

Finding the sixth leg of the tripod to a sustainable service provision for an enterprising Madibeng Local Municipality

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Poor water services seems to have been canonized in Madibeng Local Municipality since 2002 when municipalities committed to providing piped water in dwellings from 4484 in 2002 by 100% in 2010 to 8968, and piped water on site from 3031 to 6062, neighbors' tap and public taps from 296 to 592, water supplies by water tankers to communities out of reach or outside the water grid from 69 to 138. There are, however a number of privations for most municipalities including Madibeng Local Municipality in meeting these targets. Inventively, the local municipality has failed to do so due to the large proportion of deprived poor communities in the rural areas which are dependent on the "Indigent Grant" system, the volatility of the cross-subsidization function. Inferior financial management is however not the main reason for failure to provide water services to the beneficiaries<sup>1</sup>. It is obviated by the fact that there are three main sources of funding to cover the costs for water supply services in a municipality. These are equitable share (which is meant to cover the operations and maintenance cost of providing free basic water), the Municipal Infrastructure Grant (MIG) (for capital development) and revenue from water tariffs (for retail and bulk). One can easily without putting the numbers together qualify that there are sources of funding. Dwelling deeper into the ability of Madibeng to provide water services, it became noticeable that one leg of the tripod in the financing was broken i.e. the revenue from the tariffs, attributed to by the indigent population. This is however the ending to the analysis as there dependencies in the trilogy. The amount a municipality receives for its equitable share depends on the number of registered indigents in that municipality's jurisdiction. In many rural municipalities, limited revenue is generated from water tariffs, so they become highly dependent on equitable share allocations. The equitable share allocation, however, depends on the municipality's ability to count the number of indigents in their areas. These names are entered into a detailed register, which needs to be updated regularly. Maintaining the register is a demanding task and the number of indigent people in a municipality is often significantly

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<sup>1</sup> used deliberate as water is seen as a basic necessity according to the constitution of South Africa and violating this, is consequential to imprisonment

underestimated. This makes for further problems with budgeting. Could this be the fourth leg of the tripod and can it be solved by simple system. Prior to the the completion of the study, it was an unpretentious, “yes”. This was predisposition by the importance of cost recovery of at least the recurrent operation and maintenance costs of water services through direct user charges. If applied extensively, cost recovery could free up scarce budgetary resources for capital expenditure, allowing the extension of basic services to all South African households, which is a key objective of the government’s priority plans. Madibeng municipality, like many countrified municipalities, has to increase revenue generation in order to not increasingly depend on grants for funding its operating costs. This state of dependency coupled with *underpricing of services* and high *levels of uncollectable debts* are associated with non-enterprising municipal. Even though, the communities might not be 100% indigents, those that could afford to buy basic services, are being classified as indigent due to the area being classified as indigent. It is however noted that even though these classification system needs to be carefully reviewed for long-term sustainability; the objectives of this study as summarized in this paper is not to conduct a detailed analysis of the indigent classification system. The question is how would the municipalities meet the service provision targets with limited resources? Is the indigent grant sustainable to meet the performance target? In responding to the question, this study examined the five factors contributing to sustainable provision of basic services in Madibeng municipality with an aim to support decision making at the local sphere of government to inform policy development at the provincial and national sphere of the South African government. The researcher used an Integrated Model for Sustainable Equitable Water Provision in Poor Rural as a tool assess the entity’s ability to provide sustainable water services. The researched assessed the six elements as *key* in delivering sustainable water provisioning in Madibeng. These elements are financial, policy and institutional stability, community willingness to contribute, environmental attributes, information systems management and asset management (project sustainability).

In the researcher’s opinion, financial sustainability is the foundation for sustaining water services. If water assets are to be sustainable, the on-going costs of operating and maintaining them need to be met. It would be not ideal to raise the initial infrastructure capital with focus on maintaining these future demands of the assets.

Although the government of South Africa has made an effort to enhance financial sustainability of municipalities through the Equitable Grant System, this system in itself has to be enhanced as it was established to ensure the provision of minimum, basic services and not the long term sustainability and upgrading of these services. The provision of these services to rural communities has to be cross-subsidized as these communities either depend on the social grant or have low level salaries. This cross-subsidization, is in itself problematic as it is not sustainable. The efficacy of the enterprising municipality stems from a community willingness to participate, account and to sustain. In this regard a community is singled out to be a sixth leg as it holds the municipality accountable. The general premise is that it would not be easy to hold someone accountable if one is dependent. Even though the researcher emphasized that the resilience of the community is dependent on the level of knowledge and understanding of the system, in order to drive the accountability levels, it is the role of municipality's to educate the community on its responsibilities and accountabilities. In concluding, it has become prevalent that the community, does not take initiative to report on water problems. Even if the municipality communicates policy changes on billing and revenue collection, the communities are not willing to pay outstanding bills and for monthly usages. The officials agree that communities are not trained in water conservation and accountability processes. It should be noted that community accountability is highly dependent on the availability of credible knowledge and information, which is shared timeously with the community. It should also be noted that without the information, the community would not be in the position to participate and to account to their commitments. It should also be noted that in poor rural areas, accountability goes beyond financial accountability as it takes the form of taking active steps towards reporting on the status of infrastructure and maintenance issues, which is lacking. The Madibeng accepted the limitations of servicing people in the scattered rural settlements. There is an indication that the quality of services are not at expected levels as there is no effective maintenance of the water infrastructure systems.