



## An enabling environment for sustainable community water

*Philip Davids, South Africa*

THE SOUTH AFRICAN Constitution (1996) and the Water Services Act (1997) stipulate that the local sphere of government is responsible for providing all citizens with access to basic water services. Democratic local government in those areas of SA which previously formed part of the “homelands”, was only established in 1996. In addition, government is in the process of introducing a number of policy and legal measures to transform local government into performance-driven, people oriented public administrations, with strong development objectives. This new paradigm provides the Wild Coast District Council (WCDC) with major challenges such as setting up appropriate institutional and management arrangements to fulfil Water Services Authority (WSA) functions; to appoint, manage and support Water Services Providers (WSP); and to ensure sustainable and affordable water services through effective cost recovery measures and the application of appropriate technological choices.

As the public custodian of the nation’s water resources, and for various historical and pragmatic reasons, the national Department of Water Affairs and Forestry (DWAF) is presently responsible for managing the bulk of water services provision in the WCDC area. DWAF as part of the national sphere of government, has to transfer the responsibility for water services provision, and the related water services works to the WCDC. The council is reticent to take transfer as it is particularly concerned about how the future operations of these schemes will be funded. The Mvula Trust has completed a study on what is required to create the conditions and an enabling environment in which water services functions and capacity can be transferred to the WCDC.

The study considered the key issues that impact on water services transfer from DWAF to the WCDC. These included, among others:

- Consideration of the new policy paradigm for local water services delivery
- Development of appropriate institutional arrangements as envisaged in the new legislation
- The future funding of capital and recurrent water services delivery costs including the subsidisation of water services to the poor.

### 1. The new policy paradigm.

Local government in South Africa is in the process of being transformed to allow for the participation of community

stakeholders, and places strong emphasis on developmental local government. It includes the creation of new municipal boundaries through a very complex redemarcation process, and the structures and functions of municipalities are being redefined to allow for increased local economic development through integrated (multi-sectoral) development planning and stakeholder participation in implementation processes. The local sphere of government has the specific mandate to ensure access to water services to all citizens.

## 2. Institutional arrangements

### (a) Water Services Authority Standing Committee (WSASC)

Currently the institutional arrangements for water services delivery within the WCDC are poorly defined, which is the cause of much confusion of its roles and relationships with stakeholders such as DWAF, provincial government and communities. The WSA functions are mainly regulatory in nature, and relate to government’s constitutional mandate to ensure access to potable water supply to all people. The WSP functions relate to the nuts and bolts of day-to-day water provision to communities.

The Mvula Trust has recommended that the WCDC establishes a distinct water services authority function as required by the relevant legislation, by establishing a Water Services Authority Standing Committee, consisting of both political and executive representatives. The key responsibilities of the WSASC (the Committee) will be to represent the Council’s political, constitutional and statutory duties and functions, in all aspects of water services delivery, and to perform Council’s “delegating authority” role by delegating functions to its own functionaries and other institutions that it may appoint to perform water services delivery and sanitation functions. A directorate of water services will be responsible for the executive functions of the Committee, and will include:

- Water services development planning and implementation. Synergy with, and incorporation into the council’s integrated development planning processes is to be ensured.
- Water services operations and maintenance and sanitation (Contracting WSP’s)
- Institutional and social development including allocation of subsidies

- Finance, budgeting and procurement
- Legislation, including the making and enforcement of bylaws. There should be an “indigents policy” that provides for equity and ensures reliable and affordable water services to the poor.
- Catchment management, conservation and environment
- Monitoring, evaluation, reporting and mentoring of services providers.

This recommendation has been fully adopted by the WCDC as it clearly defined the role of local political representatives in deciding services delivery priorities, including decisions on cost recovery strategies and subsidisation of the poor. Executive staff has been provided with a framework to distinguish between authority and regulatory functions, as opposed to direct water delivery functions.

### **(b) Water Services Provider options**

When deciding on a strategy for long term sustainable water services, the following issues needed to be considered:

- Minimal bureaucratic and administration costs
- Appropriate technology and levels of service that people can afford
- A vigorous and sustained cost recovery and credit management campaign so that those who can afford to, must pay
- Community/consumer participation when tariffs are decided upon to ensure willingness and commitment to pay.
- The equitable application of grant funding received from national and provincial government for the provision of basic services.
- Council to commit to the progressive refurbishment of those schemes that have fallen into disrepair, and this refurbishment to include the establishment of appropriate institutional arrangements to ensure cost recovery.

### **(b) Community based organisation as WSP**

The Wild Coast District Council is in favour of promoting a community based Water Service Provider model where this is operationally feasible and practical.

The following issues required careful consideration:

- The WCDC must strategise on the management of the service agreements (in the Water Services Development Plan), as there are potentially a very large number of individual projects that will require logistical, management and human resources support.
- Many CBO’s will require external support as they lack the capacity to perform all the functions of a WSP.
- The WSA may also have to contract a separate entity where bulk water supply is needed.
- The need for an excessive bureaucratic structure will have to be limited

- Using community structures to their maximum capacity is the low cost option that can prove to be most sustainable, provided that the appropriate support systems and structures are in place.
- Reducing the need for direct services delivery by the WCDC, and only playing regulatory and support roles.
- Offering the opportunity to make the best use of local skills and resources
- An analysis of the CBO’s roles and responsibilities based on a skill’s audit will determine what support is best suited to that community.
- Logistical accessibility governed by proximity from commercial centres (towns) and topography
- Operational skills availability compatible with the technology choice.

Through creating an enabling environment process the council was convinced, and has adopted a policy to utilise community based water services providers as the most appropriate option for water services delivery to its overwhelmingly rural constituents. This option is compliant with national policy considerations of affordability to the consumer and local economic development, as well as local political considerations such as demonstrating the council’s confidence in community based delivery mechanism. This approach will include the development and support of village water committees and small business enterprises as possible water services providers.

## **2. Funding of water services**

Basic services delivery backlogs are huge in South Africa, and the cost astronomical. Imaginative strategies need to be adopted to ensure rapid increase of delivery. The WCDC must play a strategic policy and visionary role, informed by the participation of all relevant stakeholders, and through recognised integrated development planning processes, arrive at equitable funding practices.

### **(a) Three phased water services delivery**

The reality in the WCDC area is that there are literally hundreds of water schemes that have collapsed or are in various stages of disrepair. In addition it is estimated that it will take more than 20 years to provide all South Africans with a basic level of water supply. Considering the very high costs of providing basic services (25 l/p/d within 200m), and the large number of people who do not have access to potable water, the Mvula Trust has recommended that the WCDC, consider a phased water services supply programme for some of the rural villages.

#### *Phase 1:*

Rudimentary level water supply, consisting of boreholes equipped with handpumps erected at minimal capital costs, and managed by local village water committees to keep O&M costs to a minimum Where possible schemes must be designed to allow for upgrade at a later stage.

*Phase 2:*

Intermediate (basic) level water supply with communal tap stand reticulation, erected with management at the lowest appropriate level. (The handpump to serve as back-up)

*Phase 3:*

Higher level of service could be schemes that allow for yard (household) connections. The mechanism of management will depend on the technical and social complexities of the scheme.

**(b) Cost recovery**

Cost recovery, refurbishment of equipment (where required) and O&M needs to be explored concurrently. The WCDC will have to adopt an extensive cost recovery plan, supported by DWAF's sustainability programmes. Financial compliance from households is often contingent upon timely and effective O&M. This involves:

- Extensive community participation and education strategies are necessary to ensure community "ownership"
- A strong bottom up approach adopted to encourage community/consumer participation in tariff setting
- A flat rate tariff for water services is not advised. Water tariffs must be related to water consumption and the recovering of local water supply costs.
- The legal capacity (bylaws) to limit or disconnect water supplies due to non-compliance must be there.

**(c) Intergovernmental funding transfers**

The local spheres of government are entitled to an "equitable share" of nationally raised revenue so that they are in a position to provide "basic services and perform the functions allocated to it". In addition, local government may

receive conditional or unconditional allocations from the national and provincial governments. Presently various transfer programmes are in existence that are being channelled through the provinces and national departments. It is envisaged by Dept. of Finance that these transfers will evolve over time (seven years) to two basic grants viz. Services) and Institutional) that will flow directly to municipalities. These grants are particularly directed at creating equity in basic services provision to indigent households.

Of particular interest is local government's "equitable share" from national funds for the provision of basic services to poor households. Previously, WCDC sub-structures have utilised this line of funding to finance infrastructure development, and particularly for the building and upgrade of roads, at the expense of providing for water services delivery. Following recommendations made by the Mvula Trust, the council has resolved that a portion of the "equitable share" must be applied to finance basic water services to poor families. The council is in the process of developing an indigents support policy to facilitate payment for local level O&M costs.

**Conclusion**

Through the "enabling environment" project, the Mvula Trust has demonstrated the ability of an NGO to assist local government with the interpretation of water services delivery policy, and to provide practical tools to implement policy without having to compromise principles of equity. This will ensure long term sustainability of water provision.

---

PHILIP DAVIDS is the Institutional and Social Manager of the Mvula Trust. South Africa

---