light of this fundamental mandate. However, the supply of continued services is contingent on the financial and administrative management of municipal organizations.

– *Value-for-money*

Value for money should be accounted for in municipal services. Municipalities should endeavour to offer services that are not only sustainable but also deliver value for money for all services to citizens [28]. The most crucial feature of creating infrastructure through an MSPs route is to ensure that municipalities and their inhabitants obtain value-for-money, according to research, done by the South African Local Government Association (SALGA) in 2020 [25].

– *Multi-jurisdictional service areas*

According to [19], there may be times when two or more municipalities choose to work together with an MSP service provider. Cost-efficiency in the procurement process and economies of scale for the service provider are two possible benefits of developing multi-jurisdictional service regions. However, present legislation does not give the town's clear legal ability to create such multi-jurisdictional service regions. This puts municipalities and service providers at risk.

3.3. Challenges hindering the effective implementation of MSPs prior and post COVID-19

Local government remains a branch of government that is closer to the people. In this sense, South African municipalities are responsible for providing citizens with high-quality services to promote society's overall well-being. However, local government literature demonstrates that despite the significant role that municipalities play in service delivery, certain municipalities are overwhelmed by such a role [20]. With the advancing challenges and the COVID-19 pandemic, it is evident, that certain municipalities are unable to carry out their developmental mandates promptly. Service delivery backlog remains a serious challenge in South Africa despite the presence of MSPs. The violent service delivery protests that have been witnessed in many municipal areas, including in the Greater Tzaneen Municipality, are a cause for concern. Such protests result from both the lack of service or from the poor quality of services that are provided. The past few years have seen a steady rise in community-level protests against municipalities that are perceived as not delivering essential services and opportunities, or as corrupt and acting against the spirit of the constitution by victimising those who are too poor to pay for municipal services [29, 30]. Service delivery protests are an indication that service delivery has not reached the level it should reach.

Another clear issue is that, besides the failure of the municipalities to provide services, communities have not been kept effectively informed. They seem to have their interpretation of what is happening on the ground. This could be due to a lack of information, such as tenders, which comes as a result of the lack of community participation in the socio-economic activities of a particular area. Community participation is becoming a very important element of service delivery [31, 30]. Similarly, Romzek [32] indicates that if members of a community are not involved in community plans, they are likely to form their interpretation of what is happening. There is also a lack of participation by other stakeholders, like the private sector, community-based organizations (CBOs) and Non-governmental organizations (NGOs), in the service delivery processes [31]. The involvement of these stakeholders is known as partnerships. The environment, in which the strategies and tactics of service delivery can be achieved, has to be facilitated by the local government and it should make sure that communities, falling under its area of jurisdiction, are satisfied with the services, delivered to them. Even though accountability is one of the importance of the MSPs. Lack of accountability is also a great concern in South Africa. One of the major challenges, faced by municipalities in South Africa, is quality service delivery and lack of accountability. Public accountability is an important component of local governance as it promotes community involvement

and participation. Local government is viewed as the vehicle for service delivery, given the notion of wall-to-wall local government [33].

All programmes and projects, such as housing, water supply, sanitation and roads, require accountable municipal functionaries, so that they gain the confidence and trust of local communities who will take ownership of it by ensuring that it is successful and in the final analysis sustainable.

Despite the White Paper on Local Government's proposals from 1998, progress in forming creative municipal service partnerships has been modest [34]. While the number of PPPs in South Africa has increased in recent years, [35] believe that the question of whether these partnerships have been effective has been raised. Municipalities are faced with the dilemma of either developing internal skills or obtaining the necessary talents to meet their goals [22]. Public-private partnerships are one such avenue for gaining access to talents. Apart from that, inadequate service delivery is still a major concern in all South African municipalities [36]. MSPs, on the other hand, are not a panacea for all service delivery issues, particularly long-term concessions, which have had varied success. One of the difficulties is that towns are under growing pressure to react to fundamental demands with limited funds and technical competence [37]. Lack of accountability is facilitated through municipal service partnerships [38]. MSPs are not a new concept in South Africa, but they have yet to gain broad support or application. Moreover, while some MSPs are contributing to desired improvements in service delivery, others particularly early transactions have yielded only mixed results [19]. According to a study, undertaken by the Water Research Commission in 2002 [34], some of the issues that were evident in the execution of the white paper on municipal service partnerships have been added to the list. The bankruptcy of MSP service providers, procurement and contracting, multi-jurisdictional service regions and tariff setting and collection are some of the primary difficulties, addressed in this article. Below are briefly explained;

– ***Bankruptcy of MSP service providers:***

According to the white paper, the Companies Act favours the liquidation of bankrupt businesses over their reorganization [34]. If an MSP service provider runs into financial difficulties and the corresponding municipal services are discontinued, there is a genuine danger for the municipal councils and people [39].

– ***Procurement and contracting:***

To guarantee that MSPs enhance service delivery, the white paper states that efficient, competitive, transparent, and socially fair procurement and contracting structures are required [37]. It's also important to make sure that those who have been historically marginalized may engage completely and effectively in municipal procurement and contracting. Many countries, particularly African countries, appear to have more corruption in procurement than elsewhere [40]. These findings are similar to the study, conducted by [20] Mamabolo in 2013, where she argued that MSPs are seen as a channel for corruption and cronyism instead of a mechanism for improved service delivery. Mashilo and Kgobe [9] contend, however, that the failure to follow ethical public procurement rules has opened a bag of worms, resulting in ethical wrongdoing that is seen as natural. Munzhedzi [41] agrees that in South Africa's public sector, procurement and corruption are inextricably linked. It may also be claimed that a negative impact of corruption on procurement management in the South African public sector erodes public trust in contracting [9] and [41].

– ***Tariff setting and collection:***

The COVID-19 pandemic has had a huge impact worldwide. The pandemic emerged in South Africa after many countries were already affected. Regardless of the delay, it has still had a huge impact on all South African municipalities [42]. It is therefore worth noting, that the magnitude of the impact COVID-19 had on municipal revenue differed from one municipality to other. Taking into account the socio-economic conditions of each municipality. Some municipalities were unable to generate sufficient monthly revenue. This is in line with survey results, which suggested that 78 % of South African municipalities were not prepared to deal with a period of reduced revenue [2]. Furthermore, some municipalities went to an extent of temporarily cutting rates collection and interests on arrears. During its Annual Municipal Budget and Benchmark Engagement, with National Treasury (NT), held on 15 May 2020, the City of Cape Town highlighted an inevitable

reality that due to the pandemic, higher levels of unemployment and lower real disposable income is likely to increase levels of indebtedness and resulting in non-payments for municipal services. At that time, Cape Town had estimated a shortfall in the collection of revenue of R800m. Over the May and June 2020 period, Gauteng's metro's reported that in terms of uncollected revenue; The City of Johannesburg has lost at least R1.5bn, the City of Tshwane lost approximately R1.2billion and Ekurhuleni lost about R800m. Property rates and services revenue collection had been highly vulnerable to defaulting by households as a result of lack of income. At some stage, the South African Local Government Association (SALGA) had warned that municipal revenue from rates could fall by 5 % which amounts to R14 billion [2].

The white paper on municipal service partnerships, 2004 [19], puts it clear, that under the now-repealed Local Government Transition Act (LGTA), the authority of a municipal council to delegate tariff setting methodologies and tariff collection was not clear. This was a major impediment to the successful use of lease and concession type MSPs [19]. Municipalities are increasingly under pressure to react to fundamental requirements with limited funds and technical competence [37]. Non-payment of tariffs and non-compliance with tariff rates are two key difficulties. This has been evident during the National Lockdown, imposed by the COVID-19 pandemic. Many South African municipalities were not collecting revenue from citizens. According to National Treasury [43], the COVID-19 pandemic has impacted municipalities in the 2020/21 financial year. The COVID-19 pandemic and National Lockdown (NL) affected the performance against the conditional grants and resulted in the reduction to the baseline. The national lockdown from the end of March 2020 delayed most of the project implementation processes in the local government space. Some of the challenges included delays in supply chain processes, such as MSPs, late submissions of business plans (Integrated Development Plan) and implementation plans. National Treasury [43] further indicates that the revenue estimates are seldom underpinned by realistic or realisable revenue assumptions, resulting in municipalities not being able to collect the revenues, and as a result finding themselves in cash flow difficulties. The municipalities were forced to adjust expenditures downwards to ensure that there is sufficient cash to meet the service delivery commitments.

Limitation of the study. This article is limited to the South African context. Therefore, the results and recommendations for this article may not be generalisable. Also, the study is limited to South African municipalities, instead of looking at national and provincial spheres of government. Its main purpose was to investigate the challenges, faced by municipalities in effectively implementing municipal service partnerships. Future studies to be conducted in this context will be to investigate public-private partnerships that will focus on the three spheres of government and government agencies.

5. Conclusion

In conclusion, the article conclude by highlighting or providing a summary of the theoretical results. As indicated above, this article aimed at assessing and investigating contemporary challenges, faced by South African municipalities in effectively implementing the MSPs. The following challenges and opportunities have been found through literature review. It is found, that the MSPs as an instrument for improved service delivery has played a vital role across the world, especially during the COVID-19 pandemic. There are significant opportunities or benefits of applying MSPs when rendering services, such as risk-sharing. However, it is further found, that the MSPs during and post COVID-19 pandemic has significantly proved to be a channel for corruption as indicated by many scholars. Theoretically, it is found, that the MSPs service providers are confronted with bankruptcy, which undermines the implementation of sustainable service delivery. COVID-19 pandemic has also been discovered as an underlying socio-economic factor that is continuously undermining the proper implementation of the MSPs with democratic principles. Furthermore, corruption has risen due to the COVID-19 pandemic, especially in procurement or tendering processes. Tenders were awarded unadvertised and awarded to families and friends. However, not only the MSPs have been confronted with challenges. In this regard, the article recommends that municipality and MSP service providers should consider implementing contractual safeguards in the case of an MSP service provider's insolvency, pending the formulation and adoption of appropriate legisla-

tion. Such precautions should be included in the proposed legislation. Many projects have been left unfinished as a result of MSP service provider bankruptcy. Lastly, it is questioned by many scholars on whether these partnerships have been effective. Municipalities are faced with the dilemma of either developing internal skills or obtaining the necessary talents to meet their goals. Therefore, the article recommends that municipalities develop or register municipal entities to render specific services instead of relying on private sectors, which open a channel for corruption. To promote effective implementation of the MSPs, the article recommends that corrupt practices by public officials should be decisively dealt with by applying applicable laws in place. Private partners have been long-standing with a commitment to serve communities on behalf of the government and that now includes partnering with the government in the fight against the COVID-19 pandemic. The plea by the state President of South Africa Cyril Ramaphosa has been distinguished for increased partnerships, solidarity, collaboration and the sharing of knowledge and experience to fight the pandemic, poverty, service delivery backlogs and social injustice. Lastly, the article recommends that municipalities should develop an innovative and efficient way for improved service delivery. MSPs alone as an innovative way or tool for improved service delivery prior and post COVID-19 outbreak has somewhat proved to be not enough due to an increased corruption.

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