



INNOVATION PROJECT 4: INTEGRATION OF INNOVATION IN THE MUNICIPAL ENVIRONMENT

Viability and Validation of Innovation for Service Delivery Programme

1. Introduction

South Africa faces significant socio-economic challenges. It needs equitable access to basic services; equitable participation in the economy and equitable access to appropriate infrastructure to support economic activities. The 2019 White Paper on Science, Technology and Innovation sets the long-term policy direction for the South African government to ensure a growing role for science, technology and innovation (STI) in a more prosperous and inclusive society. It focuses on using STI to accelerate inclusive economic growth, make the economy more competitive, and improve people's daily lives. In order to achieve this, the national system of innovation needs to be more inclusive and focus on more active participation and collaboration with a wider set of actors, including municipalities.

The endemic nature of poverty and inequality in South Africa demands that government constantly seek innovative approaches to respond to service delivery challenges and do things differently. There is a prominent role for science, technology and innovation to generate novel solutions; whether they involve demonstrations of technologies that can directly and significantly improve the quality of people's lives, or new innovative methodologies for examining and planning policies and delivery of basic services. Most significantly, STI-based value-adding interventions can open new economic opportunities, create jobs, develop skills, improve local government capacity and decision-making, and help realise the vision of a capable state and local governments through innovation.

2. Context and background

Despite the positive trajectory of success, the project to build a capable state continues to face serious challenges in the face of adverse economic conditions and constrained finances, as well as the provision of basic services within a large group of municipalities. The NDP makes it clear that meeting the developmental agenda requires functional municipalities and a capable local level public service that can create safe, healthy and economically sustainable areas. According to a review of South Africa's 278 municipalities led by the Department of Cooperative Governance and Traditional Affairs (COGTA), the country still has not been able to "reach the ideal municipality we envisage". One-third of municipalities are fairly functional, and overall performance is average. Most government services are still manual and paper-based, and have not been digitised or made available online 24 hours a day. Various

application processes and a lack of data sharing between departments indicates a public service that has not been modernised. There is insufficient use of data science and evidence, there are infrastructure backlogs and basic service infrastructure that is not technology driven. To address these challenges, government is championing a multi-stakeholder approach to review existing municipal policies and open them up to innovation.

3. Project objective

The objective of Project 4 is to integrate innovation in the delivery of basic services across municipalities by creating an enabling policy environment.

4. Typical project activities related to Project 4

The successful municipalities, working together with the implementing agency, the South African Local Government Association (SALGA) and CoGTA will participate in capacity-building activities designed to strengthen the municipal innovation policy environment. Furthermore, the municipalities participating in this project will work towards establishing their own innovation charter. The municipalities will work with the implementing agency to conduct a municipal innovation policy review, and make policy recommendations that fast-track innovation uptake and link the innovation agenda to municipal development plans and programmes. Municipalities will work with an implementing agency on the following activities:

- Identifying and implementing projects and activities that could strengthen the capacity of municipalities to integrate innovation in the delivery of basic services (training/capacity building, provision of appropriate ICT solutions).
- Identifying and implementing projects and activities that could integrate innovation as a chapter in CoGTA/municipal service delivery policies and provide guidelines on how municipalities could integrate innovation in municipal development plans, the District Development Model and service delivery policies.
- Working with local government stakeholders, organise workshops and design consultation processes leading towards municipal innovation charters.
- Advancing policy debates and dialogues with National Treasury and CoGTA to integrate innovation funding that could be blended with infrastructure funding grants such as the Municipal Infrastructure Grants, Strategic Integrated Project and Urban Settlement Development Grants.

5. Expected project outputs

The municipalities interested in participating in this project will be required to indicate in their response to the call for expressions of interest their ideas for creating an enabling innovation policy environment. Municipalities could identify areas in which innovation training is needed, their innovation capacity building requirements, what policies should be reviewed to enable innovation, how they will go about creating their municipal innovation charter, how they will lead policy debate on the use of infrastructure grant funding to enable innovation in a municipal environment.

Typical Project 4 outputs would include the following:

- The use of infrastructure grant funding to enable the uptake of innovation in municipalities.
- Policy instruments necessary to encourage innovation across the local government sphere.
- Policy briefs and policy dialogues supporting innovation uptake.
- Innovation training, capacity building and innovation charters from municipalities.

6. Output indicators

An important success indicator for Project 4 will be defined as part of the project success criteria to be co-developed between the municipality, CoGTA, SALGA and the implementing agency for this project.

Typical indicators include the following:

- Innovation policy dialogues.
- Municipal policy reviews.
- Municipal infrastructure grants funding assessments.
- Innovation requirements, training and capacity building.
- Reports and policy briefs.
- Policy dialogues coordinated to influence municipal policy.

7. Expected project outcomes

The intended outcomes of the project include the integration of innovation in the delivery of services, and the opening up of policies, including procurement processes, regulations and acquisition instruments, to support the uptake and adoption of innovations to improve the delivery of services.

A typical outcome indicator for Project 4 is the number of project activities, policies reviewed and infrastructure funding grants or instruments supporting innovation uptake to improve service delivery in municipalities.

8. Key result area

The DSI will be working with the selected municipalities, technology developers and the implementing agency to track and report on the following programme key result areas:

- Number of additions to the DSI portfolio of STI-based methodologies, models or tools available for use by municipal governments for planning and/or service delivery.
- Number of use cases by municipalities of STI-based methodologies, models or tools developed to support planning and/or service delivery.