

**ADDRESSING CHALLENGES WITH WASTE SERVICE PROVISION IN
SOUTH AFRICA**

REVIEW OF FREE BASIC SERVICES POLICIES – OTHER SECTORS

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Executive Summary

The Government of South Africa announced policy intent to provide free basic services (FBS) to poor households in 2000 (DME, 2003). The basket of basic municipal services identified includes water, sanitation, energy and waste collection services. The FBS policy is linked to an indigent policy which targets the poorest communities to alleviate poverty among poor households whilst giving effect to their human rights as outlined in the Constitution of South Africa.

This report contains a review of all existing national FBS policies in terms of methodology used for the development of the policies, implementation, funding sources for policy implementation, effectiveness of policy implementation as well as opportunities, challenges and solutions. This information will be used to inform the development of a Free Basic Waste Collection Services policy for South Africa.

All FBS policies reviewed used a consultative process involving all relevant stakeholders. The differences in capacity at local municipality level require flexibility in implementation of the reviewed FBS policies. Of specific concern in introducing FBS policies are the cost implications of implementation to service providers as well as guidelines on implementation. Selected pilot studies proved to be valuable in this regard.

The cost of providing FBS must be budgeted for in the medium term expenditure framework (MTEF) of the municipalities. Municipalities are heavily reliant on the equitable share and other national grants to fund FBS. In general tariffs are seen as supplementary sources to the delivery expenses, but cross subsidisation of services is generally not viewed as a primary means of financing FBS.

The implementation of FBS is faced by many challenges that can be grouped into:

- Policy;
- Implementation considerations;
- Financing;
- Municipal capacity to rollout FBS;
- Tracking outputs and reporting;
- Planning and sustainability;
- Local partnerships;
- Communication; and
- Co-ordination between national government departments and municipalities.

A few important issues to consider when drafting the Free Basic Waste Collection Services policy are:

- Appropriate technology
- Easy to use models for financing
- Using a rising block tariff with a zero first block allows for cross subsidisation
- The policy must be linked to the indigent policy
- Administration of a FBS policy is expensive
- Local councillors have an integral role to play in monitoring FBS implementation to ensure that the indigent benefit from the FBS policies.

List of Abbreviations

DEAT	Department of Environmental Affairs and Tourism
DME	Department of Minerals and Energy
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
FBAE	Free Basic Alternative Energy
FBE	Free Basic Electricity
FBS	Free Basic Services
FBSan	Free Basic Sanitation Service
FBW	Free Basic Water
MTEF	Medium Term Expenditure Framework
RDP	Reconstruction and Development Programme
RSA	Republic of South Africa
VIP	Ventilated Improved Pit (toilets)

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1 Background and Purpose

The Constitution of the Republic of South Africa (RSA, 1996) provides the basis for free basic municipal services. Specific sections of the Constitution that are of relevance include:

Section 9	Equality for equal enjoyment of all rights and freedoms
Section 10	Human dignity and the right to have their dignity respected and protected
Section 24	The right to an environment that is not harmful to their health or well being including prevention of pollution and ecological degradation
Section 27	The right to have access to sufficient food and water
Section 152	The objective of local government is to ensure the provision of services to communities in a sustainable manner

In 2000, the Government of South Africa announced policy intent to provide free basic services (FBS) to poor households (DME, 2003). The basket of basic municipal services identified as basic services to be supported by Government's programmes in respect of poor households included water, sanitation and energy. The FBS policy is linked to an indigent policy which targets the poorest communities to alleviate poverty among poor households whilst giving effect to their human rights as outlined above.

Initially the provisioning of free basic water and electricity was prioritised but sanitation and waste collection services were also included in the FBS policy. This can be viewed as a "formalisation of cross subsidy approaches and the national application of such approaches to ensure that those households who cannot pay for services are not denied basic municipal services" (DEAT, 2002: 24).

The provisioning of waste services in South Africa faces many challenges (Oelofse & Godfrey, 2008). The South African Environment Outlook Report (DEAT, 2006) indicates that the levels of municipal waste collection countrywide, has only improved by 2.7% between 1996 and 2001, with almost 50% of the South African population not receiving a regular waste collection service (DEAT, 2006). Municipalities are however obliged to collect waste from all urban households in terms of service requirements (DEAT, 2007). In February 2008, President Thabo Mbeki committed government to accelerated universal access to municipal services by 2014 (Mbeki, 2008).

This report therefore reviews available policies relating to the delivery of free basic water, energy and sanitation services in terms of methodologies and processes followed in the development of these policies. It further assesses the implementation of these policies, highlighting opportunities, challenges and solutions. In addition, an assessment of the effectiveness of the implementation of these policies was done in order to inform the development of a FBS policy for waste collection services.

2 Methodology

This part of the project was undertaken as a desk top study covering a thorough literature search on available FBS policies. National government department websites were the main source of information and where information was not readily available on the internet; specific documents were sourced from within the relevant government departments. The literature search was also expanded to cover research findings and scientific papers on the effectiveness of policy implementation.

The statements made and conclusions drawn in this report are solely based on the available documented data and research findings. The project team can therefore not be held accountable for the accuracy of the data on which the conclusions are based.

3 Free Basic Services Policies

Since the inception of the Reconstruction and Development Programme (RDP) in 1994, a dual strategy on basic services has been developing. As services have been extended to a greater proportion of the South African population, the government has initiated cost-recovery policies on the principle that ‘the user pays’. It has also developed poverty alleviation programmes that acknowledge that a significant proportion of South African households are too poor to pay for basic services. As such, “cost recovery and free basic services have (thus) become two sides of the same policy coin” (Mosdell & Leatt, 2005: 3).

To date a total of four policy projects were initiated to give effect to the FBS Policy as envisaged by Cabinet in 2001. These include:

- Free Basic Electricity by the Department of Minerals and Energy (DME)
- Free Basic Alternative Energy by the Department of Minerals and Energy (DME)
- Free Basic Water by the Department of Water Affairs and Forestry (DWAFF)
- Free Basic Sanitation also by the Department of Water Affairs and Forestry (DWAFF).

The Electricity Basic Services Support Tariff (Free Basic Electricity) Policy for the Republic of South Africa took effect on 1 July 2003 (DME, 2003). On 2 April 2007, the Free Basic Alternative Energy Policy (DME, 2007) was published in the Government Gazette. The Strategic Framework for Water Services was approved by Cabinet on 17 September 2003 (DWAFF, 2003) covering both free basic water and sanitation services. Each of the policies will be discussed in the following sections.

3.1 Free Basic Electricity

The free basic electricity (FBE) policy was first announced in 2000, promulgated in 2002 and launched in September 2004 (Bekker et al., 2008). The policy provides for a ‘self-targeted’ subsidy consisting of 50kWh/month of free electricity to poor households, identified either by willingness of these households to accept a limited supply capacity of 10A (households have to apply), or by a very low consumption level (in which case the subsidy is automatically allocated) (DME, 2003). The capital cost of electrification and FBE are both funded from the fiscus. The tariff for small consumers is an energy-based charge without a minimum monthly component and is effectively subsidised by large consumers. The cost of the FBS and the technology of implementation are therefore regulated by government’s electrification plans (Bekker, et al., 2008).

3.1.1 Policy development

A multi stakeholder Task Team was formed to commission pilot studies in order to gain an understanding of the main issues to be considered in the formulation of a FBS policy framework (Bekker, et al., 2008). Of specific concern to DME were the cost implications for implementation and the possible impacts of the FBS policy on the electricity supply industry. A total of eleven pilot projects were established throughout South Africa and culminated in a draft research report entitled: “Options for basic electricity support tariff”. The research report was extended to pursue socio-economic implications of the recommended options as well as

to cover the load implications of the options on the electricity infrastructure during a typical winter season (DME, 2003).

The policy document notes that “while not all the research findings and recommendations were in line with the policy intent, the contents of the report was useful in arriving at certain policy recommendations” (DME, 2003:10).

3.1.2 Implementation

The FBE policy is implemented through existing service channels. In 2005, 30% of municipalities included in the study by DPLG (DPLG, 2005) indicated that the majority of households in their area were connected to the national electricity grid. The DME in consultation with the DPLG and National Treasury determines the extent of provision of FBE which can be funded through internal governmental transfers. This is done on an annual basis and the allocation of the funds is based on an agreed business plan between the funding authority and the service provider. The funding allocations are determined by the extent of poor households registered with the service provider (DME, 2003).

Households receiving FBE allocations, whose demand or consumption exceeds the limits of FBE as set out in the policy, would be an indication that they may be in a position to afford full electricity services. These consumers should be removed from the FBE allowance and treated the same as any other household receiving the full electricity service (DME, 2003). Electricity service providers may however, also create and offer lower tariffs for special customer categories within the broader approved tariff structures of the National Energy Regulator (DME, 2003).

3.1.3 Funding sources

The cost of providing FBE must be included in the medium term expenditure framework (MTEF) budget of the municipality. Where service providers have been allocated inter-governmental grants to provide for operating cost in respect of basic services, such municipalities must pass on the benefits of the grants to targeted households. FBE allocations must be provided in line with the FBE policy for the corresponding financial year (DME, 2003). In 2005, a total of 110 municipalities reported that they did not have adequate capital investments in their MTEF to address their FBE provision (DPLG, 2005).

Municipalities rely heavily on the equitable share (56%) and other national grants (4%) to fund FBE initiatives. Tariffs are seen as a supplementary source to the delivery expense, and comprehensive cross subsidisation is not anticipated (DPLG, 2005).

3.1.4 Effectiveness of FBE policy implementation

A comparison of the percentage households receiving FBE over time (Table 1) gives a broad perspective on the sustainability of the implementation of the FBE policy. It is however acknowledged that there are numerous factors that may impact on these statistics.

Two categories of customers receive free FBE (Eskom, 2008):

- customers who receive a monthly electricity bill, adjusted to allow for their free electricity entitlement; and
- customers who buy prepaid electricity tokens and collect their free basic electricity token from an electricity vendor.

Table 1: Percentage of households receiving free basic electricity (Stats SA, 2008)

Province	2006	2007
Western Cape	51.2	52.3
Eastern Cape	39.5	35.4
Northern Cape	41.2	35.7
Free State	71.5	67.0
KwaZulu-Natal	11.0	12.4
North West	22.9	27.1
Gauteng	83.5	51.7
Mpumalanga	46.7	45.8
Limpopo	21.6	18.9
South Africa	47.3	38.0

Eskom provides FBE in its supply areas recovering the costs of supply from municipalities at a standard tariff. Differences between the customer tariff and the applied free basic electricity standard tariff, implementation costs or other costs, result in under-recovery which should also be recoverable from government. Eskom has engaged with various inter-governmental stakeholders to find a sustainable solution for any under-recoveries that arise as a result of providing FBE under the current policy and guidelines (Eskom, 2008).

In 2008, 241 municipalities were contracted to deliver FBE and a total of 98% (236) of these municipalities were delivering FBE to approved consumers (Eskom, 2008). By March 2007, only 65% of households reconfigured by Eskom to receive FBE actually consumed the FBE. The percentage reconfigured households consuming FBE increased to 98% in 2008 (Eskom, 2008). “There is little doubt that free electricity has improved the livelihoods of poor households. Free basic electricity is reducing household expenditures on energy and thus freeing income for other purposes; it has expanded the use of a clean fuel at the expenses of mainly dirty alternatives” (Howells et al, 2006).

In 2005, municipalities expressed optimism in being able to meet the national target for FBE however, the planning, funds available and infrastructure that municipalities had in place at the time, did not support this optimism (DPLG, 2005).

3.1.5 Opportunities, challenges and solutions

Despite good progress with the implementation of the FBE policy, practitioners and policy makers became aware of a number of difficulties in achieving sustained and sustainable services including (Hemson, 2004):

- Low consumption by most of the newly connected and difficulty in meeting normal operating costs.
- Electrification of rural communities has been regarded as ‘particularly problematic’ with high levels of costs involved for the following reasons:
 - Settlement density is low and the cost of interconnecting houses in a local grid is high
 - Considerable distance from the existing grid require additional cost of a feed line, and
 - The cost of revenue collection is an important factor.
- Investment cost in the distribution networks is falling significantly short of that required to maintain the assets and to extend the network to meet the growing demand.

Policymakers have to balance the need in poorly serviced rural areas with the high demand from urban areas which are better resourced yet have much larger populations and a stubborn level of backlog (Hemson, 2004). Rural municipalities which have a high rate of increase in electrification (ranging from 53-74%) appear to have worked closely with Eskom to provide and sustain services, despite high levels of poor households within the municipality (Hemson, 2004). The declining rate of electrification in municipalities can probably be explained by the extension of municipal boundaries, disconnections and administrative difficulties in accessing support funding (Hemson, 2004).

The reasons for success and failures needs further research in order to understand the dynamics of municipal service delivery (Hemson, 2004).

3.2 Free Basic Alternative Energy

Implementation of the FBE policies suffers because of limited grid availability. Indigents residing in un-electrified areas are equally in need of FBE. In this regard, the free basic alternative energy (FBAE) policy is intended to provide indigent households with alternative energy where electricity is not available (DME, 2007).

A municipality must identify a suitable alternative energy source for its community and ensure effective distribution thereof to the identified indigent households. Energy to a value of R55 per household is stated as the minimum FBAE allowance. The figure should be increased on an annual basis by inflation rate plus 1.5%. The DME will revise the minimum on an annual basis (DME, 2007).

3.2.1 Implementation

The sole intention of this policy is to assist in the provision of energy to households. The FBAE programmes should therefore commence in areas (DME, 2007:9):

- Most distant from the grid electricity;
- Where no solar home systems programme is planned;
- Where there are no immediate plans to electrify the area; and/or
- Where energy poverty is prevalent.

Municipalities must select suitable energy carriers to be funded and supplied through their areas. Selection criteria to be considered (DME, 2007) include:

- The energy carrier must be safe and environmentally friendly;
- Supply channels must be available or easily established within their area of jurisdiction;
- The energy carrier must be affordable to the municipality;
- The energy carrier must be sustainable;
- Provision of such an energy carrier must create job opportunities for local people where possible; and
- The energy carrier must be adaptable to indigent households.

Once the energy carrier has been identified, the municipality must conduct awareness campaigns informing beneficiaries on how best to apply the chosen energy carrier. The campaigns must include but not be limited to the safe use of the energy carrier, safe handling and storage to minimise health risk associated with such energy carriers (DME, 2007).

3.2.2 Funding sources

Funding is a critical aspect to successful implementation of any poverty alleviation initiative. The equitable share grant is disbursed by the DPLG to local government for the provision of FBE. In the absence of infrastructure to provide FBE, these funds must be channelled to

FBAE. Municipalities are encouraged to supplement the FBE grant from their own income sources (DME, 2007).

3.2.3 Effectiveness of FBAE policy implementation

A summary of the number of households reported in the non-financial census of municipalities as receiving FBAE is provided in Table 2. No other references as to the effectiveness of the policy could be sourced by the project team to date.

Table 2: Number of indigent households per province provided with FBAE in 2007 (Stats SA, 2008)

Province	Coal	Liquified petroleum gas	Paraffin	Candles	Solar	Fire gel	other
Western Cape	0	0	0	0	0	0	0
Eastern Cape	0	0	0	0	24 112	750	0
Northern Cape	38	0	512	334	18	0	349
Free State	0	0	0	0	0	0	0
KwaZulu-Natal	0	0	200	200	6 054	27 650	300
North West	0	0	0	0	0	0	0
Gauteng	0	0	0	0	0	0	0
Mpumalanga	0	1400	0	0	1 400	0	0
Limpopo	0	0	0	0	6 290	540	0
South Africa	38	1400	712	534	37 874	28 940	649

3.3 Free Basic Water

In response to government's commitment to FBS, the Department of Water Affairs and Forestry (DWAF) commenced the implementation of a national free basic water (FBW) strategy in February 2001. Cabinet approved a policy to provide 6 000 litres of safe water per household per month (DWAF, 2002). The South African standard is defined as 25 litres per person per day, which is a level sufficient to promote healthy living (this amounts to 6 000 litres per month for a household of eight people (DWAF, 2002). However, local authorities should still have some discretion over this amount. In some areas they may choose to provide more, while in other areas only a smaller amount may be possible (Sussens & Vermeulen, 2001). The primary intended recipients of FBW are poor households for whom FBS represent a significant poverty alleviation measure but there is broader policy commitment to extend the FBS to all households (DWAF, 2002).

Municipalities can choose from three targeting options in implementing the FBW policy in their areas (Hall et al, 2006):

- **Rising block tariff** – where a free basic amount (or block) is provided to all water users and the next portions of water usage (or block) are charged for at increasing rates for increasing consumption;
- **Targeted credits or subsidies** – where people considered 'indigent' get a subsidy amount credited to their bill every month; or
- **Service level targeting** – The most common form of service level targeting is the communal tap system, which should be available within 200m from every home without water on site. People are unlikely to carry larger quantities of water than the free basic portion.

3.3.1 *Policy development*

A task team with representatives from many fields was established. Through a comprehensive consultation process, pertinent issues that would need to be addressed and clarified in a strategy document were identified. These could be broadly categorized as (Sussens & Vermeulen, 2001):

- **Local government capacity** – local authorities will have to ensure that the subsidies get to the correct beneficiaries, manage water demand and conservation, undertake operation, maintenance and replacement, meter and bill consumers etc.
- **Financial** – Each local authority area is unique and there will not be one financial solution fit for all.
- **Technical** – Some means of measuring and controlling the amount of water supplied is required. This will have implications especially for the type of dispensing technology. Implementing appropriate technology on new schemes is one thing, but retrofitting could be required for existing schemes.
- **Communication of the policy and process** - It is essential not to create unrealistic expectations (FBS cannot be implemented overnight).

Following the identification of the issues listed above, a literature survey, particularly in other developing countries, of poverty relief options was undertaken and eleven national case studies done. Hereafter a draft strategy document was produced, workshopped widely and refined (Sussens & Vermeulen, 2001).

3.3.2 *Implementation*

The broad implementation strategy is based on a phased approach, the provision of national guidelines with local flexibility and ongoing management support. An interactive, user-friendly, guideline document and financial model were prepared, made available and explained to local authorities at a series of workshops countrywide. Four pilot projects were commissioned to test the guideline and model. Finally, provincial support units have been established to assist local authorities where necessary (Sussens & Vermeulen, 2001).

After a mere nine months of implementation, more than half of the South African population received FBW (Sussens & Vermeulen, 2001). In 2002, it was reported that almost 67% of the total population with access to infrastructure were receiving FBW (Muruvan, 2002). The challenge is however to sustain this. Sussens & Vermeulen (2001) believe that a phased increase in the national subsidy and the continuation of the local government capacity building programme will ensure sustainability.

However, not all reaction to the implementation of the policy was positive. The lack of infrastructure in many rural areas in South Africa, resulted in premature and perceived unfair implementation of the policy (Muruvan, 2002).

3.3.3 *Funding sources*

The majority of municipalities indicated that the capital investment reflected in the MTEF was not adequate to address the FBW needs in the municipality (DPLG, 2005). Municipalities rely heavily on the Equitable Share as the primary sources of funding for FBW. Other national grants provide complimentary sources of funding. Municipal tariffs serve as supplementary resources, but will not sustain the provision of FBW. Municipalities do not view cross subsidisation as a primary means of financing FBS (DPLG, 2005).

3.3.4 Effectiveness of FBW policy implementation

In 2005 a total of 207 municipalities were reported to be providing FBW (DPLG, 2005). Municipalities reportedly prefer to provide FBW to individual households reflecting household or yard connections as the appropriate level of service (DPLG, 2005).

The provision of FBW have resulted in a doubling or even trebling of water consumption with very important implications for health and well being in rural communities (Hemson, 2004). There seems to be a downward trend in the percentage of households receiving FBW (Table 3), this may however be explained by changes in the implementation strategies of municipalities.

Table 3: Percentage of households receiving free basic water (Stats SA, 2008)

Province	2006	2007
Western Cape	91.0	91.0
Eastern Cape	52.5	47.0
Northern Cape	46.7	44.1
Free State	81.9	82.8
KwaZulu-Natal	79.1	78.1
North West	62.7	63.1
Gauteng	100.0	80.1
Mpumalanga	74.6	68.7
Limpopo	47.2	45.8
South Africa	76.0	70.4

There are many information gaps in assessing the effectiveness of the FBW policy. However, it is likely that on average, more non-poor households benefit from the FBW policy than the poor since poor people are not necessarily connected to the necessary infrastructure for receiving any level of basic water service. Constraints on institutional capacity, where poorer municipalities are less able – both administratively and financially – to implement the policy as effectively as in wealthier, better resourced municipalities, is another important factor influencing effective implementation (Mosdell & Leatt, 2005).

According to the Centre for Applied Legal Studies (Dugard & Tissington, 2008), international experts have stated that 25 litres per person per day is insufficient water to lead a healthy and dignified life, this is especially true for people living with HIV/AIDS. The recommendation is therefore that the FBW amount should be increased to at least a minimum of 50 litres per person per day. It was also noted that in poor areas there are often more than eight people to a household and backyard dwellers living on the property, thus quite often many residents are excluded in the determination of 6 000 litres per household per month allocation (Dugard & Tissington, 2008). The submission to parliament quotes figures of 16 people per household in Phiri and that the number of residents per yard far outnumbers the members residing in the household (Dugard & Tissington, 2008).

3.3.5 Opportunities, challenges and solutions

The FBW implementation strategy (DWAF, 2002) listed the following constraints to implementation:

- **Financial:** how to finance and target the supply of FBW in a sustainable and efficient manner.

- **Socio-political:** how to establish successful communication and co-operation between consumers, councillors, local government officials and different spheres of government.
- **Institutional:** how to develop the required organisational capacity and working relationships between different institutions.
- **Technical:** how to choose the appropriate technical service level options to facilitate free basic water.

Key challenges of the FBW policy according to the Strategic Framework for Water Services (DWAF, 2003) are as follows:

- The provision of infrastructure (facilities) necessary to provide access to water to all households.
- The development of subsidy mechanisms which benefit those who most need it (including households in remote areas, especially those serviced by small local systems and vulnerable groups such as female- or child-headed and HIV/Aids-affected households).
- The equitable treatment of large households and multiple households sharing one connection.
- Collecting revenue for services rendered over and above an allocated free basic amount.

DWAF has developed a FBW strategy together with a set of guidelines to assist water services authorities to implement the free basic water policy (DWAF, 2003).

The key constraints to delivery are found in insufficient capacity and in uncertainty in funding (Hemson, 2004). It further appear that projects are designed to provide for a community in phases, but after the first phase is initiated, project and funding difficulties are encountered resulting in modifications to the original plan. These changes often result in substantial parts of a community being excluded (Hemson, 2004).

Specific challenges identified can be grouped and include (Hemson, 2004):

- **Policy and strategy**
 - The priorities in spending are not easily reached and often take the form of long debates between councillors and among officials.
 - There is often confusion over procurement policies with unresolved contending views.
 - Municipal strategies can be contradictory: where there is a limited amount of funding the spending is spread among various constituencies and villages rather than dealing with one area at a time.
- **Finances**
 - The capacity problems relating to inexperienced staff generally take the form of municipalities not being able to manage their finances.
 - Despite established budgetary procedures there is often uncertainty about how much money is available. Uncertainty about budgets can have human resource implications for contractors and delay delivery.
 - Invoices are not paid within good time.
 - Changing between systems in the switchover between DWAF and municipalities can lead to delays in payments.
 - Transfer of funds is often problematic.
 - Progress on projects is not always clear resulting in reluctance to pay invoices without confirmation that the work is done.
- **Institutional**
 - Support initiatives developed by DPLG do not reach all local municipalities.

- Sometimes there is resentment of external intervention.
- **Human Resources**
 - Very high staff turnover, especially in rural municipalities. Few professionals are prepared to work in rural areas.
- **Communication**
 - There is a problem with effective communication between line departments and local government officials.
- **Equity**
 - Lack of spending by local municipalities often result in reallocation of funding to municipalities that are able to spend the money. This result in long term equity problems with implementation.

3.4 Free Basic Sanitation

The DWAF published a White Paper on Basic Household Sanitation in 2001, which focuses on the provision of a basic level of household sanitation to mainly rural communities and informal settlements (Muruvan, 2002). The free basic sanitation (FBSan) policy is to assist in promoting affordable access by poor households to at least a basic level of sanitation service. The policy does not define the technology to be used in providing the service. This decision, made by the water services authority, is key to the success in providing the FBSan in a sustainable manner (DWAF, 2003).

The selection of technology is strongly dependent on settlement conditions. Water services authorities must typically address the following situations (DWAF, 2003):

- In urban areas, where many businesses are located and where residential densities are high, waterborne sanitation is generally the most appropriate technical solution and should be regarded as a basic level of service for the purposes of FBSan policy.
- In rural areas, where housing densities are low and few businesses are located, on-site technical solutions are an appropriate basic level of service.
- In intermediate areas (i.e. peri-urban areas or rural areas where settlement densities are high), a water services authority must decide on an appropriate technology which is financially viable and sustainable. In most instances, on-site sanitation systems are likely to be the most appropriate solution. Care must be taken when choosing waterborne sanitation systems in this context. The water services authority must ensure that the water service provider will be able to maintain and operate this system sustainably over time with the available funds.

3.4.1 Policy development

The Strategic Framework for Water Services (DWAF, 2003) has been developed through a consultative process. Meetings and workshops were held around the country with a wide range of stakeholders. Feedback received at these meetings and all written comments received from stakeholders and the public have been taken into consideration (DWAF, 2003).

3.4.2 Implementation

The following have been identified as possible approaches towards implementing a FBSan policy (Muruvan, 2002):

- A rising block tariff linked to water consumption (with a free basic amount to all consumers within the first block).
- Setting the sanitation tariff as a proportion of the water bill.
- Targeted credits or subsidies.
- Incorporating sanitation with property rates.
- Service level targeting.

- Using a charge based on plot size (with a zero rating for properties under a determined threshold).
- Geographical (zonal) targeting.

Note: these approaches refer to operating subsidies and does not consider capital cost.

A total of 113 municipalities were rolling out FBSan in 2005 (DPLG, 2005). It was reported that the majority of municipalities (53%) preferred flush toilets for FBSan. This is followed by VIPs (13%) and Septic Systems (2%) (DPLG, 2005).

3.4.3 Finding sources

A total of 116 municipalities did not have adequate capital investment in the MTEF to address their FBSan provision (DPLG, 2005). As with FBW and FBE, municipalities rely on the equitable share and national grants to support the FBSan processes.

3.4.4 Effectiveness of FBW policy implementation

An estimated 8.3 % of households in South Africa still have no toilet facility or are using the bucket system (Stats SA, 2007). The percentage of households receiving FBS is depicted in Table 4.

Table 4: Percentage of households receiving free basic sanitation (Stats SA, 2008)

Province	2006	2007
Western Cape	67.5	76.8
Eastern Cape	46.7	45.5
Northern Cape	40.3	35.1
Free State	52.1	58.2
KwaZulu-Natal	43.7	20.7
North West	20.3	14.2
Gauteng	65.6	75.3
Mpumalanga	43.9	30.3
Limpopo	18.4	42.3
South Africa	50.1	48.8

The sustainability of the FBS policy implementation will largely be determined by the appropriateness of the technology option implemented. The encouragement of VIP usage, emphasising human dignity, has translated into status, and VIP superstructures have become immovable brick superstructures (Buckley et al, 2007). This precludes the VIP being moved with any degree of ease, and results in pits having to be evacuated when full. Many VIP's are also not designed to be cleaned, resulting in manual emptying, where people dig excreta and solid waste out of the pit, using shovel, buckets and other implements. This work is not only unpleasant, but poses a number of health risks if not managed carefully. "Clearly, this is not sustainable in the long term" (Buckley et al, 2007).

3.4.5 Opportunities, challenges and solutions

The main challenges of providing FBSan are threefold:

- **Infrastructure provision.** The key challenge here is the provision of the sanitation facility itself to poor households (together with the necessary supporting infrastructure).

- **Health and hygiene promotion** must be provided in a co-ordinated manner and must be properly managed and adequately funded if FBSan is to become a reality. This requires close collaboration between the district municipality responsible for environmental health, the water services authority and the water services provider.
- **Subsidising the operating and maintenance cost.** If the basic service is to be provided free to the poor then the water services authority must ensure that the costs of providing the services are covered by the local government equitable share and/or through cross-subsidies within the water services authority area. These funds must be paid to the water services provider who operates the service or directly to the households. All water services authorities must develop a policy to define how this will be addressed.

4 Concluding remarks

The primary intent of all FBS policies is to provide affordable and sustainable services to the poor as part of government's poverty alleviation strategies and recognising that cost-recovery based on the principle that 'the user pays', excludes the poor from access to basic services.

All the FBS policies reviewed were developed in consultation with a broad spectrum of stakeholders. Recognising the differences in capacity at local municipality level and site specific conditions, flexibility in implementation at local level was viewed as important in all three sector policies. Implementation of the FBE and FBW policies are the most advanced.

The challenges in the implementation of all the FBS policies are very similar, including issues of finance, capacity, reporting, planning, partnerships and communication (Mosdell & Leatt, 2005). The study by DPLG (20065) on the challenges faced by municipalities highlighted the following specific challenges faced by municipalities when implementing FBS:

- **FBS policy**
 - A consistent definition of an indigent household across service areas which applies to all FBS provision is required. This will allow for a clearer assessment of the implementation of the FBS and the monitoring of delivery.
 - Consistency with regard to whether FBS is a targeted or broad-based policy, which impact upon who should benefit from the service.
 - The establishment of indigent registers and indigent databases to ensure that the services are tracked.
 - Municipalities are unsure of the policy requirements of FBS, as there are varying perspectives put forward from the national departments supporting FBS. They require guidelines to support their implementation.
- **Implementation considerations**
 - The targets for implementation need to be reviewed against progress made by municipalities to date, as well as the capacity that municipalities have to roll out services. This will allow a more realistic determination of whether municipalities would be able to deliver FBS within the set target dates.
 - Infrastructure backlogs are impacting on the rollout of FBS. High numbers of the targeted beneficiaries of FBS are those who have not previously been serviced due to a lack of access to appropriate infrastructure, and cannot be serviced in the absence of appropriate infrastructure being created.
 - The implementation of alternative sources of energy to communities without infrastructure is viewed only as an interim measure. Electricity is viewed as the only safe, viable means of supplying energy to households.
 - Consideration needs to be given to providing services (for FBW and FBE) at an appropriate and affordable service level that can be sustained by

- municipalities. Alternative options with regard to service provision should be explored.
- **Financing FBS**
 - A lack of funding for FBS provision has been highlighted strongly by municipalities. Municipalities are unable to finance the full scale of their FBS commitment without assistance from national government.
 - The number of households that qualify as indigents are high and the possibility of cross subsidising the delivery internally are limited to larger, wealthier municipalities.
 - Municipalities experience difficulties in planning and determining the full extent of the financial cost of FBS provisions.
 - **Municipal capacity to rollout FBS**
 - There is an expressed need for a structured capacity building programme targeting both councillors and officials, to support FBS provision.
 - Support directed at municipalities from national departments needs to be aligned so as to ensure that there is a cohesive intervention.
 - There is very little shared learning taking place at municipal level around FBS.
 - Municipalities experience difficulty in attracting and maintaining high quality technical skills.
 - **Tracking outputs and reporting**
 - Monitoring and tracking of FBS provision is generally not taking place.
 - Municipalities are not in a position to assess whether the “right” people are benefiting from the FBS and whether FBS has made any impact on the poverty conditions within the communities or the quality of life of beneficiaries.
 - Municipalities reports on progress for a number of different national and provincial departments. While the reporting templates differ, much of the data collected is the same. Co-ordination of reporting and engagement with national departments has been highlighted as an area of need by municipalities.
 - **Planning and sustainability**
 - FBS is not adequately detailed in the municipal IDPs.
 - Municipalities lack the technical ability to adequately plan for FBS implementation.
 - FBS is not being planned as a long-term commitment to communities as municipalities are not optimistic that they would be in a position to sustain the service over time.
 - There are few links between FBS implementation and programmes to create economic opportunities for indigents, therefore FBS are not supporting poor communities to move out of poverty.
 - **Local partnerships**
 - Municipalities currently work extensively with ward committees to support the development and implementation of the indigent policy.
 - Ward committees are both links to communities and partners in service delivery.
 - Municipalities have reported that ward committees play a crucial communication and monitoring role in support of FBS provision.
 - Municipalities have highlighted the need for ward committees to have clear terms of references for their communication and monitoring and evaluation role and to be trained to provide these activities.
 - **Communication**
 - Municipalities have identified the need for support from national government and tools to assist in communicating with potential beneficiaries about FBS.

- **Co-ordination between national government departments and municipalities**
 - The centralisation (or co-ordination) of municipality reports to national departments would ensure more accurate data. There would be a common reference point on municipalities for national departments and the ability to cross reference data received.
 - The alignment of support initiatives would create a better picture of the capacity and needs of municipalities nationwide and what support is most needed.
 - Agreed standards and guidelines for FBS across sectors would support greater ease of implementation.

A few important issues (Muruvan, 2005) to keep in mind when developing the free basic waste collection services policy are:

- Appropriate technology
- Easy to use models for financing of the policy
- Using a rising block tariff with a zero first block allows for cross subsidisation
- The policy must be linked to the indigent policy
- Administration of a FBS policy is quite expensive
- Local councillors have an integral role to play in monitoring indigent households in their communities to ensure that only the poorest of the poor benefit from the policy.

The main aim of FBS policies are poverty alleviation. Job creation initiatives should therefore be encouraged as part of policy implementation.

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