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Department:
Provincial and Local Government
REPUBLIC OF SOUTH AFRICA

**PRESENTATION TO THE
SELECT COMMITTEE ON LOCAL GOVERNMENT
AND ADMINISTRATION**

**PROGRAMME FREE BASIC SERVICES AND
INFRASTRUCTURE**

**Mr Patrick Flusk
Deputy Director-General**

24 May 2006

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PURPOSE OF THE BRANCH

Free Basic Services and Infrastructure

- Provides support to local government to enable it to deliver sustainable infrastructure and increase access to basic services, including free basic services.

OBJECTIVES

To strengthen the capacity of municipalities to deliver sustainable infrastructure and increase access to basic services, including free basic services to the poor, who are predominantly found in the under-serviced areas of South Africa.

STRATEGIC ROLE OF THE BRANCH

1. Co-ordinate infrastructure development and maintenance.
2. Co-ordinate accelerated delivery of FBS.
3. Deepen local democracy and accountability.
4. Co-ordinate Municipal Support Partnerships.

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DATA PER SUB-PROGRAMME

CHIEF DIRECTOR	CHIEF DIRECTORATE
Ms Xoliswa Sibeko	PP&E
Mr C Malehase (Acting)	FBS
Ms Molatelo Montwedi	MIG
Mr Muthotho Sigidi	MSP's

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PP&E: PROGRESS AND ACHIEVEMENTS

Achievements:

- Draft policy framework on public participation developed and circulated for comment.
- Community Based Planning (CBP) pilots concluded and lessons shared in a seminar. Four guidelines developed on CPB.
- Train the Trainer programme is underway in preparation for the national roll out of CBP in the development of the 2nd term IDPs
- A Resource Book and Handbook for ward committees in order to aid public participation have been published and launched on the 10 February 2006.
- Research of the Community Development Worker Programme has been completed and report is now available for circulation.
- 3000 CDWs have been recruited and will be deployed in municipalities in the next financial year.

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FBS: PROGRESS AND ACHIEVEMENTS

Achievements:

- Baseline for the current FBS spending to indigent households established (R4.8 bill)
- Completed the FBS baseline study findings and launched the Portal System at a conference in July 2005
- Of 5 517 090 indigents/poor households, 3 919 402 (71%) with infrastructure have access to FBW (Source: DWAF-January 2006)
- Of 5 517 090 indigents/poor households, 2 901 134 (52%) with infrastructure have access to FBE (Source: DPLG-January 2005)
- Indigent policy guidelines approved as part of the social wage package
- A national total of 184 municipalities have indigent registers

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FBS: PROGRESS AND ACHIEVEMENTS

Achievements:

- A national total of 184 municipalities have indigent registers
- A total of 94 Project Consolidate municipalities have functional Indigent registers
- Developed 27 District Action Plans in 5 Provinces on how to address challenges identified in accelerating FBS delivery

Progress:

- Finalizing the development of the Indigent implementation guidelines
- Finalizing the development of the FBS sector integrated communication strategy
- Finalizing the development of the FBS monitoring and evaluation system

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MIG: PROGRESS AND ACHIEVEMENTS

Achievements:

- The allocation for the Municipal Infrastructure Grant (MIG) for the 2004/05 financial year was R4,439 billion, of this amount 78% was spent on projects as at the end of March 2005 and 99,97% was spent at the end of January 2006.
- The allocation for the Municipal Infrastructure Grant (MIG) for the 2005/06 financial year is R 5,436 billion, of this amount 46,5% was spent on projects as at the end of January 2006.
- Project registration: 639 Projects with a total MIG value of R3,070 billion was registered as MIG projects in the 3rd Quarter (October – December 2005)
- Phased roll-out of the MIG Management Information System (MIS) in municipalities as well as the training of provincial and local government officials.

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MIG: PROGRESS AND ACHIEVEMENTS

Achievements:

Since the inception of MIG in April 2004:

- The top three categories under which projects for household services are registered for MIG funding are Water 45%, Sanitation 27%, Roads 21%.
- A total number of 2,1 million households have benefited from the MIG as at the end of December 2005

Sector	Mar 2005 Households	Dec 2005 Households
Water	212 828	412 350
Sanitation	74 245	179 085
Roads	144 582	335 844

- From all the MIG funded projects 78,4% of the total source for infrastructure was provided from the MIG. The contribution from the public (e.g. municipality's own money or another grant) and private sectors were 20,1% and 1,5% respectively.

MIG: PROGRESS AND ACHIEVEMENTS

Achievements:

Since the inception of MIG in April 2004:

- As at the end of March 2005, 5,2 million person days and as at the end of December 2005, 12 million person days of employment on MIG projects have been created

Note: Person Days is the number of persons multiplied by the average length of employment (days). It is more accurate to report in person days on infrastructure as some employees only work for hours and other for a whole day.

- As at the end of December 2005, the employment opportunities for women (including female youth and disabled persons) in person days expressed, as a percentage was 32% of the total employment opportunities. The employment of youth was 34% of the total employment opportunities.

MIG: PROGRESS AND ACHIEVEMENTS

Achievements:

Since the inception of MIG in April 2004:

- The total number of BEEs appointed by municipalities on MIG projects are 88 as at the end of March 2005 and 297 as at the end of December 2005.
- The total number of SMMEs appointed by municipalities on MIG projects are 856 as at the end of March 2005 and 1 060 as at the end of December 2005.

Note: Information received 30 days after a quarter from mun. The information is verified by provinces and by sector departments before it is reconciled at national level.

MSP: PROGRESS AND ACHIEVEMENTS

Achievements:

- Guidelines on Municipal Services Partnerships (MSP) completed and being printed
- Facilitated the implementation of section 78 in authorised municipalities through the NJRT and PJRT
- Completed a SUPPS Strategy to be submitted to EXCO for approval
- Provided support to existing and facilitated new service delivery partnerships in municipalities
- Provided support to municipalities on the drafting of contract and management of SLA
- Participated in the task teams for restructuring of the electricity distribution industry
- Developed MIU exit strategy

PRIORITIES FOR 2006/07

STRATEGY: Deepen local democracy, governance & accountability

PP&E:

- All ward committees established and functioning in the Project Consolidate municipalities.
- 3000 CDWs, linking to ward committees and working in municipalities as part of local government.
- Ensuring quality and accredited training/learnerships for ward committees
- Methodologies developed, ward committees and civil society capacitated to implement ward plans, including funding at ward level
- Methodologies for M&E developed and implemented which link ward committees, municipalities and other stakeholders around public participation
- Communities and service providers aware of their rights and responsibilities around participation in development
- Lessons of good practice around participation shared

PRIORITIES FOR 2006/07

STRATEGY: Coordinate accelerated delivery of Free basic services

FBS:

- Conduct a comprehensive study on FBS equitable share spending
- All 283 municipalities to have functional Indigent registers
- Provide FBS Portal training to all municipalities to assist them to report and share information
- Implement FBS Indigent policy and Communication strategy and monitor compliance
- Implement FBS monitoring and evaluation system
- Provide support to municipalities (execution of the 27 district action plans) to increase the number of poor households access to FBS

Progress:

- A process to submit to SAQA an accredited training course for ward committees is underway for the local government sector – NQF 2 to NQF 6.

PRIORITIES FOR 2006/07

STRATEGY: Coordinate infrastructure development and maintenance

MIG:

- **MIG managed to reduce backlogs:**
 - additional 350 000 households with access to basic sanitation
 - additional 500 000 households with access to basic water
- **Backlog monitoring system functional and all the Municipal information systems regarding backlogs linked to the national GIS**
- **Support provided to ensure that all receiving municipalities comply 100% with DoRA requirements for funding**
- **MIG managed to ensure all qualifying municipalities comply with EPWP guidelines in their allocation of MIG to support the creation of 60 000 jobs**
- **Supporting of existing PMUs and the establishment of additional PMUs.**

PRIORITIES 2006/07

Subprogramme	Output	Measure/indicator	Target
<i>Municipal Infrastructure</i>	Manage the implementation of the MIG	Transfer of 100% of the indicative amount of R7,454 billion to municipalities by March 2007. The indicative allocation includes R400 million for bucket eradication.	March 2007
<i>Free Basic Services Co-ordination</i>	Co-ordinate accelerated delivery of free basic services Monitoring the provision of free basic services	Established the current baseline of current FBS spending to indigent households.	March 2007
		80% of Municipalities have functional indigent registers. Finalise Indigent Policy Implementation Guidelines.	March 2007 April 2006
<i>Municipal Partnerships Services</i>	Promote the public sector as a preferred service delivery option	Strengthen the capacity within municipalities to accelerate the public provision of services.	Continuous
		Finalisation of the implementation strategy for the Support Unit for Public Provision of Services.	April 2006
<i>Public Participation and Empowerment</i>	Monitor and evaluate and support the implementation of the community development worker programme.	Establish a support unit for the Community Development Workers Programme.	April 2006 June 2006
		Alignment of national policy framework on CDW's with Government service delivery programme.	June 2007
			June 2007

PRIORITIES FOR 2006/07

STRATEGY: Coordinate infrastructure development and maintenance

MSP:

- A database for tracking and evaluating the implementation of municipal partnership to be completed during 2006/7
- Conduct District Summits on the DGSA
- Develop a model for the Waste Management and refuse removal
- Facilitate Support to Project Consolidate municipalities in the Eastern Cape
- Support and Facilitate partnerships
- Monitor the performance of the partnership arrangements facilitated

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FREE BASIC SERVICES AND INFRASTRUCTURE - BUDGET

EXPENDITURE ESTIMATES

FREE BASIC SERVICES AND INFRASTRUCTURE

SUBPROGRAMME

R thousand	Audited outcome	Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09
Management	1,912	2,375	1,834	1,929	2,026
Municipal Infrastructure	17,276	25,354	27,668	28,343	29,761
Free Basic Services Co-ordination	2,949	3,580	3,762	3,958	4,750
Municipal Service Partnerships	1,547	3,099	4,024	4,234	5,080
Public Participation and Empowerment	3,408	2,819	3,170	3,339	4,006
TOTAL	27,092	37,227	40,458	41,803	45,623
Change to 2005 Budget estimate		(2,500)	(4,531)	451	1,043
Municipal Infrastructure Grant		5,436,161	6,265,300	7,148,564	8,053,090

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BUDGET ANALYSIS FOR 2006/07

The increase is due to Governments commitment to:-

- **Wipe out the backlogs and achieve the targets by 2013**
- **Increase the rollout of FBS to those people who have access to this new infrastructure**
- **Contribute jobs consistent with the EPWP Guidelines for 2006/07/07**

Thank you!