



The challenge: A boy drawing water for drinking from a very polluted source in a community near Ulundi.

RACE TO IMPROVE DELIVERY: CAN PROMISES BE MET?

By David Hemson

The incoming government has announced that service delivery will be the watchword of all departments and has spelt out targets: providing a million jobs, halving the number of people in poverty, delivering water for all by 2008 and sanitation by 2010. With appreciable proportions of the population experiencing unemployment or poverty, these are vital promises; and the question is whether they can be practically realised with existing financial commitments in annual budgets.

In a position paper presented to Treasury,

the progress made in water services and electricity is spelt out as well as the spending commitments needed to make promises come true. This forms part of a dialogue over resource allocation.

The paper, entitled *Beating the Backlog: Meeting Targets and Providing Free Basic Services*, concludes that considerable additional resources have to be dedicated to delivery to beat the backlog. It reveals that, to date, most of that spending has benefited urban and peri-urban households and that rural local authorities are often struggling to provide

basic infrastructure and social services, especially water, sanitation and electricity, to the rural poor.

BACKLOG GROWING

The backlog of people who are not served with water appears to be growing, largely because the population is expanding in areas most difficult to reach.

It appears that a considerable proportion of the 2.146 million additional households recorded between the censuses of 1996 and

2001 are among the poor and are more likely not to be served.

The challenge is one of considerable proportion in the mobilisation of communities, the organisation of systems of delivery and the provision of additional financial resources. The South African population does not stand still and even accelerated delivery does not mean the backlog is being substantially reduced.

In 1994, the apartheid backlog in water delivery was some 12 million people; now despite provision to just short of 9 million the backlog is calculated at 10.6 million at the Reconstruction and Development Programme (RDP) standard of a tap within 200 metres. Differences in statistics often centre around definitions: the 8.8 million who benefited mostly comprise 4.3 million below RDP standards and a smaller proportion of 3.5 million accessing taps at the RDP standard or better.

The backlog for electricity provision has proved equally stubborn, largely because of the cost of new infrastructure. Here the backlog is growing. While it was estimated that 2.75 million households would be without electricity by the end of 2000, the report shows the actual number was 3.65 million.

Over the longer period the size of the country's backlog in electricity rose from 1.80 million to 3.00 million households between 1996 and 2003.

ALL SYSTEMS IN PLACE?

If backlogs are either not being reduced or only slightly reduced, what is the answer?

The RDP put forward a vision of an engaged citizenry working together with a government committed to human development.

It spelt out targets and objectives for the provision of services as the first step towards development. It also carried an argument for the increased provision of resources to make this possible but did not set out the figures. This report calculates just how much more is needed.

It comes at a time when the World Development Report, 2003, makes the following argument: 'To accelerate progress in human development, economic growth is, of course, necessary. But it is not enough. Scaling up will require both a substantial increase in external resources and more effective use of all resources, internal and external. As resources become more productive, the argument for additional resources

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becomes more persuasive.'

In South Africa, the question is not so much of 'scaling up' a process well underway, as of meeting the backlog in services and raising the level of service.

At times the delivery system is at fault. Although funds are allocated to provinces on the basis of the poor not served, these are not always spent, such as in Limpopo, for example, where the growth of the backlog has considerably outstripped the provision of new water services so far.

WHAT WILL IT COST?

Although government spending on health, education, welfare and housing has risen from 52.9% to 58.3% of the total budget since 1994, current spending is lagging behind need.

There has to be a turn away from incremental growth of services towards a plan based on careful estimates of the backlog, estimated unit costs of delivery and expenditure set out to meet the backlog.

This will require additional funding and national commitment to ensure that the systems of delivery can undertake the tasks expected to avoid a 'stop-start' syndrome which will backlog delivery.

Sanitation delivery in many provinces is, for example, conducted on the basis of a set number of toilets per village. Most households in the village are not served and have to wait for a future budget. This is both ineffective in cost and health benefits, and causes division.

TWO SCENARIOS

A model was developed to calculate the necessary expenditure. All relevant statistics, but particularly the 2001 Census were examined to get the figure on the backlog in services within provinces and locality (i.e. informal settlements, tribal areas, etc.) and the modest unit costs were established.

Two scenarios were then put forward; one based on existing budgetary expenditure and another on calculating what expenditure would be needed to meet the announced target date.

The total cost (and the necessary expenditure

per annum) was then obtained through the model to get a figure of the necessary expenditure yearly to reach the targets.

On the basis of expenditure on the current levels of R1.18 billion per annum and a scaled down backlog figure below the RDP standard, the target in water provision would be reached in 2011/12, three years beyond the target date. To reach the target of 2008 would require an average expenditure of R3.20 billion per annum – more than double the existing budget.

In sanitation, expenditure on the current average of R1.18 billion would see delivery in 2020/21. An expenditure of R3.20 billion per annum is needed to reach the target, again more than the budget.

It is clear from this study that current budgeting (roughly based on previous years' spending plus inflation with some modifications) is inadequate, if the specified targets are to be met.

The current investment strategy is one of incremental growth in infrastructure on the basis of fairly modest investment in the extension of water services and of electricity to the unserved poor. Altogether 0.33% and 0.36% of total state expenditure in water and electricity, respectively, was allocated in 2003/04.

In addition to the extra funding required, the study reveals that the financial sustainability of such projects in rural communities can only be resolved with strengthened rural local government.

One of the problems is that the responsibility for service delivery has now shifted decisively to municipalities, which often lack funding and expertise to keep such projects going. In eastern KwaZulu-Natal, only 22% of the 23 water projects were sustainable and 56% were working either below standard or not at all.

To meet this challenge calls for an annual investment of R2.3 billion to extend electricity services and of R3.2 billion each for water and sanitation. These are considerable increases but they must be made if promises are to be met. •

Dr David Hemson is a Research Director in the Integrated Rural and Regional Development (IRRDR) Research Programme of the HSRC. For a copy of the full paper, e-mail media@hsr.ac.za.

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ELECTION FORECASTS VS THE REALITY

