

18 October 2022 (immediate release)

Citizens of Amathole stand to lose R500 million of a maintenance and infrastructure grant because our municipality has not spent one cent of the grant so far.

Amathole District Municipality (ADM), responsible for the water services of close to [900 000](#) people, has [failed to spend](#) the first R100 million tranche of a R493 million Municipal Infrastructure Grant (MIG) allocated to it by the National Treasury in July this year. This while communities are without water, sometimes for weeks on end, as a direct result of the lack of maintenance of the water infrastructure in our communities.

The MIG amounting to R493 million risks being forfeited if ADM does not provide a satisfactory explanation for the under expenditure and a plan to improve its spending.

The [Department of Cooperative Governance and Traditional Affairs](#) (COGTA) describes the MIG as a grant that “aims to eradicate municipal infrastructure backlogs in poor communities to ensure the provision of basic services such as water, sanitation, roads and community lighting”.

Listed in its [Integrated Development Plan](#) (IDP), Amathole has a wide range of projects planned for this financial year that include dam construction, bulk upgrades and refurbishments of water schemes across all six of its local municipalities. Work opportunities are also created through the implementation of these projects.

One of these projects is the [Mncwasa Water Scheme](#) which was built by ADM in 2010 and became officially operational in 2015. The Scheme, which was set to change the lives of 33 000 people, has not been adequately maintained and as a result, communities have been receiving an inconsistent and unreliable supply of water. This is just one example of the disintegration of water infrastructure emanating from the poor financial position of the municipality. This Scheme is on the list to be fixed in the current financial year and stands to be affected should the MIG grant be revoked.

ADM has attributed the under expenditure to the [‘ongoing staff protest’](#). It said workers have been on a go-slow and as a result, ADM has lacked the capacity to make payments and implement its water projects.

While we appreciate the difficulties of operating at limited capacities, this does not address the underlying issue which is the ongoing governance crisis at ADM. In this year alone, we

have seen the decision to reappoint an unqualified Municipal Manager [set aside](#) by the East London High Court, the [removal of the troika](#) (Mayor, Chief Whip and Speaker) and the appointment of a new troika.

Most concerningly, the ADM council has not been able to perform its functions since the election of that troika due to a [court interdict](#) brought by the United Democratic Movement (UDM) challenging the legality of the meeting in which the troika was elected.

It is not clear from reports as to why an interdict was necessary, in fact UDM says '[we primarily did not approach the court to suspend the council](#)' but the Court's decision to suspend the council is concerning as it rendered the Council 'defunct'. This has had dire consequences for our communities. It took almost two months to get the Council operational again and required a court [intervention by the MEC](#) requesting that the court order be changed. Thankfully the MEC took this issue up.

As the troika now takes over the leadership of Council and Council reconvenes, they must urgently stabilise the operations of the Council and avert a complete breakdown in governance at the municipality. The approval of the IDP and Budget Process Plan, submission of financial statements for the audit and addressing a number of issues with senior managers' contracts, were all [overdue](#). We note that some of these issues were dealt with at ADM's first council meeting held on [13 October](#). The late submission of financial statements must however still be addressed with urgency.

Appointing Mr Dungu, Director of Engineering Services, as Acting Municipal Manager is welcomed but the engineering services team is already under severe strain, and so Council must urgently ensure that a qualified Municipal Manager is appropriately recruited and appointed as soon as possible.

The impact of losing this R500 million on the lives of ADM's citizens is going to be catastrophic. We call on senior leadership at ADM, councillors and the provincial government to do everything in its powers to ensure that the R500 million grant allocation for our communities remains with ADM and gets spent where it is desperately needed.

We specifically call on ADM to publicly communicate the following:

- 1. How ADM is going to avert losing the MIG grant;**
- 2. how ADM is going to address the under-expenditure of the MIG grant and meet all IDP expenditure obligations allocated to this grant;**
- 3. the process and timelines the council commits to regarding the lawful recruitment and appointment of a qualified Municipal Manager; and**

4. the process and timelines for addressing the late submission of financial statements.

[END]

Statement issued by concerned residents and organisations living and working ADM. Some of the businesses and organisations include; Border Rural Committee, Councillor Phumzile Msaro (Ward 28), Councillor Lungisa Mahlobe (Ward 18), Community Development Worker Vuyisa Malangeni, Viva con Agua, Equality Collective, Nosintu Gwebindlala Foundation, Jalamba Traditional Council, Elliotdale Stakeholders Forum, Hogsback Unity Group, Morgan Bay Hotel, Morgan Bay Ratepayers Association, Sonke Gender Justice, and Ubunye Foundation.

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