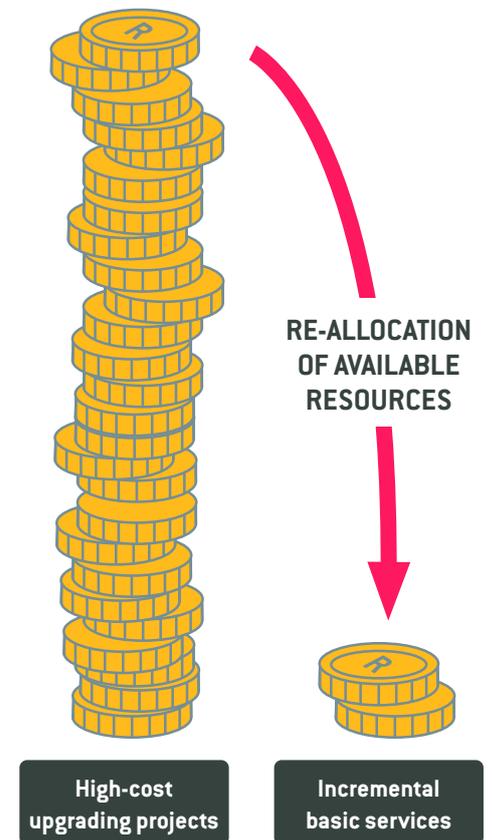


VOICES OF INFORMAL SETTLEMENT RESIDENTS DURING THE COVID-19 CRISIS

HOW LOCAL GOVERNMENTS CAN USE THEIR 2021/22 BUDGETS TO PROVIDE SERVICES TO INFORMAL SETTLEMENTS WITHOUT BREAKING THE BANK

Local governments must table their budgets for the 2021/2022 financial year by 1 April 2021. They have played a central role in government's COVID-19 response in informal settlements, with additional resources being found for water tanks, chemical toilets and refuse removal. As budgets have become tighter, municipalities have, however, rolled back many of these gains and informal settlement residents are left in a vulnerable position during the second and upcoming third wave of the pandemic.

Even though budgets are tight, municipalities can still decide which services they prioritise within available resources. To help prepare for the tabling of 2021/22 local government budgets, we conducted analyses of the 2020/21 budgets of the Cities of Cape Town, Johannesburg, Ekurhuleni, and eThekweni Metro Municipality.¹ From these analyses we have identified four recommendations that municipalities can consider when finalizing their 2021/2022 budgets that would allow them to support informal settlement residents without putting further pressure on their budgets.



RECOMMENDATION FOR 2021/22 MUNICIPAL BUDGETS:

- Increase the informal settlement share of budget allocations for the maintenance of taps and toilets. Ring-fence this share so that it cannot be used on other things.
- Re-balance budget allocations between incremental basic services and upgrading projects. This would bring about a shift from few, slow, high-cost upgrades that only benefit a few settlements to a scaled intervention that also meets the basic services needs of a larger number of residents in the short term.
- Increase and ring-fence the informal settlement share of refuse removal budgets.
- Publish Municipal Standard Chart of Accounts (mSCOA)² data that local governments submit to the National Treasury. Publish the norms and standards that inform their plans and resource allocations for basic services in informal settlements. This data would show more clearly what local governments plan to spend on service delivery in informal settlements and enable the public and oversight actors to participate meaningfully in the local government budget process.

While we extracted these four recommendations from analyses of four metro budgets, we think that they could have relevance for all local government budgets for 2021/2022.

1. Cape Town: <https://www.internationalbudget.org/wp-content/uploads/asivikelane-budget-analysis-october-2020.pdf>; Johannesburg: <https://www.internationalbudget.org/wp-content/uploads/asivikelane-budget-analysis-2-december-2020.pdf>; Ekurhuleni: <https://www.internationalbudget.org/wp-content/uploads/asivikelane-budget-analysis-3-december-2020.pdf>; eThekweni: <https://www.internationalbudget.org/wp-content/uploads/asivikelane-budget-analysis-4-012121.pdf>

2. mSCOA is a standardised accounting system that standardises financial management processes through policy formulation, budgeting, in-year reporting frameworks and statements.



1. Budget allocations for maintenance of taps and toilets in informal settlements



Evidence from the Asivikelane campaign shows that broken taps and blocked or broken toilets are common in informal settlements, and metros are generally slow to repair these. As a result, residents are left with fewer working taps and toilets, or in some cases with none. Most metros indicate that maintenance and repairs of basic services infrastructure is a “priority”, but recent comparative research has found that only 6 out of the 257 municipalities have spent adequately on repairs and maintenance over the 2016/17 – 2018/19 period.

The lack of detailed budget information makes it difficult to evaluate whether the maintenance of taps and toilets in informal settlements is indeed being treated as important. But some findings from our analyses do support the concern that local governments are not spending enough to maintain existing assets. For example, in the case of eThekweni, its total 2020/21 operating budget for sanitation maintenance is 38% less than in 2019/20. In the City of Johannesburg, the share of Johannesburg Water’s capital budget allocated to what appears to be water maintenance projects is projected to decline from 32.7% in 2020/21 to 21.6% in 2022/23.

In addition to larger allocations, local governments should also consider ring-fencing specific allocations for the maintenance of informal settlement taps and toilets.

2. Re-balance between the budget allocations for incremental basic services and for upgrading projects

Metros’ capital projects for the delivery of taps and toilets to informal settlements do not appear to be large enough to make significant progress in addressing the backlog in basic water and sanitation in informal settlements.

In the City of Cape Town, for example, the project that delivers permanent flush toilets to informal settlements only received an allocation of R26.8 million in the August 2020 adjustment of the City’s 2020/21 budget. The project that provides taps to informal settlements in the City received an even smaller allocation of R7.5 million. Together these two projects only account for 0.4% of the City’s total capital budget of R8.6 billion.

In its 2020/21 budget, the City of Johannesburg only allocated R50 million³ to provide standpipes to informal settlements and R75 million to provide basic sanitation to these settlements. The project for the provision of standpipes accounts for 0.7% of the City of Johannesburg’s capital budget. The operating allocation of R75 million for basic sanitation is only 0.1% of the City’s operating budget of more than R60 billion. Similarly, eThekweni Municipality allocated R30 million for the provision of ablution blocks (with taps and flush toilets) in 2020/21, which corresponds to 0.6% of eThekweni’s capital budget of R4.8 billion.

³ While the City of Johannesburg states that this allocation will clear the backlog in access to basic water, the evidence from Asivikelane shows that there are settlements with no access to water that are not on the list of settlements that are going to receive taps in 2020/21.



The inadequacy of these allocations is illustrated by the results of our Asivikelane project which show that some informal settlements do not have access to *any* basic water and sanitation in the form of taps and toilets. In many other settlements there are simply not enough taps and toilets for all the residents in the settlement, with large numbers of households sharing one tap or toilet.

The services referred to above, are funded from projects providing incremental services. These projects, however, receive much smaller allocations than much larger multi-year upgrading projects. While laudable, these upgrading projects can, however, take up to 15 years to complete and have a track record of delays, rollovers and re-allocations. These allocations will therefore not provide any short-term relief to informal settlement residents. In the context of the current crisis, it may therefore be worth considering moving some of these resources toward incremental provision of taps and toilets.

In the City of Cape Town, for example, the two projects that deliver incremental taps and flush toilets only received a total of R34.3 million in the 2020/21 adjustment budget tabled in August 2020. In comparison, the capital budget of the Informal Settlement Department, which is responsible for implementing the upgrading projects, is R169 million, with the majority of the money allocated to a handful of upgrading projects. On the ground, this also means that a comparatively small number of settlements (those included in upgrading projects) are benefiting from the large budget allocations for full-scale upgrading projects. In eThekweni Municipality the imbalance is even greater. According to the metro's 2020/21 Built Environment Performance Plan (BEPP), R270 million has been allocated over the 2020/21 -2022/23 period for the Incremental Services to Informal Settlements Programme. In contrast, again according to the 2020/21 BEPP, a total of R3.6 billion has been allocated over the same three-year period for the informal settlement upgrading programmes.

In the context of the current crisis, it may be worth considering moving some of these resources (for large multi-year upgrading projects) toward incremental provision of taps and toilets.



3. What do metros spend on refuse removal in informal settlements?

Refuse removal has performed weakly in our Asivikelane reports, only showing any noticeable improvement in eThekweni towards the end of 2020. Waste is not collected regularly, or not collected at all, and residents are not receiving plastic refuse bags or do not have containers in which to deposit the bags.

Municipalities provide almost no information on what they spend on refuse removal in informal settlements. In some cases, refuse removal is funded from the operating budget of the relevant department and is not shown as a separate line item. For example, eThekweni Municipality's 2020/21 budget states that R111.5 million has been budgeted for the provision of refuse bags, but it is unclear how much of the total amount has been allocated to informal settlements. According to the Johannesburg Service Delivery and Budget Implementation Plan (SDBIP), an amount of R873 266 000 has been set aside in the operating budget of Pikitup in 2020/21. This accounts for about 30% of Pikitup's total 2020/21 operating budget of R2 831 480 000. To reach their target of 100% of informal settlements provided with waste management services, Pikitup only allocated R121 647 000 in 2019/20. No explanation is provided for this large increase in the allocation for informal settlement refuse removal. None of the metros we assessed included separate projects in their capital budgets for the provision of, for example, communal containers specifically to informal settlements.

4. Transparency and detail

In general, the lack of detail in the metros' budgets makes it challenging to identify exactly what they are planning to spend on service delivery to informal settlements. For example, it is difficult to determine the specific budget allocations for the sub-programmes which form part of eThekweni Municipality's Incremental Services Programme, apart from an allocation for ablution blocks which might be relevant. In the case of the City of Ekurhuleni, we were unable to access information about the specific project responsible for the delivery of standpipes to informal settlements.

Identifying which settlements are going to benefit from the budget allocations is even more challenging. While the City of Cape Town's capital budget shows allocations for the projects which deliver taps and toilets to informal settlements, the budget documentation does not include the names of the settlements which are going to benefit. Similarly, eThekweni Municipality's budget documents do not include the names of the settlements which are going to benefit from its ablution block project.

Finally, when specific settlements do appear in the budget or the planning documents for the current budget year, these documents do not provide any information on when settlements which are not included in the budget are going to receive basic services.

In the absence of such information, it is difficult to see how oversight actors such as councillors, the Auditor General or even the National Treasury can engage in the pressing discussion of how local governments budget and spend on the 10 million residents that now find themselves in informal settlements.



**Hyperlinks correct at date of publication*

International Budget Partnership South Africa <https://www.internationalbudget.org/budget-work-by-country/south-africa/>

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