



**the dplg**

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Department:  
Provincial and Local Government  
**REPUBLIC OF SOUTH AFRICA**

## **MUNICIPAL WATER INDABA**

**11 September 2008**

**Your partner in service delivery and development**

# LOCAL GOVERNMENT STRATEGIC AGENDA

- The 5 Year Government-Wide LGSA is the overall framework within which support actions and interventions with regard to Local Government are organised.
- All the provincial Departments of Local Government have recently adopted the LGSA Implementation Plan (2008 - 2011).
- This Implementation Plan provides the basis for coordinated support action to local government by national and provincial government and its key partners.

# LOCAL GOVERNMENT STRATEGIC AGENDA

- This Municipal Water Indaba is exemplary in the sense that the LGSA enjoined key sectors to develop Master Sector Plans to mobilise our development actions to support local government.
- It is appropriate that this Indaba will focus on the water sector and our collective and individual responsibilities in this sector. There is more work to be done by all of us and the words of the Minister for Provincial and Local Government in parliament this year are equally appropriate in this forum:

*"We continue to implore national and provincial sector departments to emulate the example of the Department of Water Affairs and Forestry (DWAF). This department has come to understand the value of inter-sphere coordination and integration. Its Water Sector Support Plans have been developed in alignment with the Provincial Growth and Development Strategies. The successes which will issue from this will build on the achievements made earlier when, in collaboration with the **dplg**, the provinces and local government, DWAF was able to come within a whisker of completely removing the bucket-system of sanitation in the formal residential areas."*

# PROGRESS

- The context of the Indaba is one of steady progress and inroads made in broadening access to basic services to our people and mobilising ongoing support to strengthen the overall capability of municipalities. The Community Survey of 2007 has demonstrated this progress.
- Household water backlogs reduced from 3,8 million households in 1994 to 1,3 million households as at March 2008.
- Household sanitation backlogs reduced from 5 million households in 1994 to 3,3 million households as at March 2008.
- Since the launch of Project Consolidate in 2004, we have collectively as government and key partners deployed a total of 1,134 experts and professionals to a total of 268 out of the 283 municipalities (95%).
- Mainstreaming hands-on support must remain our strategic objective as we work towards the goal of self-sustaining developmental municipalities.

# PROGRESS

- Free Basic Services

	Free Basic Water				Free Basic Electricity			
	FBW March 07		FBW March 08		FBE March 07		FBE March 08	
Province	Indigent served	%	Indigent served	%	Indigent served	%	Indigent served	%
Eastern Cape	549,551	58	508,215	61	327,291	34	342,514	36
Free State	418,525	112	424,548	98	338,722	91	451,345	100+
Gauteng	847,415	82	887,798	76	1,351,189	130	1,527,889	100+
KwaZulu Natal	892,028	79	891,536	71	152,926	14	291,345	26
Limpopo	577,645	71	613,684	82	295,775	36	311,325	38
Mpumalanga	226,761	57	340,645	61	153,488	39	219,375	55
Northern Cape	61,883	57	87,515	92	81,657	76	92,374	85
North West	315,130	74	298,009	69	163,499	39	137,439	32
Western Cape	184,832	66	202,311	97	424,893	152	637,356	100+
<b>National Total</b>	<b>4,073,770</b>	<b>74</b>	<b>4,228,512</b>	<b>75</b>	<b>3,289,440</b>	<b>60</b>	<b>4,011,002</b>	<b>73</b>

## PROGRESS - MIG

- The total spent by municipalities over the past four financial years since the MIG was established amounts to almost R23,9 billion. Over 60% of this spending is on water services.
- Out of the 239 municipalities that received the MIG in 2006/7 financial year, 185 or 77%, spent 100% of the grant by end June 2007.
- The spending capacity of municipalities on the MIG has in fact almost doubled from R4,3 billion in the 2004/5 financial year to over R7,7 billion in the 2007/8 financial year.
- All of this spending has enabled over 3,6 million households to gain access to basic services.
- R1,8 billion that was ring-fenced from the MIG was used by municipalities to address the over 250 000 bucket sanitation backlog identified in 2005 (formal areas).

# Municipalities - Key Challenges

- In-Migration and Growth:** eg. Kungwini LM experienced household growth of 197% between 2004 and 2006 with only 63% of its budget coming from own revenue.

Type	Number	WSA	Backlogs
Large municipalities facing growth pressure. Most have adequate capacity and good infrastructure spending capability, others require assistance but can operate adequately.	36	22	62%
Small municipalities with good capacity and low backlogs.	52	24	6%
Small municipalities that are growing. Many require support.	195	124	32%
	283	170	100%

# Municipalities - Key Challenges

- **Lack of infrastructure policies at municipal level**
  - Acceptable service levels
  - Technical quality standards
  - Infrastructure asset management
- **Lack of adequate infrastructure information and infrastructure**
  - Historic backlogs: Historic backlogs are either not determined and are not time referenced.
  - Inaccurate information on backlogs
  - Increasing needs due to migration and growth in population numbers
  - Integrated communities with different service levels (differentiating between basic levels of service and higher order services)
  - The current IDPs do not always provide a realistic basis of planning the future development of the municipality
  - Sector Master Plans and development plans not available everywhere, not sufficiently accurate, or not aligned with the IDP and/or other services

# Municipalities - Key Challenges

- **Deterioration of existing infrastructure**
  - Significant water and electrical losses
  - Limited conservation and demand management
  - Pollution of rivers and estuaries
- **Institutional arrangements**
  - Lacking municipal institutional arrangement
  - Lack of suitably trained staff (or very few staff in the technical departments)
  - Roles and responsibilities not clarified between sector departments, provinces and municipalities
  - Limited or no service quality monitoring (e.g. drinking and effluent water quality, etc)
- **Funding and financial issues**
  - Lacking metering (either pre-paid or conventional) of water and energy consumption
  - Lack of revenue, indigent policies and enforcement
  - Grants not aligned
  - Private sector investors and lenders not always attracted to invest in infrastructure roll-out

***These issues obviously differ from one municipality to the next, and would need to be confirmed through the comprehensive infrastructure planning and delivery process.***

## **FOCUS of INDABA**

There are three main challenges that have led to this Municipal Water Indaba and that need to be the focus of the Action Plan that emerges out of the Indaba:

- **How to achieve universal access to water and sanitation by 2014?**
- **How to build capacity for water quality management?**
- **How to ensure water supply for long-term growth and development?**

# LGSA AS PLATFORM FOR INDABA ACTIONS

## Strategic Priority 1: Mainstreaming hands-on support to Local Government to improve municipal governance, performance and accountability

- Continue to engage with provinces in development and implementation of Master Water Sector Plan and associated Local Government Support Plan in engagement with Provincial Growth and Development Strategies (PGDSs) and IDPs.
- The 5 Year Agenda has to be a standing item in **IGR** structures and should provide opportunities for sector-specific priorities such as water to be engaged with inter-governmentally
- Implementation of the National Capacity Building Framework (NCBF) that was launched in June 2008.
- **KPA1 - Municipal Transformation and Organisational Development:** DWAF to work with dplg in developing Competency Framework for technical services staff in municipalities
- **KPA 2 - Basic Service Delivery:** DWAF to continue active support to municipalities to eradicate backlogs and achieve universal access to water and sanitation services.
- **KPA 3 – Local Economic Development:** DWAF to assess water requirements in municipalities to stimulate economic growth especially in marginalized areas. Accelerate current regional bulk programme for this purpose. There are currently 30 such schemes planned by DWAF to be completed by 2009/10.
- **KPA 4 – Municipal Financial Viability and Management:** Water and Sanitation infrastructure investment requires proper modeling, costing and management including asset management and operations and maintenance. DWAF, dplg, National Treasury have critical joint responsibility in this regard.
- **KPA 5 – Good Governance and Public Participation:** DWAF should work with dplg and SALGA to support and equip Councilors to engage with communities on appropriate water standards, cost implications and appropriate technologies.

# LGSA AS PLATFORM FOR INDABA ACTIONS

## **Strategic Priority 2: Addressing the structure and governance arrangements of the State in order to better strengthen, support and monitor Local Government**

- This strategic priority provides an important opportunity over the next 2-3 months through the **policy review process** to deal with critical policy and coordination matters as they relate to the water sector.
- Key challenges that can be addressed include the role of provinces in water sector
- Addressing challenges with Two-Tier Local Government system: Clarifying and putting in place more predictable system for allocating Powers and Functions
- Overall coordination of water sector: Institutionalising a Joint Local Government and Water MINMEC
- Inter-governemnat fiscal arrangements
- Strengthen municipal viability

# LGSA AS PLATFORM FOR INDABA ACTIONS

## **Strategic Priority 3: Refining and strengthening the policy, regulatory, and fiscal environment for Local Government and giving greater attention to the enforcement measures**

- This strategic priority provides the scope for DWAF regulatory focus by also paying attention to range of measures currently embedded in local Government legislation that needs enforcement. This includes range of requirements for asset management for example that will assist in addressing water treatment works failures.
- The asset management framework is driven by two main Acts viz. The Municipal Systems Act (MSA) and the Municipal Finance Management Act (MFMA). The MSA clearly indicates that municipalities must strive to ensure that municipal services are provided to local communities in a financially sustainable manner (including maintenance, repair and replacement of physical assets). The Act also encourages regular review of its practice to achieve improvement in service quality. The MFMA encourages stronger, better managed and more accountable municipalities. It emphasises the need to allocate resources in line with strategic priorities and to link plans and budgets to achieving the long term goals of the municipality. It also highlights the need to cater for the cost of current services and to be realistic about revenues.
- The Service Delivery and Budget Implementation Plan (SDBIP) together with the Municipal Systems Act, provides a compelling argument for municipalities to establish a policy and strategy framework that addresses the financial, technical and performance management of infrastructure in a coherent fashion.

**On behalf of Ministry and Department of Provincial & Local Government, Thank You to all partners and stakeholders for continued effort in strengthening IGR and building sustainable municipalities to serve our communities**