

Strengthening municipal systems for inclusive and sustainable water and sanitation in South Africa

Executive Summary



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Water and sanitation progress globally is characterised by poor sustainability, social exclusion, weak accountability, poor scalability, and insufficient prioritisation and resourcing.

These issues are symptomatic of system weaknesses, so require systems thinking to tackle them. They are worsened and made more urgent by poor environmental sustainability, growing demand and competition for water, weak governance, structural inequalities, and climate change.

In theory, South Africa has in place many of the requirements to deliver Sustainable Development Goal (SDG) 6 (universal access to water and sanitation): a clear institutional framework, progressive policies and regulations, an engaged and informed media, and an active citizenry that creatively and persistently claims their socio-economic rights, including to water and sanitation. However, in May 2020, the Department of Water and Sanitation (DWS)ⁱ confirmed that only 64% of households had access to a reliable water supply service and the 2019 National Water and Sanitation Master Plan reports that after 26 years, the percentage of the population receiving reliable water services is lower than it was in 1994. Eighteen percent of the population does not have access to improved sanitation.

Many of the challenges associated with water and sanitation service provision relate to the state of local government. National government and donors have invested significant resources in building municipal systems: increasing capacity and strengthening governance. Despite these investments, many municipalities are still unable to deliver a basic and reliable service to all households.



The **three main research questions** to be answered in this research project on *Strengthening municipal systems for inclusive and sustainable water and sanitation in South Africa* are:

- Why has the delivery of basic water and sanitation services not met expectations?
- Why have efforts to improve outcomes resulted in so little success?
- What are the recommendations for strengthening these systems, considering the high failure rate of previous initiatives?

The main conclusions that can be drawn in answering the first two questions – the reasons for the failure of delivery to meet expectations, and the limited impact of efforts to improve delivery – are:

- There is a general failure to apply a systems approach and/or analysis to the delivery of water and sanitation services, and, as a result, large parts of the system are effectively ‘invisible’ as potential contributors to problems. This results in their exclusion from solutions.
- The dominant approach of building technical skills and expertise in water and sanitation services is necessary but represents a response to only part of the larger systemic problems, which include the financial viability of service provision, and the growing inability of households to pay for services.
- The Free Basic Services (FBS) policy was intended to be the foundation of affordable universal access, but the reality is that significant erosion of actual benefits has contributed to increased poverty and inequality. Only around 20% of households funded in the national budget for FBS actually receive them from their responsible municipality.

Residents from a township collect water from a municipal water tanker in drought-stricken Graaff-Reinet in the Western Cape province in 2019.

ⁱ The national department responsible for water and sanitation has had several iterations, as the Department of Water Affairs and Forestry, then as the Department of Water and Sanitation, followed by the Department of Human Settlements, Water and Sanitation. In July 2021, water and sanitation was split from Human Settlements, and is now the Department of Water and Sanitation (DWS). All references to the national department responsible for water and sanitation use ‘DWS’, for simplicity.



A mother washes clothes as an African National Congress (ANC) election poster is seen on the shack she and her family live in at Waterworks, an informal settlement outside Soweto. It took 12 years after the end of apartheid for the Waterworks shantytown to get running water, and 17 years for the ruling ANC to face a voter backlash from its disenchanted residents.

- Detailed and comprehensive problem diagnosis that captures all the actors (people and institutions), factors (social, economic, political, environmental, technological) and the interactions between them contributing to poor delivery outcomes is rarely carried out. Instead, there is a strong solution bias in the system, focusing on the details of a solution while assuming all the details of the problem are known.
- In general, there is little focus on including communities in diagnosing problems, developing solutions, or overseeing municipal service delivery. This exclusion of the community point of view is illustrated in the lack of meaningful action in places where communities have not had access to water for more than two years, or the failure to critically assess the affordability of municipal service bills for poor households (effectively a barrier to access).
- Related to this is the fact that community efforts, through protest or formal channels of engagement, including litigation, have had limited impact in ensuring long-term and sustainable improvements in the quality and reliability of water services. The systemic changes recommended in this report are vital to enable the government to implement court orders and address the demands of its constituents for safe, affordable water services. Revitalised methods of engagement, both formal and informal, are essential to the democratic project, as is the responsiveness and meaningful engagement by municipalities with consumers living in their jurisdictions.
- The current structure of the Intergovernmental Relations (IGR) framework gives limited authority to the national government to enforce delivery standards, but DWS has access to an effective remedy (Section 63 of the Water Services Act) that it is not currently making use of.
- Regarding the funding of infrastructure maintenance, the current model is problematic. Municipalities are required to fund maintenance out of their own revenue (at their sole discretion) rather than out of dedicated conditional grants. The financial strain on many municipalities means they simply do not set aside funds for this purpose. The resulting general deterioration in infrastructure is the main reason for the poor quality of services, including interruptions.

Our recommendations, based on the analysis contained in this report, are:

1 Performance threshold: DWS should, as a matter of urgency, commit to the use of Section 63 of the Water Services Act to deal with serious problems in the sector, and promulgate (promote) detailed applicable regulations to the Act. These regulations should ideally include at least:

- details as to exactly what criteria will be used to determine 'not effectively performing any function imposed by or under the Act' so there is clarity on when an intervention may be triggered.
- details as to how the effectiveness of a provincial intervention will be assessed, including timeframes for doing so (to give clarity to 63(2)(b)).
- the establishment of an internal unit (similar to the Municipal Financial Recovery Services (MFRS) unit within the Treasury) that will assume responsibility for managing such interventions.

This will not only greatly increase national oversight over the delivery of water and sanitation services but will also set a clear tolerance threshold for poorly performing water services authorities (WSAs). This is likely to provide a strong incentive for improved performance.

2 Free Basic Water (FBW) and Free Basic Sanitation (FBSan) provision: The provision of FBW and FBSan (and other) services requires urgent attention, so more poor households can benefit. The various state actors – the South African Local Government Association (SALGA), the National Treasury, and the Department of Cooperative Governance and Traditional Affairs (CoGTA) – need to intervene to (among other things):

- agree on common, less onerous, standards and processes across all municipalities to target FBS to poor households.
- create an 'ombud' type function where households can appeal in a municipal failure to register them for FBS or where they are registered but not actually receiving the services.
- agree on the cost recovery (national budget allocations) for each service. If necessary, fewer households may be funded in the national budget, but the clear goal should be to ensure households funded in the national budget receive services. Alternatively (and ideally), additional funding can be made available (the FBS programme is a relatively small part of the national budget).

One effective oversight mechanism would be for the Auditor-General of South Africa (AGSA) to include the FBS in the annual audit report – including data on how many households receive the services in each municipality, compared with the number funded in the national budget for that municipality. These audit reports are highly visible documents, and the inclusion of the FBS would force each municipality into a discussion about their delivery.



Children playing in the Palala River in the Limpopo province.



Water tanks at Lawley informal settlement near Johannesburg in the Gauteng province.

3 Community participation: Mechanisms for more effective community participation in both the definition of problems and the development, implementation and oversight of solutions, centred on a co-production model (rather than the current Integrated Development Plan (IDP) processes of minimal engagement). In particular, there are significant possibilities for using the resurrected Blue and Green Drop reports as the basis of increasing community engagement around the quality and reliability of services, since the reports clearly indicate which municipalities are falling behind.

4 How could we make community action more effective? This is not an easy question to answer, but some potential areas are:

- Focusing on clear 'one issue' problems, such as the failure to deliver FBW, which stems in large part from the problems with the household indigent (poor) status registration. Focusing on one clear issue, making a detailed list of what needs to be done to address it, and pursuing a long-term strategy would, we believe, increase the likelihood of positive change.
- There are several interesting possibilities based around the use of technology to facilitate social auditing of water and sanitation outcomes by communities, and to integrate these into the annual official audit process (carried out by the AGSA). The AGSA's annual reports always obtain a great deal of media attention and parliamentary discussion. Therefore, they offer a good platform to highlight community issues.

- The fact that legal action in terms of S 139 interventions generally results in the state complying with judgments suggests it may be very worthwhile for civil society to focus on more widespread use of Section 63 of the Water Act (which can be used to trigger an S 139(1) intervention).

5 Services that reduce poverty and inequality: A more pro-poor and developmental approach towards the design of infrastructure in urban areas that (a) considers actual (not assumed) spatial density, and (b) is oriented towards the role of infrastructure in supporting livelihood opportunities rather than the minimum basic service. There is little point in national development strategies around township development if the basic infrastructure in those townships is unable to support such development.

6 Infrastructure maintenance: The current infrastructure maintenance funding model, where dedicated (conditional grant) funding is for new infrastructure and municipalities are expected to fund maintenance out of their own revenue, is clearly not working and needs urgent revision. Failure to do so will result in a further deterioration of services for (predominantly poor) households and burden the state with an enormous bill.

7 Civil society engagement: A programme of engagement with the Inter-Ministerial Committee on Water and Sanitation by civil society organisations active in the water and sanitation sector is needed.