

A planning framework for rural electrification: the emerging institutional framework for the provision of public services in rural areas

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A discussion document

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Table of contents

Acknowledgements	
Table of contents	
1. INTRODUCTION	1
2. INSTITUTIONAL AND FINANCIAL ARRANGEMENTS IN GOVERNMENT	2
2.1 Powers and functions of government	2
2.1.1 National and provincial government	2
2.1.2 Local government	2
2.2 Financial and fiscal arrangements in government	3
2.2.1 Provincial government	4
2.2.2 Local government	5
2.3 Institutional arrangements in government	5
2.3.1 Inter-governmental bodies	5
2.3.2 Rural local government	6
3. POLICY DEVELOPMENTS IN INFRASTRUCTURAL AND RURAL DEVELOPMENT	9
3.1 Introduction	9
3.2 Rural development policy	9
3.3 National Growth and Development Strategy	10
3.4 Local government policy	11
4. COMMUNITY WATER SUPPLY	12
4.1 Introduction	12
4.1.1 Policy and institutional developments	12
4.2 National Department of Water Affairs and Forestry	13
4.2.1 Organisational structure and functions	13
4.2.2 Planning and coordination	14
4.2.3 Liaison with local structures	14
4.3 Mvula Trust	15
4.4 Local government	15
4.4.1 Local government and local water committees	15
4.4.2 Local government and private firms	16

5. COMMUNITY FORESTRY	17
5.1 Introduction	17
5.1.1 Biomass Initiative	17
5.2 National Department of Water Affairs and Forestry	18
5.2.1 Organisational structure and approach	18
5.2.2 Planning and coordination	18
5.2.3 Funding	18
5.3 IDT social forestry programme	19
5.3.1 Approach and structure	19
5.3.2 Planning and coordination	20
5.3.3 Funding	20
6. GRID ELECTRIFICATION IN RURAL AREAS	22
6.1 Introduction	22
6.1.1 Policy and institutional developments	22
6.2 Eskom's national electrification programme	23
6.2.1 Planning structure and approach	23
6.2.2 Coordination and community liaison	23
6.2.3 Local Electricity Agency in Mafefe	24
6.3 Local government	25
6.3.1 Local government and the Mafefe Electricity Agency	26
7. NON-GRID ELECTRIFICATION IN RURAL AREAS	27
7.1 Introduction	27
7.2 Renewable Energy for South Africa	27
7.2.1 Mission, structure and funding	27
7.2.2 Proposed policies and strategies	28
8. HEALTH SERVICES	29
8.1 Introduction	29
8.2 Provincial Health Departments	29
8.2.1 Mpumalanga Health Department	29
8.2.2 KwaZulu-Natal Health Department	30
8.3 IDT clinics programme	31
8.3.1 Organisational structure and functions	31
8.3.2 Funding	31
8.3.3 Planning and coordination	31

9. EDUCATION	34
9.1 Introduction	34
9.2 Provincial Education Departments	34
9.2.1 Free State Education Department	34
9.2.2 Eastern Cape Education Department	35
9.3 Eskom's schools grid electrification programme	36
9.3.1 Approach, funding and structure	36
9.3.2 North West province	36
9.4 Eskom's schools non-grid electrification programme	37
9.4.1 Approach, funding and structure	37
9.4.2 Eastern Cape	38
10. SUMMARY OF EMERGING TRENDS IN INSTITUTIONAL DEVELOPMENTS	40
References	43

1. Introduction

One of the key premises of the project *The role of electricity in the integrated provision of energy to rural areas* is that electrification in rural areas should form part of a broader strategy to address rural energy needs and problems. In this paper an attempt is made to locate electricity provision in rural areas within a broad institutional framework which comprises the following elements:

- emerging institutional arrangements in government, including the structure, functions and powers of different levels of government, and the nature of inter-governmental relations;
- emerging institutional arrangements to facilitate rural development, particularly the provision of public services such as water supply, health services, and education; and
- emerging institutional arrangements in energy sub-sectors as well as related sectors, including grid electrification, non-grid electrification, and community forestry.

The focus throughout is on public sector institutions. The developments in the different sectors and energy sub-sectors are investigated in parallel with one another with the intention of identifying the implications for energy and particularly electricity provision in rural areas, as well as opportunities for greater integration in the planning of electrification and other services, including broader energy provision. The following matters are given particular attention:

- institutional arrangements for the planning and prioritisation of projects;
- coordination between different levels of government, different services sectors and energy sub-sectors, and other public sector institutions;
- financing mechanisms for the provision of public services;
- the decentralisation of functions in public institutions;
- the role of local government and other local organisations with respect to the provision of public services; and
- points of convergence or parallels between different sectors and energy sub-sectors.

As many of the institutional arrangements discussed here are still in the process of being finalised or even developed, this paper should be seen as a working document which will be revised as greater clarification is reached in the future. Furthermore, the information reported has in many cases been obtained through interviews with key people in the institutions concerned. While attempts have been made as far as possible to verify this information, this has not always been possible.

The paper essentially comprises three parts. Chapters two and three deal with overarching matters such as the emerging institutional arrangements in government, and current developments in rural development policy. In the main body of the paper - chapters four to nine - the emerging institutional arrangements in different services sectors and energy sub-sectors are discussed. Finally, in chapter ten, key emerging trends regarding the institutional developments are summarised.

2. Institutional and financial arrangements in government

2.1 Powers and functions of government

The constitutional principles contained in Schedule 4 of South Africa's interim Constitution (Parliament 1995) make provision for governmental structures at the national, provincial and local levels, each with legislative and executive powers and functions.

2.1.1 National and provincial government

The constitutional principles provide for exclusive as well as concurrent powers and functions at the national and provincial levels of government. Some guidance is further provided with respect to the exercising of concurrent and exclusive powers, both in the constitutional principles and in the draft final Constitution (Parliament 1996).

The functional areas with respect to which national and provincial governments have *concurrent* legislative powers according to Schedule 4 of the draft final Constitution, include the following:

- administration of indigenous forests
- education at all levels, excluding tertiary education
- health services
- traditional leadership, subject to provisions in the Constitution
- regional planning and development
- urban and rural development

The exclusive legislative competencies of the provinces are listed in Schedule 5 of the draft final Constitution, and include *provincial planning*.

2.1.2 Local government

In the interim Constitution (Schedule 6) *local government* was classified as a concurrent legislative competency of national and provincial government, subject to certain provisions in the constitutional principles as well as the interim Constitution.

In the draft final Constitution, on the other hand, *local government* is no longer included in the list of concurrent legislative competencies of national and provincial government. Instead, the powers of national and provincial government with respect to local government are specified. National government is now responsible for legislation concerning:

- the different categories of municipalities that may be established;
- appropriate fiscal powers and functions for each category; and
- procedures and criteria for the demarcation of municipal boundaries.

Provincial governments, on the other hand, are responsible for establishing municipalities, for monitoring and supporting local government, and for developing the capacity of local government to perform its functions.

Furthermore, particular *local government matters* are identified in the draft final Constitution. It is specified that municipalities have executive authority in respect of

all these matters, as well as the right to administer the functional areas concerned, and that national and provincial government may not compromise or impede a municipality's ability or right to exercise its powers or performs its functions. It thus seems that the powers of local government with respect to particular functional areas have been entrenched to a greater extent in the draft final Constitution compared with the interim Constitution.

Some local government matters are also concurrent legislative competencies of national and provincial government, such as the following (Schedule 4B):

- electricity and gas reticulation
- municipal planning
- municipal health services
- water and sanitation services, limited to potable water supply systems and domestic waste-water and sewage disposal systems

Street lighting and *local amenities* are further included in a list of local government matters which are also exclusive legislative competencies of provincial government (Schedule 5B).

2.2 Financial and fiscal arrangements in government

The following provisions are made in the constitutional principles with respect to the fiscal and financial powers and relations in government (Parliament 1995):

- All three levels of government shall have fiscal powers and functions as provided for in the Constitution.
- Each level of government shall have a constitutional right to an equitable share of revenue collected nationally so as to ensure that provinces and local governments are able to provide basic services and execute the functions allocated to them.
- A Financial & Fiscal Commission (FFC), in which each province is represented, shall recommend equitable fiscal and financial allocations to the provincial and local governments from revenue collected nationally, after taking into account the national interest, economic disparities between the provinces as well as the population and development needs, administrative responsibilities and other legitimate interests of each of the provinces.

According to the draft final Constitution, national legislation should provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government, as well as for the equitable share of the total provincial share among the different provinces. In this it differs substantially from the interim Constitution which specified that local governments were entitled to an equitable allocation of funds by the *provincial* government, while financial allocations from the national government to a local government were to be made through provincial government. The interim Constitution therefore did not make provision for direct financial transfers from national to local government.

The draft final Constitution further specifies that the recommendations of the FFC have to be considered before legislation concerning the allocation of finances between different levels of government or the fiscal powers of different levels of government are finalised.

2.2.1 Provincial government

The FFC has recently issued recommendations with respect to the allocation of financial resources between national government and provincial governments for the 1996/97 fiscal year, as well as projections for the following four years (Financial & Fiscal Commission 1996). These recommendations fall into two categories: the division of resources between national and provincial government (addressing vertical fiscal imbalance), and the division of resources amongst provincial governments (addressing horizontal fiscal imbalance).

With respect to the first of these, the FFC has recommended that allocations to the national government be kept constant in real terms for the next three years, and that additional resources derived from the growth of the economy in this period be allocated to the provinces (see table 1). It is argued that this will enable the currently extremely unequal provision of public services to be corrected within five years. In addition, the FFC has recommended that the total provincial allocation be divided among the provinces by means of a provincial grants formula. The size of the transfers to each province has been based on population figures, with an additional weighting for the size of the rural population in a province (Pillay 1996). The recommended allocations for selected years, as well as the percentage share of each province, are summarised in table 1.

Table 1: Financial allocations to provincial governments of revenue collected nationally (in 1995 rand as well as percentage share)

	1995/96 (actual)		1996/97 (proposed)		2000/01 (proposed)	
	million rand	%	million rand	%	million rand	%
Total revenue	153 249	100	155 771	100	165 861	100
National government	86 534	56	86 534	56	86 534	52
Provincial governments	66 715	44	69 237	44	79 327	48
Western Cape	7 510	11	7 270	11	6 313	8
Eastern Cape	11 728	18	11 854	17	12 357	16
Northern Cape	1 585	2	1 529	2	1 302	2
KwaZulu-Natal	13 370	20	14 056	20	16 801	21
Free State	4 722	7	4 895	7	5 589	7
North West	5 560	8	5 805	8	6 784	8
Gauteng	9 950	15	10 905	16	14 728	19
Mpumalanga	3 874	6	4 129	6	5 147	6
Northern Province	8 415	13	8 794	13	10 306	13
Total for provinces	66 715	100	69 237	100	79 327	100

Source: Financial & Fiscal Commission (1996)

The draft final Constitution makes provision for provinces to impose taxes, levies, or duties (other than income tax, value-added tax, general sales tax, rates on property, or customs duties), as well as flat-rate surcharges on the tax bases of any tax, levy or duty imposed nationally (other than corporate income tax, value-added tax, rates on property, or customs duties).

The FFC was also charged with making recommendations on these matters. It had envisaged the following in this regard (Financial & Fiscal Commission 1995):

- *Betting taxes and property transfer duties* are specifically available to provincial governments and not to national government.

- Where a provincial government owns an asset, or has financed its erection or acquisition, it should as a rule levy *user charges* and the rates should be under its control.
- *Surcharges on personal income tax* could be levied by provincial governments, although there are complexities that would need to be addressed.
- *Surcharges on excise duties* levied nationally could be introduced.
- Provincial *fuel levies*, or surcharges on national fuel levies could be introduced.

2.2.2 Local government

According to the draft final Constitution, local government is entitled to an equitable share of revenue raised nationally to enable it to provide basic services and to exercise its functions. Municipalities may also impose rates on property and excise taxes, and, subject to national legislation, other taxes, levies and duties (excluding income tax, value-added tax, general sales tax, surcharge and customs duties).

The FFC is in the process of developing recommendations with respect to the financing of local government (Pillay 1996). It had envisaged the following with respect to the fiscal powers of local government (Financial & Fiscal Commission 1995):

- *Property rates* should remain under the jurisdiction of local government.
- Where a local government owns an asset, or has financed its erection or acquisition, it should as a rule be able to levy *user charges* and the rates should be under its control. User charges currently range from free services (libraries), nominal charges (sewerage), economic charges (refuse removal), to services where 'surpluses' are used to subsidise other services (electricity).
- *Regional Services Council and Joint Services Board levies* accrue to local government. Since turnover and employment are taxed, these levies tend to discourage economic activity and encourage vertical integration. However, they may be retained because of the limited revenue sources available to local government, and the low rates involved.
- Local *fuel levies* or surcharges on national fuel levies could be introduced.
- Local *property transfer duties*, or a surcharge on transfer duties levied by provincial government could be introduced.

Although the FFC had indicated that the competence of local governments to raise taxes probably included the raising of surcharges upon national and provincial taxes (Financial & Fiscal Commission 1995), it appears that this has been ruled out by the draft final Constitution.

2.3 Institutional arrangements in government

2.3.1 Inter-governmental bodies

Political decision-making involving the national and provincial governments are mainly vested in the following inter-governmental bodies:

- The Inter-governmental Forum (IF), comprising the national Ministers and the Premiers of the provinces, is the key political decision-making body within the inter-governmental system (RDP Ministry 1996).
- Political decision-making with respect to a particular functional area, such as water affairs or local government, is vested in the standing committee named

MINMEC, which comprises the national Minister and the provincial MECs responsible for the area concerned (Christianson 1995; Balzer 1996).

- The Forum for Effective Planning and Development (FEPD) comprises the Ministers and provincial MECs responsible for development planning (RDP Ministry 1996).

The national RDP Department has played a significant role in facilitating greater integration within government, particularly with respect to development planning - for example, it was instrumental in establishing the FEPD (RDP Ministry 1996). After the announcement that the RDP Department in the Office of the President was to be closed, some of the Department's initiatives were suspended; for example, the establishment of a Development and Planning Commission which was to have advised government on the establishment of a long-term planning system for government (Platsky 1996).

The primary body responsible for inter-departmental rural development coordination at the national level has been the Rural Development Task Team (RDTT) which was also set up by the RDP Department (Callear 1995). It comprises representatives from a range of national government departments, including the RDP, Agriculture, Land Affairs, Housing, Health, Education, Water Affairs and Forestry, and Mineral and Energy Affairs, as well as the Postal Service and the South African Police Service, public utilities such as Eskom and Telkom, non-governmental organisations (NGOs) such as the National Land Committee (NLC) and the National Rural Development Forum (NRDF), and research institutions such as the Land and Agriculture Policy Centre (LAPC). The RDTT meets on a monthly basis and is mainly concerned with the sharing of information on rural programmes and projects undertaken by the organisations involved - for example, the Presidential Lead Projects and Eskom's national electrification programme.

Different views on the effectiveness of the RDTT as an inter-departmental coordinating body exist. However, the prevailing view seems to be that it has insufficient power to ensure effective cooperation between different sectoral institutions or the development of a common approach. This is not surprising in light of the fact that line function departments generally tend to resist interference in their affairs by another department, which has also happened in the case of the RDP Department (John 1995; 1996).

The primary interdepartmental coordinating body in each of the provinces is the Provincial Interdepartmental Committee, which comprises the heads of all the provincial departments, and is chaired by the provincial Director General. It is of interest, in light of the discussion above, that the provincial RDP Department in Gauteng - called the Department of Planning - was relocated from the Premier's Office to the office of the provincial Director General, as it had experienced difficulties in accessing other departments (John 1996).

2.3.2 Rural local government

The current model for rural local government comprises two tiers, although in some areas only one tier exists. Furthermore, the nature of the two tiers differs in different provinces as well as between areas within a province. Current legislation on local government makes provision for the following local government structures in rural areas (Westaway 1995):

1. In all non-metropolitan areas of the country wall-to-wall District Councils (DCs) - also named Services Councils (SCs) - are to be established. These consist of

indirectly elected members from all the primary local structures, and directly elected members from the 'Remaining Areas' (see below) within their boundaries. Provision has also been made for nominated 'special interest group' members of the DCs and SCs.

2. Two types of primary level structures can be established in rural areas:

Transitional Rural Councils (TRCs) are fully-fledged primary local authorities in rural areas with executive powers and administrative functions that are to be specified in national legislation according to the draft final Constitution.

Transitional Representative Councils (TREPCs), on the other hand, have no executive powers or administrative functions. Their main functions are to ensure that the interests of their areas are represented in local government, and to coordinate RDP activities in their areas. Councillors in these structures are elected by means of proportional representation only. Provision has also been made for nominated members from 'special interest groups'.

3. Remaining Areas (RAs) comprise all areas in which primary level structures are not established. Irrespective of the size of the RAs in a province, there is no provision for their delimitation into wards. Inhabitants of such areas vote directly for district councillors on the basis of proportional representation. As in the case of the TREPCs, provision has been made for 'special interest group' members to be nominated from these areas to serve on District Councils.

According to Westaway (1995), the rationale for introducing TREPCs into the transitional local government system was that they provided an institutional framework within which the establishment of wall-to-wall primary local structures could be facilitated without it being expensive, and without involving the delimitation of wards.

In each province the MEC for Local Government, assisted by the Provincial Committee on Local Government, had to decide on the model for rural local government that would be implemented. As shown in table 2, only two of the provinces (Free State and the Northern Province) have opted to establish fully-fledged primary local authorities (that is, Transitional Rural Councils) in rural areas, while TREPCs are the most common primary local structure in the other provinces. All the primary local structures in rural areas in the Western Cape will also be TREPCs. The North West is the only province of the seven included in the table where some form of primary local structure does not exist in all rural areas and the RAs option has thus been implemented. The RAs option is also being implemented throughout rural areas in KwaZulu-Natal, where primary authority at the local level will be vested in traditional leaders (Westaway 1996).

It is evident from table 2 that District Councils generally encompass large areas, which will limit their ability to serve as effective *local* government. If local government is to play the role envisaged in the draft final Constitution, it will be necessary to develop the capacity of primary local government in rural areas. It seems that some commitment to establishing meaningful local government at the primary level exists both within the national Department of Constitutional Development and Provincial Affairs (Kruger 1996; John 1996) and in most of the provinces (Christianson 1995). This matter is explored further in the chapters that follow.

As discussed above, the draft final Constitution empowers national government to legislate on these matters, which means that a more uniform system of local government is likely to be established in the future.

Table 2: Elected local government structures in rural areas in seven provinces

Province	First tier: wall-to-wall District and Metropolitan Councils	Second tier in rural areas		'Remaining' rural areas
		TREPCs	TRCs	
Eastern Cape	6 DCs	83		
Free State	4 DCs		15	
Gauteng	2 SCs, 4 TMCs	19		
Mpumalanga	3 DCs	24		
Northern Cape	6 DCs	42		
Northern Province	2 DCs		36	
North West	5 DCs	17		5
Total (7 provinces)	28 DCs/SCs, 4 TMCs	185	51	5

Key to acronyms: District Council (DC); Services Council (SC); Transitional Metropolitan Council (TMC); Transitional Representative Council (TREPC); Transitional Rural Council (TRC).
Source: John (1996)

3. Policy developments in infrastructural and rural development

3.1 Introduction

A range of initiatives is underway to develop national policies and strategies which are relevant to the discussion in this paper. These include (RDP Ministry 1996):

- the development of a National Growth and Development Strategy;
- the drafting of various White Papers, including those on Rural Development and Local Government;
- the Municipal Infrastructure Investment Framework initiative;
- a study on local authority financing and capacity by the Financial and Fiscal Commission (Pillay 1996); and
- pilot projects on integrated social delivery coordinated by the Department of Land Affairs.

A few of these initiatives are briefly discussed here.

3.2 Rural development policy

A discussion document on the *Rural Development Strategy of the Government of National Unity*, which was published in 1995 (RDP Ministry 1995), is to form the basis of the Rural Development White Paper which is currently being drafted (Callear 1996). The discussion document places much emphasis on the empowerment of rural people; for example, it starts off as follows:

The Rural Development Strategy sets out the mechanisms by which rural people and their elected representatives on rural District Councils and Local Councils can take charge of the development process in their own area. (RDP Ministry 1995)

The key elements of the proposed Rural Development Strategy can be summarised as follows:

1. an emphasis on the *role of local government*, including primary local government, with respect to rural development; particular aspects include the need for cooperation between local government and civil society with respect to rural development, and the need for Community Development Facilitators to be employed by local government to facilitate the involvement of poor and marginalised groups in development;
2. an emphasis on *local economic development* through the development of markets, small- and medium-scale enterprise development, small-scale agricultural development, the development of tourism as well as labour-based infrastructural development;
3. an emphasis on *sustainable rural development* in all respects, including environmental, economic, social and administrative sustainability;
4. an emphasis on *basic infrastructural development* to address water, sanitation, education, health, roads and energy needs; and

5. an emphasis on *training and capacity building* targeting local government as well as civil society.

During the first few months of 1996 the Development Chamber in the National Economic, Development and Labour Council (NEDLAC) collected public submissions on the discussion document, which have been submitted to the national RDP Department to serve as an input to the White Paper (Naidoo 1996). According to Diana Callear of the LAPC, who has been commissioned to write the White Paper, major changes will be evident in the White Paper compared to the discussion document (Callear 1996). Particular issues which will be addressed in the White Paper include the need to stimulate economic growth in rural areas, the role of the private sector in rural development, and the current lack of capacity at the local level in rural areas.

3.3 National Growth and Development Strategy

A draft discussion document on a National Growth and Development Strategy (NGDS) for South Africa was unveiled at a meeting of the Inter-governmental Forum in February 1996. The national RDP Department appears to have played a key role in compiling this document. Some of the key elements proposed at the time, which are particularly relevant for the purposes of this paper, are the following (RDP Ministry 1996):

1. A fundamental redirection of government spending towards *investment in infrastructure* was proposed, with government either facilitating or directly assisting investment programmes in the key sectors of municipal, economic, social and rural infrastructure. In particular it was proposed that:
 - government should provide a bare minimum investment in all areas, but *target investments* in those areas where there are potentially higher economic returns, particularly urban areas, rural clusters, industrial clusters, development corridors, and 'economic spines';
 - government investment in rural areas should aim to ensure the *broad provision of basic domestic infrastructure* and to direct additional investment in accordance with economic return on investment criteria; and
 - the objective should be to provide a level of service closely linked to household affordability, involving a *mix of service levels* determined by local decision-making, and taking into account available subsidies and local resources.
2. It was envisaged that the major sources of *finance for capital expenditure on rural infrastructure* to meet basic needs would be from the national budget, from District Council levies, and through borrowing by utilities such as Eskom, Water Boards and Telkom.

It was further stated that government was considering the establishment of a *single sustainable funding channel for municipal infrastructure* which will assist local government to make better use of financing opportunities.

3. A fundamental redirection of government spending towards *investment in people*, was proposed, and institutional changes were envisaged which would ensure that *training programmes* expand massively and respond better to national needs.
4. It was proposed that the allocation of *powers should be as decentralised as possible*, given the need to coordinate resources around large-scale programmes, expand

capacity in lower-tier governments and departments, and avoid wasteful competition between provinces and national departments.

It was further proposed that, as government decentralises managerial power, it should assist departments and lower tiers, especially in the poorest provinces, to *develop new personnel and institutional capacity*. Where decentralisation seemed inadvisable, decision-making should occur only after broad consultation with the provinces and departments concerned.

5. Proposals by the FFC were expected to bring about a *radical decentralisation of fiscal power*. It was proposed that the guidelines for enhancing equity in the distribution of central resources should be followed as far as possible.
6. Improved *coordination between departments* and substantially more effective *targeting of services at the poor* were envisaged in order to alleviate poverty.

It appears, however, that the NGDS is likely to be changed significantly before it is finalised.

3.4 Local government policy

The Department of Constitutional Development and Provincial Affairs is responsible for the development of national policy concerning local government. The department, in conjunction with the parliamentary Portfolio Committee on Constitutional Affairs, provincial governments, and organised local government, is currently drafting bridging legislation to replace the Local Government Transition Act (Department of Constitutional Development 1993). It has also embarked on the drafting of a White Paper on Local Government which will serve as a policy guideline for current processes, and will also provide a vision for future local government (Department of Constitutional Development 1996).

4. Community water supply

4.1 Introduction

According to the draft final Constitution *water services* are the responsibility of both national and local government. While it is not listed as a legislative competency of provincial government, *potable water supply systems* are included in the functional areas for which municipalities have executive authority as well as the right to administration (Parliament 1996). In addition, the fact that provincial government has some responsibilities with respect to *local government matters* means that it may play a significant role with respect to water provision in rural areas.

4.1.1 Policy and institutional developments

A White Paper on Water Supply and Sanitation Policy, which is concerned with the provision of these services to all people in South Africa, was issued by the national Department of Water Affairs and Forestry (DWAF 1994). In the White Paper the envisaged roles and responsibilities of different institutions with respect to the provision of water services are outlined. These include central, provincial and local government, Water Boards, local water committees, non-governmental organisations (NGOs) and the private sector.

The White Paper specifies that the functions of the national Department of Water Affairs and Forestry (DWAF) with respect to the provision of water and sanitation services are mainly:

to establish national policy guidelines, a national water and sanitation development strategy, the formulation of criteria for State subsidies, the setting of minimum services standards as well as monitoring and regulating service provision. (DWAF 1994)

DWAF's long-term goal is that the provision of services to consumers, including water supply, should be a function of 'competent, democratic local government supported by provincial governments'. However, in cases where local structures are unable to ensure service provision, DWAF sees itself as responsible for assuring that essential functions are performed, although 'this has to be done in such a way as to support the development of local government to proceed with its own affairs under provincial supervision' (DWAF 1994). In the medium term DWAF therefore aims:

to support institutional development at the local level as well as to provide financial and technical assistance for the physical development of water supply and sanitation services. This will be achieved through the restructured Department of Water Affairs and Forestry at regional level and through second tier institutions such as the Water Boards, with the full involvement of the private and NGO sectors. (DWAF 1994)

Furthermore, to enable the provision of these services in the short term in the absence of effective local government, legislation was introduced which:

- enables Water Boards to provide water supply and sanitation services directly to the final consumer; and
- enables the Minister of Water Affairs and Forestry to establish statutory Local Water Committees (LWCs) to undertake the task of local water and sanitation service provision.

According to the White Paper, a Provincial Water Liaison Committee (PWLC) has been established in each province to ensure effective formal communication and liaison between DWAF and the provincial governments. Their functions include: the identification of priorities and critical areas of need in each province, and advising on the implementation of the RDP as it relates to water supply and sanitation (DWAF 1994).

DWAF's structure as well as its approach to water provision in rural areas are discussed here with particular reference to the Eastern Cape. The role of the Mvula Trust is also briefly outlined, and finally the role of rural local government in water service provision, particularly in relation to local water committees, is discussed.

4.2 National Department of Water Affairs and Forestry

4.2.1 Organisational structure and functions

In the White Paper it was envisaged that it would take about two years to transform the various administrations that existed prior to April 1994 into a new Department of Water Affairs and Forestry (DWAF 1994). In the interim a new Chief Directorate of Community Water Supply and Sanitation (CWSS) was established to undertake, amongst other things, the following:

- planning the expansion of water and sanitation services in collaboration with the provincial governments and in keeping with the policies outlined in the White Paper; and
- developing the organisations needed at both local and regional level to achieve the goals of the RDP.

According to Ralitsela (1996), DWAF structures will change once policy and institutional capacity at various levels have been established. Proposals have already been developed with respect to the restructuring of DWAF (Davidson 1996). Presently the CWSS Chief Directorate comprises the following Directorates: Planning; Organisational Development; RDP Projects; and Operations and Maintenance. The Planning Directorate is responsible for prioritising and planning water projects, while the Directorate of Organisational Development was established with the aim of building the capacity of local communities to manage water projects as envisaged in the White Paper (Ralitsela 1996).

Regional offices are being established by the CWSS Chief Directorate, but not all of them are fully operational yet. Although the Water Affairs regions officially correspond to the nine provinces, in practice the boundaries have to take account of water catchment areas (Balzer 1996). Certain functions are devolved to the regional offices once the necessary capacity has been established. However, at present some of these functions are still performed by the national office (Ralitsela 1996). The regional offices are to be responsible for the prioritisation and planning of water projects, which is already the case in the Eastern Cape (Balzer 1996). They are also to be responsible for compiling budgets which will have to be approved at a national level (Ralitsela 1996). At three of the regional offices Organisational Development Officers (ODOs) have been appointed who are responsible for the training of communities involved in water projects (Ralitsela 1996).

Some of the regions are further divided into sub-regions - for example, the western, central and eastern sub-regions in the Eastern Cape where sub-regional offices are being established. Balzer (1996) has indicated that the intention in the Eastern Cape is to appoint ODOs at each of the sub-regional offices.

4.2.2 Planning and coordination

According to Balzer (1996) the Provincial Water Liaison Committee (PWLC) in the Eastern Cape serves a liaison function between DWAF and the provincial government, as well as the national and regional Water Affairs Offices. The PWLC is chaired by the Deputy Director General of Water Affairs responsible for the provinces. Sub-committees of the PWLC deal with the planning and implementation of water supply projects. The Planning Sub-committee is chaired by the Manager of the Eastern Cape CWSS office, and comprises representatives of the provincial Departments of Public Works, Housing, Education, Health, Agriculture and Local Government, as well as some Transitional Local Councils. The Department of Education is apparently seldom represented at meetings of the Sub-committee, however.

Area Planning Committees are also being set up under the auspices of the PWLC to prioritise water projects in particular sub-regions (Balzer 1996). These will be linked to Implementation Committees in the different areas. After the initial ranking of projects by the Area Planning Committees, the Planning Sub-committee of the PWLC decides on the final list of priorities for the entire province, based on the needs in different sub-regions. This process has been implemented in the allocation of the regional budget of R140 million for the 1995/96 financial year: 6% was allocated to the western sub-region, 42% to the central sub-region, and 52% to the eastern sub-region. Criteria used to prioritise projects include: the urgency of the need for water services, geographical spread, the need to achieve visible results in a short period, the existing level of infrastructure and lowest unit cost.

According to Balzer (1996) Eskom does not form part of the PWLC or its Planning Sub-committee, and there is no formal liaison between DWAF and Eskom concerning community water projects - this occurs only with respect to large-scale water supply schemes (Davidson 1996). If a water supply project is close to the existing electricity grid, and electricity is required for water pumping, DWAF makes a direct application to Eskom to provide electricity (Balzer 1996). However, water pumping in rural areas is mostly done by means of hand pumps and diesel pumps, while windmills and to a limited extent solar pumps are also used in some areas.

4.2.3 Liaison with local structures

Balzer (1996) has indicated that, once a water project has been prioritised by the PWLC, the community or communities concerned are notified of this, and are requested to establish a Local Water Committee¹ or a steering committee for the project². In areas where Development Forums exist, contact is established with communities through the Forums which generally draw these communities into

¹ Eales (1996) has observed that the Organisational Development Officers (ODOs) employed by DWAF are actively establishing LWCs in rural areas, but that no LWCs have been given statutory status as yet.

² Pearson (1996) has indicated that in some regions, such as the Northern Province, DWAF seems to be involved mainly in 'bulk' water supply schemes whereby water is provided to a network of reservoirs in rural areas, rather than the local reticulation of water. Project steering committees are being established to oversee these projects, which comprise representatives of all the players involved in the schemes, including Water Boards where these exist, as well as communities in the areas concerned. These project steering committees therefore differ considerably from Local Water Committees.

their fold if they are not already involved. DWAF staff assist local committees in identifying suitable agencies to assist with the development of business plans, as well as the planning and implementation of projects, such as NGOs or engineering consultants. These agencies are paid directly by DWAF. No funds are channelled through LWCs because they do not have statutory status. According to Balzer (1996) an attempt is made to follow a community-driven process within the framework for community water projects provided by DWAF with respect to: the funding of projects, business plans required to apply for funding, tender procedures, etc. However, the approach followed by DWAF differs from that which has been used in projects supported by the Mvula Trust, for example (see below).

4.3 Mvula Trust

Another important public sector player involved in rural water supply is the Mvula Trust, which was established to support rural water and sanitation projects with grant funding. The Mvula Trust supports a community-based approach to water supply in rural areas, whereby local water committees are trained to undertake water projects with the assistance of NGOs or engineering consultants, and funding is channelled through these local committees (Mvula Trust 1995). This approach corresponds to the one outlined in the White Paper on Water and Sanitation Policy.

An agreement between DWAF and the Mvula Trust currently provides for 10% of DWAF's RDP funds to be allocated to the Trust. It is possible that the Mvula Trust may be used extensively by DWAF to facilitate the implementation of community-based water reticulation projects in rural areas in the future, in which case it would receive more funding from DWAF (Pearson 1996).

4.4 Local government

4.4.1 Local government and local water committees

Some controversy exists regarding the role of Local Water Committees in the aftermath of the local government elections on 1 November 1995, as local government - at least in the form of District Councils - has been established in all the areas where elections have taken place.

Eales (1996) has pointed out that LWCs are functional in some areas, and that these organisations have particular skills and experience which enable them to play an important role with respect to water provision, which cannot be fulfilled by local government at present. However, she has raised the concern that LWCs are being established in some areas without a proper framework - that is, the necessary training or clearly defined functions - and without the involvement of local government. Kruger (1996) has also raised the concern that DWAF, as a national government department, is bypassing provincial and local government structures in the establishment of LWCs, as there appears to be virtually no consultation with these levels of government on this matter. Concerns have been raised generally about a lack of coordination and the resulting duplication of functions between regional Water Affairs Offices, provincial departments responsible for local government, and District Councils (Kruger 1996; Eales 1996). Ralitsela (1996) has indicated, however, that the Directorate of Organisational Development in DWAF is trying to facilitate cooperation between LWCs and local government.

It is argued that local government will be undermined if some of the functions and responsibilities assigned to it in the Constitution are transferred to other structures such as LWCs (John 1996). Furthermore, by focusing capacity building efforts on LWCs rather than on local government, the current situation - characterised by a

lack of capacity at local government level - will be perpetuated, particularly in light of the limited resources available for these purposes. The possibility that LWCs could be given statutory status, which is still supported by some people in DWAF under particular conditions (Balzer 1996), seems to be of greatest concern. It is felt that this would severely undermine the status of local government as set out in the Constitution, and would create confusion and conflict at the local level.

On the other hand, it is pointed out that the current lack of capacity, particularly at the second-tier local government level, means that local government will not be able to take responsibility for water provision in the foreseeable future (Eales 1996). A critical matter here is the institutional capacity that will be established at this level of local government. As discussed in section 2.3.2, there appears to be some commitment to the establishment of meaningful local government at this level. Furthermore, the considerable size of local government areas - at both the district and primary level - means that local government is not 'local' in the true sense of the word. Some structure at the level of individual settlements will therefore still be required to steer water and other development projects (Eales 1996; Ralitsela 1996).

Eales (1996) has suggested that, under the present conditions, the dismantling of LWCs with some capacity to implement water projects would be unwise, and that it will probably be necessary, in the short term at least, to make use of existing agencies with the capacity to provide water services. Such agencies could include LWCs in their role as managers of community-based projects, Water Boards where they are providing services directly to customers, private firms or NGOs. It is crucial, however, that the agency cooperates closely with local government in this regard.

There seems to be general agreement that DWAF (as well as other institutions supporting the establishment of LWCs in rural areas, such as the Mvula Trust) should at least liaise with local government concerning the establishment of LWCs, and that coordination is required between local government and LWCs.

4.4.2 Local government and private firms

Furthermore, the role of private firms in the provision of water services in rural areas - for example, providing operational and maintenance services for clusters of villages - would probably require regulation by government, as the fear exists that inexperienced local authorities would be vulnerable to unscrupulous firms. Eales (1996) has indicated that such regulation could take a very simple form - government would need to be able to set the upper limit to profit margins on the provision of water services in rural areas, and all contracts between local governments and private agencies would have to make provision for a minimum or 'lifeline' supply of water to ensure that the poorest people will have access to water services. She has also suggested that the most meaningful roles for local government in the short term may be: to lobby for support and funding, to monitor and evaluate the performance of implementing agencies, to coordinate implementation as well as operation and maintenance, and possibly - at a later stage - to administer billing and revenue collection.

5. Community forestry

5.1 Introduction

According to the draft final Constitution, *forestry matters* generally are the responsibility of national government, while the *administration of indigenous forests* is a concurrent legislative competency of national and provincial government (Parliament 1996). Local government has no powers or responsibilities with respect to forestry matters.

The national Department of Water Affairs and Forestry (DWAF) has been driving the development of a new forestry policy for South Africa. According to Dickson (1996), the policy formulation process started with the National Forestry Policy Conference in March 1995 which involved government, industry, NGOs, research organisations, communities and other stakeholders. The outputs from this conference contributed to the drafting of a Forestry 'Green Paper' by July 1995. A second conference on *The Greening of South Africa* was held in October 1995, which involved mainly women and organisations active in community forestry. This sequence of events culminated in the drafting of the Forestry White Paper which has recently been published (DWAF 1996b).

A process to develop a Master Plan for Community Forestry (CF) in South Africa has recently commenced, which has been the result of inputs from the Biomass Initiative and initiatives by DWAF, as well as the recent involvement of the Overseas Development Administration (ODA) (Dickson 1996). The former is briefly discussed here. In the rest of the chapter the main public sector institutions involved in facilitating and implementing Community Forestry in South Africa, DWAF and the Independent Development Trust (IDT), are briefly discussed.

5.1.1 Biomass Initiative

The Biomass Initiative (BI) was conceived in response to the rapidly deteriorating fuelwood supply situation in many of South Africa's rural areas (Williams & Dickson 1995). It was launched in 1993 on the initiative of the Department of Mineral and Energy Affairs (DMEA), and was overseen by an inter-departmental Steering Committee, including representatives from the Departments of Agriculture, Water Affairs and Forestry, Mineral and Energy Affairs, and Health and Population Development. Although the BI was conceived as a two-phase programme, comprising a planning and an implementation phase, it did not proceed beyond the first phase, mainly as a result of the recent political changes in the country (Dickson 1996).

The first phase of the BI comprised a number of elements, including: an assessment of the national supply and consumption of woody biomass, the demonstration and evaluation of a range of tree delivery systems, and capacity building by means of training, publicity and information dissemination concerning social forestry. After completion of the first phase, recommendations for the future were published in *Towards a national social forestry policy and programme: recommendations to the Biomass Initiative Steering Committee for the second phase of the Biomass Initiative* (Williams & Dickson 1995). The final output from this phase has been a Cabinet Memorandum prepared by the BI Steering Committee, which makes recommendations with respect to the advancement of Rural Development Forestry (RDF) in South Africa (DMEA 1996). This is still to be discussed by the Cabinet (Dickson 1996).

5.2 National Department of Water Affairs and Forestry

5.2.1 Organisational structure and approach

The Forestry Chief Directorate of the national Department of Water Affairs and Forestry (DWAF) comprises two Directorates: Forestry Support Services and Forestry Development (Von Krosigk 1995). The Directorate of Forestry Support Services has its head office in Pretoria, as well as twelve regional offices around the country. In some areas the regional Forestry Offices are attached to Water Affairs Offices which provide administrative back-up, while in other instances the Forestry Offices are independent with their own administrative capacity (Dickson 1994).

Prior to 1993 the main function of the Directorate: Forestry Support Services had been to support industrial forestry activities. However, the beginning of 1993 saw a fundamental shift in the focus of the Forestry Chief Directorate to community forestry, with DWAF indicating that it planned to facilitate the establishment of 3000 community tree planting projects in the following ten years. This entailed a change from working within developed institutional settings with mainly commercial forestry problems to an environment characterised by poor communities with a host of diverse problems, very few resources and poorly developed institutional arrangements to confront these problems (Dickson 1996).

The change in focus within DWAF coincided with the start of the Biomass Initiative which was discussed above. As there existed considerable common ground between the aims of the BI and DWAF's new focus, the latter became actively involved in the BI from the onset. During 1993 and 1994 DWAF was instrumental in establishing a large number of projects in pursuit of its '3 000 project' goal, as well as in its role as contractor to the Biomass Initiative (Dickson 1996).

5.2.2 Planning and coordination

DWAF is currently involved in a wide range of projects, including the establishment of nurseries, woodlots, community gardens and community tree planting projects in both rural and urban areas (Dickson 1996). DWAF becomes involved in such projects in response to requests from different parties. In some cases DWAF is approached for assistance by other government or municipal departments (for example, Agriculture, Health, or Parks), or by NGOs which are involved in activities with community groups. These projects often have funding from other sources (for example, from the IDT) and DWAF is mainly required to provide technical forestry support - it therefore forms part of a team involving a range of players.

Community groups also approach DWAF directly, in which cases DWAF may provide technical support as well as materials such as potting bags, poles and shade cloth for the establishment of nurseries. Alternatively, DWAF may be instrumental in linking the community to potential funders and drawing other parties into the planning and implementation process. Planning and coordination of these projects may or may not be undertaken by DWAF extension staff, depending on the institutional arrangements concerning a particular project (Dickson 1996).

5.2.3 Funding

Personnel, administration and travelling costs associated with the community projects undertaken by DWAF are routinely covered by the departmental budget. During the period of the Biomass Initiative, costs related directly to the establishment and operation of projects were in some cases covered by BI funds and in others by departmental funding. After the Biomass Initiative had ended, some funding to cover project costs remained available through the Forestry Support

budget. In addition, since the start of the IDT programme in 1995 (see below), DWAF has established a working relationship with the IDT through its involvement in ongoing BI projects, as well as by collaborating on new projects. In these cases DWAF generally provides forestry support to the communities involved in IDT-funded projects (Dickson 1996).

5.3 IDT social forestry programme

5.3.1 Approach and structure

After the end of the Biomass Initiative (BI) in 1994, the momentum established in the area of Community Forestry (CF) was maintained through the establishment of a two-year Social Forestry Programme within the IDT. R9.6 million was provided by the IDT with the purpose of supporting some of the pilot projects started during the BI, and for initiating new projects (Dickson 1996). The programme comprises the following elements:

- the establishment of a network of community-managed rural nurseries;
- the development of integrated vegetable/tree gardens;
- a reclamation forestry, woodlot and agroforestry programme; and
- a nutrition and environmental awareness programme in schools.

One of the aims of the programme is to develop 'models of best practice' in social forestry. Another important aspect of the IDT programme is the emphasis placed on capacity building and organisational development at a community level. Furthermore, the IDT sees community-based projects as being essentially multi-faceted, and therefore attempts to link forestry projects to initiatives in other IDT programmes, including water supply, clinic building, community employment and agriculture (Dickson 1996).

In many cases social forestry activities take the form of individual projects, although there are also many instances where larger programmes are being implemented (Dickson 1996). These larger programmes are managed by NGOs with capacity and experience in a particular area; for example, the Environmental and Development Agency is responsible for about fifteen projects as part of their programme in the Eastern Cape (Viljoen 1996). Furthermore, the pilot awareness programme which is targeting 100 schools in the Northern Province is managed by Trees for Africa, an NGO based in Johannesburg (Dickson 1996).

The Social Forestry Programme forms part of the Rural Development Portfolio of the IDT, and the IDT's rural energy project manager is responsible for coordinating the programme (IDT 1995b). The programme is structured around five regional Social Forestry Facilitators who are employed by the IDT on an annual contract basis and are each responsible for a regional programme³ (Dickson 1996; Archer 1996; Gandar 1996). The role of these facilitators is to network with organisations and government departments at a provincial and local level. They specifically support projects with a

³ A regional facilitator base in East London is responsible for projects in the Eastern Cape; one in Cape Town for projects in the Western and Northern Cape; one in Johannesburg for Mpumalanga, Gauteng and a portion of the North West Province; one in Pretoria for the Northern Province and a part of the North West Province; and one in Pietermaritzburg for KwaZulu/Natal and the northern part of the former Transkei (Dickson 1996).

forestry component, but are also instrumental in bringing parties together in more multi-faceted projects than those implemented during the Biomass Initiative. In addition to the regional facilitators, the IDT employs field staff who facilitate development projects in communities and provide support and training with respect to organisational development (Dickson 1996).

5.3.2 Planning and coordination

The planning of social forestry projects depends on the type of projects undertaken (Dickson 1996). In many cases a CBO is at the core of a project, and a range of support services are provided to assist the CBO in funding, implementing and maintaining their project. These support services may be provided by IDT field staff, government departments such as Agriculture or Forestry, and possibly local NGOs. In some cases planning is facilitated by the IDT regional Social Forestry Facilitator through workshops and meetings involving all the relevant players. In the case of the larger programmes a wider range of stakeholders are drawn into the planning process. In other cases trees may be a relatively minor component of a development programme and the IDT would therefore be drawn in as a minor player.

Despite facilitation and coordination at the regional level, the IDT social forestry programme, similar to other CF interventions in South Africa at present, lacks a broad framework within which to locate its activities (Dickson 1996). Although there are linkages and working relationships at the regional and local levels between a number of players (including the IDT, DWAF, Agriculture, Conservation and NGOs), collaboration between the various parties is not always easy due to confusion regarding objectives, disagreements regarding approaches, and a lack of capacity within participating organisations. Many of these problems are the result of inadequate communication, coordination and planning at a national level.

5.3.3 Funding

As mentioned above a total of R9.6 million was allocated to the Social Forestry Programme by the IDT Executive Committee. At the onset of the programme this amount was allocated to the five regional programmes according to perceived needs and the potential for activity in each region. These funds are being disbursed to specific programmes and projects at present, in addition to being used to cover the costs of the regional facilitators (Dickson 1996). The IDT has indicated that many projects have failed in the past due to a poor organisational base in the communities concerned (Viljoen 1995). In an effort to build local organisational capacity, the IDT's approach is to give communities control over their budgets. Funds are therefore generally channelled directly to CBOs. At the same time funds are allocated to support structures such as NGOs which provide services like training and facilitation at a local level.

Project funds are disbursed on the basis of proposals developed by community-based organisations and/or NGOs (Dickson 1996). On presentation to the IDT, the proposals are first screened by the regional facilitators who, in deciding on the viability of each proposal, consult with other role players that could become or are already involved. If proposals are considered to be inappropriate or not fully developed, they are returned to the organisation concerned with suggestions for amendments. If the proposal is considered acceptable, it is forwarded to the IDT programme coordinator at the head office, who further screens proposals before presenting them to the IDT Executive Committee for consideration. The Executive Committee generally does not turn down proposals on technical grounds - they are more concerned about compliance with IDT funding policy; for example, that funds

go to community-based organisations, and do not cover NGO overhead costs (Dickson 1996).

6. Grid electrification in rural areas

6.1 Introduction

Grid electricity is in similar position to *water services* as far as the responsibilities of different levels of government as specified in the draft final Constitution are concerned, as both national and local government have a responsibility with respect to electricity provision. While electricity is not listed as a legislative competency of provincial government, *electricity reticulation* is one of the functional areas for which municipalities have executive authority as well as the right to administration (Parliament 1996). In addition, the fact that provincial government has some responsibilities with respect to *local government matters* means that it may still play a significant role with respect to electricity provision in rural areas.

There is no government policy in place regarding rural electrification in South Africa - policy is effectively made by the public sector institutions involved in electrification programmes. Of these the public utility Eskom, which has the distribution rights to virtually all 'rural' areas⁴ at present (Thom et al 1995b), is the most significant. Eskom finances its entire electrification programme, of which a substantial proportion is implemented in 'rural' areas. It also provides grant funding for the electrification of schools. Other public sector institutions which play a role with respect to grid electrification in rural areas, specifically by providing grant funding for schools and clinics electrification respectively, are the RDP/DMEA and the IDT (see chapter 9 for discussion). In addition, former Regional Services Councils (now District Councils) have been providing grant funding for the electrification of farmworker homes in some areas - for example, in the Free State (Thom et al 1995b).

6.1.1 Policy and institutional developments

The Energy White Paper which is being drafted at present will contain policy on the electricity sector. However, the White Paper is not likely to provide a comprehensive framework for rural electrification.

Another important recent initiative was the establishment of the Electricity Working Group (EWG) in August 1995 to make recommendations regarding the restructuring of the electricity distribution industry to the Ministry of Mineral and Energy Affairs, and the Ministry of Constitutional Development and Provincial Affairs. The EWG has proposed the following with respect to the financing and restructuring of the electricity sector (Electricity Working Group 1996):

- that the entire electricity supply industry move to cost-reflective tariffs with separate, transparent taxes to fund electrification and municipal services; and
- that the distribution industry, which currently comprises mainly Eskom and a large number of municipal distributors, be consolidated into the maximum number of independent regional distributors (probably between 5 and 17) which would retain the financial health of the different distributors.

The EWG has further pointed out that a national coordinating body would need to be established to manage activities such as electrification planning. One proposal is that government should establish an Electrification Funding Agency (EFA) to

⁴ All areas outside of promulgated local authority boundaries as these existed before the local government elections on 1 November 1995.

manage a National Electrification Fund (NEF) and allocate funds for electrification according to government-approved project appraisal criteria (Steyn 1996). The EFA would assist distributors in funding electrification projects, and would act as the primary electrification planning agency. The NEF could be funded by a national electrification levy, fiscal contributions, donor grants and borrowings.

Discussions in government on the restructuring of the distribution industry, as proposed by the EWG, are far advanced, and the proposals are likely to be implemented, unless halted by political pressure - for example, from the labour movement. The debate on the establishment of an EFA, on the other hand, still needs to be advanced considerably (Steyn 1996).

Eskom's structure and approach to rural electrification is briefly discussed here⁵, as well as the role of local government with respect to electricity provision in rural areas. A specific focus in this discussion is the local Electricity Agency which Eskom has established in Mafefe in the Northern Province (Thom 1996).

6.2 Eskom's national electrification programme

6.2.1 Planning structure and approach

The planning of Eskom's national electrification programme is the responsibility of the National Electrification Planning Manager supported by a small planning unit at Eskom's head office. National electricity targets are divided amongst Eskom's 12 Sales and Customer Service (SACS) regions in the country through an iterative process between the planning unit at head office and managers in the SACS regions. The planning and management of the electrification programme in each SACS region is the responsibility of an electrification manager who heads a small electrification team.

Regional as well as sub-regional offices exist in the different SACS regions. The identification, screening and prioritisation of projects are primarily done by Eskom staff at these offices. However, in some areas electrification forums have played a significant role with respect to project prioritisation - for example, in the former Lebowa and Gazankulu homelands (Thom et al 1995b). All electrification projects have to be approved by Eskom's Capital Investment Committees (CICs), each of which is responsible for a number of SACS regions.

The electrification of farmworker houses is in most cases not the responsibility of the electrification planning teams in the SACS regions, but is undertaken on the initiative of farm owners or of Eskom's Agrelek advisors (Thom et al 1995b). This approach, together with Eskom's financing policy regarding farmworker electrification, whereby relatively small subsidies are provided to farmers, has resulted in low rates of farmworker connections nationally. During 1995 a working group in Eskom recommended changes to the existing approach, which will mean that farmworker electrification will receive greater priority in Eskom. According to Van der Walt (1996), these have been accepted by Eskom's management, and will be implemented during 1996 once the details have been finalised.

6.2.2 Coordination and community liaison

There appears to be little coordination between Eskom and other institutions responsible for the planning of public services in rural areas in the selection and

⁵ Eskom's national electrification programme has been discussed in great depth by Thom et al (1995b). Only the most pertinent points are repeated here.

prioritisation of electrification projects, although relevant parties (for example, provincial Education Departments) are informed of Eskom's electrification plans (see chapter 9). The main exceptions appear to be cases where funding is made available by the IDT for clinic electrification, thus enabling Eskom to electrify settlements which would otherwise be regarded as economically unviable - for example, Mafefe in the Northern Province (Thom 1996).

Contact between Eskom and rural communities appears to be restricted mainly to communicating the arrangements for the implementation of projects as well as providing some education on the use of electricity. This occurs through liaison with local electricity committees and at mass meetings (Thom 1996). No organisational development is undertaken as part of electrification projects. However, some training of local people is done as part of labour-based projects, of which there has been only a small number, as well as small business development initiatives which form part of some electrification projects.

6.2.3 Local Electricity Agency in Mafefe

A local Electricity Agency was recently established in Mafefe in the Northern Province, and was contracted by Eskom to perform a range of functions on its behalf⁶. These include (Eskom 1995):

- collecting revenue from customers with a 2.5A supply involving a flat-rate monthly payment (and therefore requiring no metering);
- reading the electricity meters of customers provided with a Homepower supply (a 60A supply with a conventional meter) and collecting revenue from them;
- disconnecting non-paying households, and connecting new customers;
- recording and reporting faults, and maintaining low-voltage distribution lines; and
- educating users on the use of electricity.

Three people have been employed by the Agency to perform these functions: a clerk and two electricians (Geldenhuys 1996).

The terms of the contract between Eskom and the Agency were negotiated by Eskom and the Mafefe Electricity Committee (MEC), which is closely aligned with the Tribal Authority in Mafefe. However, contractual responsibility for the Agency lies with the local Kgoshi - the head of the Mafefe Tribal Authority - who signed the contract with Eskom. Eskom has therefore opted to establish the Agency as a public body rather than a private enterprise. This was probably done to ensure that the Agency has the necessary authority in the community to enable it to fulfil its functions. At the same time it may have been assumed that this will ensure that the Agency is accountable to local people in the manner in which it conducts its affairs. However, contractual responsibility on the part of the Kgoshi is not sufficient to ensure accountability to the local community, given the complexity of power relations in Mafefe (Thom 1996). Some additional provision would be necessary to

⁶ This matter is discussed in detail by Thom (1996). It should be noted, however, that this discussion is based on a draft Agency Agreement which was available in October 1995, as well as discussions with various people on the matter; unfortunately attempts to obtain a copy of the final Agency Agreement between Eskom and the Mafefe Electricity Agency has not been successful, mainly due to difficulties in establishing contact with the responsible parties in Eskom.

achieve this; for example, the establishment of a Community Trust overseen by an elected Board of Trustees was suggested by people in Mafefe.

It is further not clear how the management of the Agency has been structured, or what the role of the MEC is within the Agency, which is related to the former. Some of the members of the MEC seemed to be appropriately skilled to act as managers of the Agency on a part-time basis. However, it is not clear whether a manager has been appointed to the Agency (for example, one of the members of the MEC in his *private* capacity), or whether members of the MEC serve as the 'governing council' of the Agency in conjunction with the Kgoshi (that is, performing a *public* function).

It is uncertain whether the Local Electricity Agency which has been established in Mafefe will be a sustainable venture, for the following reasons (Thom 1996):

- There was no broad community consultation concerning the establishment of the Agency, or the supply options which are provided in the area (of which the 2.5A flat-rate option is particularly controversial). The Agency therefore may not have the necessary legitimacy in the eyes of local people to enable it to deal with dissatisfaction which may develop with the 2.5A supply, or with the difficult matter of disconnecting non-paying households.
- This is compounded by the fact that there is no proper mechanism in place to ensure the public accountability of the Agency, other than through the Kgoshi of Mafefe, which is likely to be insufficient as power relations in Mafefe are of a complex nature.
- The financial viability of the Agency is totally dependent on its ability to collect revenue from local electricity consumers. The Agency is obliged to pay to Eskom all the money collected in revenue, and will be held responsible for any shortages. In return, it will be paid a fixed monthly fee for its services. Non-payment by consumers of electricity therefore has the potential to impact immediately and significantly on the ability of the Agency to fulfil its functions.
- If inadequate provision has been made for the management of the Agency, this could have a detrimental impact on its operational efficiency.

6.3 Local government

The draft final Constitution provides a significant role for local government with respect to electricity provision, as is the case with potable water supply. The debate in section 4.4 on the role of rural local government in water services provision, and the relationship between local government on the one hand, and implementing agencies such as Local Water Committees and private water firms on the other, is therefore relevant to this discussion.

Clearly local government will not be expected to provide electricity. However, in the longer term it could oversee the provision of electricity by other agencies, and could possibly take on administrative functions, such as billing and revenue collection. It would thus be necessary to build the capacity of local government in rural areas, including the primary level structures (see 2.3.2), to enable it to take responsibility for electricity provision in its areas of jurisdiction in the future.

In the shorter term local government could possibly play the following roles with respect to electricity provision:

- identifying and prioritising areas to be electrified;
- accessing funding for electrification where appropriate;

- coordinating electrification with other development initiatives;
- monitoring and evaluating the performance of implementing agencies contracted to provide electricity; and
- coordinating the implementation of electricity projects, as well as maintenance aspects.

The implementing agency that would be contracted to provide electricity services on behalf of local government would be the distributor responsible for the area, which could be assisted in this by a local Electricity Agency as discussed above. Eskom, or a new regional distributor, as well as the local Agency, would need to liaise and cooperate closely with local government regarding the provision of electricity.

6.3.1 Local government and the Mafefe Electricity Agency

In the case of the local Electricity Agency in Mafefe, the relationship between the Agency and the local government in the area can be summarised as follows (Thom 1996):

- The Mafefe Electricity Committee was from the onset closely aligned with the Mafefe Tribal Authority.
- After the establishment of transitional local government and prior to the local government elections on 1 November 1995, the Transitional Local Council (TLC) which included Mafefe was kept informed of progress with the negotiations concerning the Agency Agreement between Eskom and the Mafefe Electricity Committee, which was represented on the TLC. However, it appears that the TLC had not discussed the details of the Agreement.

Different opinions existed within the TLC concerning the establishment of the Agency, with the chairman of the TLC (who was also the chairman of the ANC branch in Mafefe) expressing the opinion that the Agency should be established under the auspices of the District Council responsible for the area. However, the Mafefe Electricity Committee was not in favour of locating the Agency within the new local government structures.

- The newly elected Local Council for the area which includes Mafefe is a fully-fledged local government structure as discussed in section 2.3.2. There are three representatives from Mafefe on the Local Council: two elected (ANC) councillors, and the Kgoshi of Mafefe, who is an ex officio member of the Council.

In light of the discussion above it would probably be required of Eskom, as the distributor to the area, to approach the new local government (both the District Council and the Local Council) responsible for Mafefe about the Mafefe Electricity Agency which has been established, to give them the opportunity to consider the structure of the Agency and its relationship with local government. As mentioned above, one of the elected representatives from Mafefe on the new Local Council - the chairman of the Mafefe ANC branch - had particular views on the establishment of an Electricity Agency for Mafefe, which would probably need to be considered.

7. Non-grid electrification in rural areas

7.1 Introduction

Energy matters other than those concerning grid electricity are the responsibility of national government only, as energy is not listed as a legislative competency of provincial government or local government in the draft final Constitution (Parliament 1996).

As is the case with grid electrification, no government policy is in place concerning non-grid electrification in South Africa. The Energy White Paper which is being drafted by the Department of Mineral and Energy Affairs (DMEA) will probably place emphasis on non-grid electrification, although it is not clear what the policy will be.

In the past non-grid electrification - that is, the provision of Remote Area Power Supply (RAPS) systems such as photovoltaic (PV) units and diesel generator sets - has been undertaken almost entirely by the private sector, without governmental support or involvement. More recently, programmes run by the IDT and Eskom (the latter mainly using RDP funding) have provided for the installation of PV systems at clinics and schools - these are discussed in the chapters on health services and education respectively (see chapters 8 and 9). Households' access to PV systems has generally remained limited due to the high costs of the technology, amongst other things. In response to this situation, the DMEA recently established a national institution to facilitate access to renewable sources of energy in South Africa (Renewable Energy for South Africa), which is briefly discussed here.

7.2 Renewable Energy for South Africa

7.2.1 Mission, structure and funding

Renewable Energy for South Africa (Refsa) has been established as a non-profit proprietary limited company within the Central Energy Fund (CEF) group of companies. The mission of Refsa is 'to provide energy to that sector of the population which does not have access to the national electrification grid, or other affordable sources of energy, by utilizing renewable energy technologies' (DMEA 1995). However, its initial focus will be on solar home systems - that is, the use of PV units for household purposes.

Refsa was registered in October 1995 and a General Manager was appointed in April 1996. The activities of Refsa will be guided by a Board of Directors, which comprises representatives from, amongst others, the DMEA, Eskom, and the IDT. The General Manager of Refsa reports to the Board of Directors as well as to the General Manager of CEF. Additional management positions have been proposed for staff who will be responsible for project formulation, implementation and evaluation, as well as for communication and liaison etc. Many of the financial management tasks are to be undertaken by staff of CEF's finance section (Geerdts 1996).

Refsa is expected to be funded primarily from RDP funds - the DMEA is to provide an amount of R10.1 million as initial funding for Refsa over a two-year period. Further funding for pilot projects will be available from Renewable Energy for African Development (REFAD), a US-based non-governmental organisation which has been contracted by the Office of Energy of the US Agency for International Development (USAID) to fund Refsa and to assist with project development and

monitoring (Geerdts 1996). An amount of US\$1.05 million has been made available, primarily to cover installed equipment costs, of which US\$150 000 is for project development and monitoring. The IDT has further pledged a grant of R2 million, and has also offered Refsa the use of its national network of fieldworkers. In the longer term further funding might be sought on international markets.

7.2.2 Proposed policies and strategies

Refsa will initially focus on establishing its own operational structures, and on the implementation of a series of pilot projects which will be used to test possible implementation mechanisms for the development of longer-term policies (Geerdts 1996). Plans regarding the pilot projects have not yet been finalised - these might include solar home system (SHS) projects, as well as battery charging facilities and mini-grid systems. In the case of SHS projects, a variety of institutional and financing arrangements are possible. Four approaches to implementing such pilot projects have been put forward by different parties, and might be tested by Refsa: community-based projects, industry-led initiatives, the establishment of rural energy stores, and Eskom-managed projects. The key elements of these approaches can be summarised as follows (Geerdts 1996):

- Central to the community-based model is the establishment and involvement of a local committee which represents the interests of potential users of SHSs. This committee would be involved in much of the management of the project, and would probably require training in appropriate skills.
- In the case of the industry-led initiative, Refsa would aim to provide a supportive environment in which existing private sector firms can establish projects - for example, by facilitating access to finance amongst potential users of SHSs.
- The establishment of a rural energy store would involve providing support to a local entrepreneur in operating an energy supply business in the area it already serves, probably in a franchise-type arrangement.
- An Eskom-managed approach would draw on Eskom's capacity largely for project management functions, and would follow their involvement in the non-grid electrification of schools.

Various financing mechanisms are possible, including the involvement of an intermediate organisation to provide loan finance to potential SHS customers. Such an organisation would also be responsible for collecting repayments. Refsa might underwrite these loans, or provide bulk loans at favourable interest rates. The question of an appropriate level of subsidy for SHSs has not yet been addressed, but Refsa's costs will certainly not be added as an overhead to purchasers of SHSs (Geerdts 1996).

8. Health services

8.1 Introduction

National, provincial as well as local government have responsibilities regarding health services according to the draft final Constitution. *Health services* are included in the concurrent legislative competencies of national and provincial government, while local government has executive authority as well the right to administration with respect to *municipal health services* (Parliament 1996).

The national Department of Health (DOH) is mainly responsible for policy development with respect to health services. Policy on the *Restructuring of the National Health System for universal primary health care* was recently published (Department of Health 1996). The new policy emphasises the role of district health authorities:

The health district will be the building block of the National Health System, and a unified, integrated health management structure at local level, to be known as the district health authority (DHA) will play the key administrative role within the publicly funded PHC system. The DHA will be responsible for all district primary health care and hospital services. It is planned to begin introducing functioning DHAs from the end of May 1996, and that the district based system should be fully developed within 5 years (Department of Health 1996).

According to Karim (1996), all the provincial Health Departments are presently working with the national department towards the establishment of district health authorities. The basis on which districts are to be established is not clear, however - it might not be the same in all the provinces (Ward 1996).

There are currently more than 1000 residential clinics, health care centres and day clinics in rural areas (IDT 1995a). A national clinics upgrading and building programme is being undertaken by the national and provincial Health Departments. Funds for the construction of rural clinics have been provided by the RDP, while the national DOH provides funding for essential equipment at clinics - for example, vaccine fridges and suction pumps for new-born babies (Bester 1996). These funds are administered by the provincial Health Departments. In addition, provincial health budgets make provision for the running costs of providing health services at clinics, including medical supplies, maintenance and services charges.

The IDT is also involved in clinic building and upgrading, including the provision of energy to clinics. This is discussed below, together with the KwaZulu-Natal and Mpumalanga Health Departments on which information was obtained to illustrate developments in the provinces.

8.2 Provincial Health Departments

8.2.1 Mpumalanga Health Department

The Mpumalanga Health Department (MHD) has three regional offices. New district offices are also being established in addition to some existing ones - it was expected that all 21 district offices would be established before 1 April 1996. Karim (1996) has further indicated that the MHD aims to devolve decision-making to a district level in accordance with national policy, but that it would take some time before this was put into operation.

The regional offices currently inform the provincial head office of the needs in the different regions regarding new clinics as well as the services required by clinics (Karim 1996). However, according to Pansegrouw (1996) the regional offices have no relationships with local clinic committees. They are responsible for coordinating inputs from the district offices concerning needs and priorities in the districts (Karim 1996). Each regional office meets once every two weeks with the district offices. District offices may also approach the provincial office directly with problems at the moment. This provision has been made mainly because of bureaucratic difficulties which have resulted from the integration of the different health departments that previously existed in the province.

The finance section in the provincial head office has been responsible for paying the operating expenses of clinics, including electricity consumption (Pansegrouw 1996). In future the district offices will be responsible for operating expenses, including payments for medication and for services such as water and electricity, which they will have to administer according to a budget approved by the provincial office (Karim 1996). In the short term, however, payments made by the district offices will have to be authorised by the provincial office in order to monitor expenditure.

8.2.2 KwaZulu-Natal Health Department

The KwaZulu-Natal Health Department (KHD) comprises eight regions, each of which is headed by a regional director (Yoganandhan 1996). They are working towards the establishment of health districts which may correspond to local government boundaries, although this is not sure.

A senior nursing sister coordinates the clinic upgrading and building programme in each health region (Yoganandhan 1996). The sister meets with representatives of each hospital in the region as well as communities in the area (clinic committees if these exist) to identify priorities for the programme. The KHD is also trying to establish clinic committees in areas where these do not exist to represent the interests of local communities in the planning of health facilities.

The senior nursing sister forwards her recommendations to an Interim Regional Advisory Management Team which submits its recommendations to the Clinics Upgrading Committee (CUC) of the Health Department. The CUC advises the department on the priorities for clinic building and upgrading in the province as a whole, and the KHD in its turn instructs the KwaZulu-Natal Public Works Department to implement the provincial building and upgrading programme according to these priorities⁷. The Public Works Department convenes monthly meetings to coordinate the implementation of the clinics programme, which are attended by the Public Works, Health, Local Government and Housing Departments, as well as by Eskom and the IDT (Yoganandhan 1996).

All financial responsibility for the building, upgrading, and servicing (for example, the provision of water and electricity) of clinics is located at the provincial level - no financial responsibility has been devolved to the regional or district levels. Electricity consumption at clinics, which forms part of operational expenses, is paid by the KHD in some areas and the Public Works Department in others. This disparity is a result of the historical division between the Natal Provincial Administration and the

⁷ Murray (1996) has indicated, however, that this process is not fully operational yet as many aspects are still being finalised.

KwaZulu homeland administration. An attempt is being made to transfer responsibility for this to the KHD in all areas (Yoganandhan 1996).

8.3 IDT clinics programme

8.3.1 Organisational structure and functions

The IDT is currently being restructured. Among other things, its structures are being transformed to correspond to provincial boundaries - during 1995 provincial directors were appointed in Mpumalanga, KwaZulu-Natal and the Eastern Cape (IDT 1995b). An initiative is also underway to establish an integrated field team in each province that will fulfil all the functions previously fulfilled by field teams associated with different programmes in the IDT, such as the community employment programme and the clinics building programme (Viljoen 1996).

Two programmes in the IDT's Rural Development Portfolio have been concerned with rural clinics: the clinics building programme which focuses on the building and upgrading of rural clinics, and the rural energy programme which includes the provision of electricity (grid and non-grid) as well as other forms of energy (for example, liquid petroleum gas) to provide lighting and power essential equipment at clinics (Thom et al 1995b). In the last year there has been a move towards more integrated service provision at health facilities, including the provision of water, energy and fencing to clinics. The energy programme has thus become part of a larger services programme (Viljoen 1996). The focus in this discussion is on the IDT's involvement in the provision of energy services to clinics.

8.3.2 Funding

The IDT's funding policy makes provision for a range of aspects of energy services provision at clinics, including the upgrading of wiring and electrical installations, the provision of a full electrical system and essential electrical equipment to non-grid clinics, and the maintenance of non-grid installations (IDT 1995a). With respect to grid electrification, the IDT's policy is to fund only the 'uneconomic' portion of the costs of extending a line to a clinic. According to Viljoen (1996) this policy is currently applied more rigorously than before - the 'uneconomic' portion of the costs is determined by Eskom based on the capital costs per connection for the entire settlement, even if only the clinic is connected at first. This means that Eskom is meeting most of the costs of line extension to clinics (up to 90%) at present, while in the past the IDT had typically provided about 90% of the funding.

The IDT had allocated R54 million from its founding grant to capital expenditure on clinic electrification, while an additional R4.5 million has been set aside for the non-grid maintenance programme (IDT 1995a). Furthermore, R70 million has been provided by the RDP for clinic electrification during 1996 (Murray 1996). Decisions concerning the allocation of funds to Eskom or other contractors involved in clinic electrification are made by the IDT Executive Committee, and the disbursement of such funds is subject to a performance contract (Viljoen 1996).

In general the IDT's approach to development funding has been to allocate the funds directly to a local committee. The clinic electrification programme has been an exception in this regard, as funding has not been allocated to the local communities but to the implementation agents such as Eskom and contractors (Viljoen 1996).

8.3.3 Planning and coordination

According to Viljoen (1996), the IDT liaises with the provincial departments concerned with the upgrading of clinics in each province. In KwaZulu-Natal the IDT

attends the monthly meetings on clinics building and upgrading which are convened by the Public Works Department (see above). However, Murray (1996) has indicated that meetings of the Health Department's Clinics Upgrading Committee are not regularly attended by the IDT. He was of the opinion that the KwaZulu-Natal Health Department is not well-organised and that the CUC lacks direction.

Murray (1996) further expressed the opinion that responsibilities within the Eastern Cape Health Department (EHD) with respect to the clinics programme are clear and that decision-making is effective. In each region in the Eastern Cape⁸ a committee is formed comprising a representative from the provincial Health Department, the nursing sisters in charge of community health at the hospitals in the region (there are 8-10 hospitals in the region comprising the northern Transkei, for example), and the IDT, which discusses all the clinics in the region and decides what should be done in each case with respect to upgrading and service provision. The discussions and decisions at these meetings inform the IDT's planning of its clinic upgrading and electrification programme in the province, which includes the prioritisation of projects for the province as a whole.

The manner in which the IDT approaches the planning and implementation of its clinic electrification programme has been discussed in great detail by Thom et al (1995b). Unelectrified clinics are identified in consultation with the provincial Health and/or Public Works Departments, and decisions concerning the clinics to be electrified from the grid are made in consultation with the Eskom regional offices responsible for the areas concerned. Once an agreement has been reached on the IDT's financial contribution to extend the grid to clinics in a particular area, a block of funds is allocated to Eskom for this purpose. Eskom takes project management responsibility for the electrification of these clinics.

The IDT conducts a survey to assess the conditions and needs at the other clinics in a province. IDT facilitators assist with this under the auspices of consultants appointed by the IDT; for example, John Murray plays this role in KwaZulu-Natal and the Eastern Cape (Viljoen 1996). The IDT is currently surveying rural clinics in KwaZulu-Natal and in the former Ciskei and Transkei homelands (Murray 1996). The IDT funds the improvement or provision of energy services at these clinics, and takes responsibility for project management, generally through appointed consultants; for example, EDG has played this role in the past (Thom et al 1995b).

According to Viljoen (1996) the provincial Health Departments are generally responsible for liaison with communities concerning the upgrading and electrification of clinics. The IDT facilitators generally only liaise directly with the staff at clinics, and in some cases with health or clinic committees where these exist. Local health committees have been particularly active in projects where visiting points have been established, in which case the assets have generally been transferred to the community. However, these committees often disappear once the building has been completed. In the case of clinics which are electrified from the

⁸ The former Ciskei comprises one health region, while the former Transkei comprises three regions (Murray 1996).

grid, contact between the IDT and the clinic staff is generally minimal as the IDT only funds the electrification of such clinics.

9. Education

9.1 Introduction

Non-tertiary education is a concurrent legislative competency of national and provincial government according to the draft final Constitution, while no responsibility for education has been assigned to local government (Parliament 1996).

The national Department of Education (DOE) is responsible mainly for policy development and monitoring with respect to non-tertiary education, and thus provides policy guidelines within which provincial departments must render education in their areas of jurisdiction (Visser 1996). A White Paper on *The organisation, governance and funding of schools* was issued in February 1996 (Department of Education 1996).

Each provincial Education Department receives a lump sum from the national DOE which is allocated according to the provincial education budget. In addition, the RDP allocated R1 billion in the 1996/97 financial year to the building of classrooms (Visser 1996). The IDT is also undertaking a school building programme. It had allocated R340 million from its founding grant to school building, with R300 million of this earmarked for establishing School Building Trusts (SBTs) in the different provinces. By the end of 1994 SBTs had been established in eight of the provinces (all but Gauteng), where they are responsible for identifying education needs and potential projects, prioritising needs according to the available funds, and building of schools (IDT 1995b).

An important focus of this discussion is the provision of electricity to schools, which is mainly undertaken by Eskom. The RDP funds allocated to the electrification of schools - R30 million for grid electrification and R56 million for non-grid electrification - have been administered by the Department of Mineral and Energy Affairs (Opperman 1996). The national DOE is not involved in the electrification of schools - Eskom liaises directly with the provincial departments in this regard (Nomvete 1996; Kaphe 1996). Furthermore, there appear to be no programmes undertaken by the Education Departments which facilitate the optimal utilisation of the electrical supply at schools - for example, the provision of audio-visual equipment accompanied by teacher training and support (Ward 1996; Kola 1996).

Information on the Eastern Cape and Free State Education Departments which was obtained to illustrate developments in the provinces, is presented below. In addition, Eskom's grid and non-grid schools electrification programmes are briefly discussed with particular reference to the North West and Eastern Cape respectively.

9.2 Provincial Education Departments

9.2.1 Free State Education Department

The Free State Education Department (FED) has twelve district offices which are headed by District Managers (Weeto 1996). District Planners, who will be responsible for planning the building and upgrading of schools in the districts, have just been appointed at the district offices.

The Directorate of Physical Planning is responsible for prioritising the needs for the building and upgrading of schools in the province as a whole, including the needs with respect to farm schools. Prioritisation is done by the head office in conjunction

No prioritisation of the schools to be electrified is done by the EED - Eskom takes full responsibility for prioritising and planning the electrification of schools as part of planning the electrification of settlements in the Eastern Cape (Gantsho 1996). All new schools are provided with electrical wiring. Electricity consumption at schools are paid by the head office of the EED, which is billed by the supply authorities concerned. Schools are further responsible for making arrangements to access other energy sources where required, and for covering the expenses involved.

9.3 Eskom's schools grid electrification programme

9.3.1 Approach, funding and structure

Eskom's programme to electrify schools from the national grid has been discussed in detail by Thom et al (1995b). Some key aspects are briefly discussed here with specific reference to the North West province.

Schools (and clinics) located in settlements which are included in Eskom's national electrification programme are provided with electrical service connections as part of these electrification projects. In addition, the schools electrification programme makes provision for connecting unelectrified schools which are located in previously electrified areas, as well as for the wiring of all schools where this is required⁹.

Funding for schools grid electrification has been provided by Eskom's Community Development Fund (R15 million in 1995, and R15 million in 1996), overseas donors such as NORAD (R15.2 million in 1995), as well as the RDP (R30 million in the 1995/96 financial year) (Focaraccio 1996). The NORAD funding was allocated directly to Eskom's schools and clinics electrification fund, while the RDP funds have been administered by the DMEA.

A national schools coordinator is based in Eskom's National Electrification Planning Office. A revised schools electrification policy has been implemented by Eskom since February 1996, which has entailed the devolution of responsibility for the planning and implementation of the programme to the regional SACS offices where regional schools coordinators have been appointed (Focaraccio 1996).

9.3.2 North West province

In the North West province an Electrification and Telecommunications Working Group was established, which comprises representatives of the provincial Education, Public Works and RDP Departments as well as Eskom and Telkom. Monthly meetings are held which are attended by the Electrification Manager responsible for the North West. The schools electrification programme is one of the matters discussed at these meetings (Kola 1996).

The schools coordinator responsible for the North West province liaises with regional and district offices of the North West Education Department (NED) (Kola 1996). The district offices assist Eskom in identifying schools, and in arranging meetings with principals in the districts to inform them of the schools electrification programme. Principals have to submit applications for electricity to Eskom. This is generally channelled through the NED district offices, although in some cases Eskom deals directly with individual schools. Each school is visited to conduct a technical assessment before an application for the funding of the project is submitted to Eskom's Capital Investment Committee for approval. The latter has been introduced as part of the new schools electrification policy and means that schools

⁹ As mentioned above, all new schools are provided with electrical wiring.

projects are now dealt with in the same way as other electrification projects (Thom et al 1995b).

Schools are electrified by contractors which are appointed by Eskom once funding has been approved. After a school has been electrified, it is inspected by Eskom and the principal is required to certify that everything is in good order. Eskom's marketing departments provide education at schools regarding the use of electricity. Throughout this process the schools coordinator informs the NED district offices of progress, and the district offices provide assistance where required (Kola 1996).

No provision is made in the schools electrification programme for any electrical equipment which may be needed by the schools, as this is the responsibility of the Education Departments. Kola (1996) has indicated that principals are encouraged to approach the Education Departments concerning the need for equipment at schools.

In the North West each school is responsible for paying for its electricity consumption. This differs from the situation in provinces such as the Free State and Eastern Cape (see above) where the Departments are responsible for such payments. Kola (1996) has indicated that negotiations are underway between Eskom and the Education Departments to establish a uniform system whereby the Departments will be responsible for electricity payments in all provinces.

9.4 Eskom's schools non-grid electrification programme

9.4.1 Approach, funding and structure

Eskom's Non-Grid Electrification (NGE) Unit is undertaking a programme to provide photovoltaic systems to schools with the aim of electrifying all schools outside of Eskom's current five-year grid electrification plan (Bezuidenhout 1996). Funding has been obtained mainly from the RDP (R56 million during the 1995/96 financial year), while additional funding from abroad is being sought.

National responsibility for the programme resides with Eskom's Non-Grid Electrification Manager who is supported by a team comprising project managers as well as support personnel in the areas of community liaison, technical aspects, and training, amongst others. Regional Implementation Body (RIB) managers have been appointed in the different regions, some of which include more than one province; for example, the North West, Northern Cape and Free State comprise one region. The RIB managers head regional teams which comprise technicians as well as field workers responsible for community liaison. The composition of the teams is not the same in the different regions; in the Eastern Cape, for example, the team comprises one fieldworker and about six technicians (Bezuidenhout 1996).

By the end of 1995 more than 160 non-grid installations had been completed as part of the NGE programme, mostly at schools, although a few clinics had also been electrified. These included 108 in the region comprising the North West, Northern Cape and Free State, 33 in KwaZulu-Natal, 21 in the Eastern Cape, and a small number in the region comprising Northern Province and Mpumalanga. A further 890 schools had been electrified in the Eastern Cape by the end of May 1996 (Bezuidenhout 1996).

The approach followed in the NGE programme has varied over time as different projects were implemented (Bezuidenhout 1996). The approach used in the Eastern Cape is discussed here - it will probably be implemented in other regions as well in the future, as it is regarded as more successful than previous approaches; for example, according to Bezuidenhout (1996) problems with vandalism which have

been experienced in KwaZulu-Natal could have resulted from inadequacies in the process followed there, particularly with respect to community liaison.

9.4.2 Eastern Cape

At the onset of the programme in the Eastern Cape, contact was established with the national and provincial Education Departments to inform them of the programme. Representatives of the NGE programme has met with the relevant provincial government departments - mainly the Education, Health and Public Works Departments - every six weeks in connection with the non-grid electrification of schools¹⁰. The IDT was also invited to these meetings (Bezuidenhout 1996).

Information on the schools in the province was obtained from the provincial Education Department, which also took responsibility for arranging meetings between NGE staff and the principals of schools as well as other interested parties. Meetings were arranged per district, which typically includes 40-60 schools, and were attended by teachers, traditional leaders, representatives of RDP structures and others. In some cases, however, only teachers were present at these meetings. Matters concerning the non-grid electrification of schools discussed at the meetings included maintenance requirements, security needs and the responsibilities of school staff (Bezuidenhout 1996)¹¹.

A tender process was used to appoint contractors to install non-grid systems at schools. Before granting a tender for the non-grid electrification of schools in a particular area, three letters were required by the NGE programme (Bezuidenhout 1996): one from the Education Department, indicating that it would take responsibility for maintaining the systems once they have been installed; one from the Eskom regional office, indicating that the area would not be electrified from the grid; and one from the RIB manager, indicating that the community liaison phase was conducted successfully.

The particular schools to be electrified were not specified in the tender documents issued for the Eastern Cape programme - only the number (typically about 100) and the area concerned. A list of the schools in an area was given to the appointed contractor who visited the schools with an employee of the provincial Education Department. This provided the opportunity to check the schools on the list, and to add schools which did not appear on the list. In this way the contractor compiled an updated list of schools in his area (of the number required in the tender document) where he would be responsible for installing non-grid systems. Before approving the list, it was checked by Eskom to ensure that none of the schools were included in the five-year grid electrification plan for the area (Bezuidenhout 1996).

The contractor drafted floor plans for the existing school buildings at all the schools he had to electrify (Bezuidenhout 1996). These were used by the NGE programme to design the systems to be installed at each school. The contractor was responsible for installing the systems according to these plans. NGE technicians accompanied the

¹⁰ According to Bezuidenhout (1996) these were high-level meetings, and were not the same as the Steering Committee meetings mentioned above, through which the school building projects of the Eastern Cape Education Department are coordinated.

¹¹ Bedford (1996) has indicated that the current lack of security at rural schools in the northern part of the former Transkei, as well as the fact that teachers often did not reside in the areas where they taught, posed serious problems to the security and upkeep of non-grid systems installed at the schools she has investigated.

contractor to the first school where an installation was done to clarify the system installation requirements. After the installations were done, the technicians visited all the schools to commission the systems. Each non-grid system was handed over to the principal of the school, who had to sign a letter which indicated that he had received the equipment as well as the necessary training. This letter was sent to the provincial Education Department.

In the Eastern Cape the Public Works Department is generally responsible for the maintenance of schools. It is envisaged that employees of the Department will be trained for the purpose of maintaining the non-grid systems at schools - one of the technicians in the Eastern Cape has been approached for this purpose. In addition, a local person with some technical expertise is trained to perform installation and maintenance tasks for each group of approximately 40-60 schools. These people were apparently identified at the meetings with schools representatives (Bezuidenhout 1996). The NGE Unit further aims to keep records of the developments at each non-grid installation in order to learn from the experience.

10. Summary of emerging trends in institutional developments

In this chapter some key emerging trends in the institutional developments discussed in this paper are briefly summarised. Table 3 comprises an attempt to summarise the institutional arrangements discussed roughly according to the geopolitical areas involved.

- **Planning at the provincial or regional levels**

Planning, prioritisation and resource allocation regarding the provision of public services in rural areas seem to take place increasingly at a provincial or regional level. This is the case in the provincial Health and Education Departments, which have primary responsibility for the provision of health and education services in rural areas. It also seems to be a growing trend in the Water Affairs Branch of DWAF, with the regional office in the Eastern Cape taking responsibility for the planning of water supply projects.

Furthermore, the school building programmes supported by the IDT, and the non-grid electrification programmes aimed at schools and clinics, which are implemented by Eskom and the IDT respectively, are all planned primarily at a provincial level. The IDT is also in the process of aligning its structure with provincial boundaries. Eskom's grid electrification programme is planned primarily at a regional level - for each of the 12 SACS regions - which show some correspondence with the provinces.

The main exception in this regard is the energy sector, as the Energy Chief Directorate of the Department of Mineral and Energy Affairs has capacity only at a national level.

- **Decentralisation of certain functions to sub-regional or district levels**

A trend towards greater decentralisation of functions in public institutions is also evident, particularly in the health sector, where the establishment of district health authorities is a key component of government policy, as well as the education sector. The Eastern Cape region of the Water Affairs Branch of DWAF also appears to favour the devolution of certain functions to sub-regional offices. Structures at a district or sub-regional level are seen as having an important role to play, particularly regarding the identification and preliminary prioritisation of needs in their areas of jurisdiction, and in coordinating the implementation of projects and activities in these areas.

- **Limited coordination in the planning of service provision**

Some coordination takes place between different institutions involved in service provision, particularly at the provincial and regional levels. However, coordination often seems to take the form of sharing information on plans which have been developed, rather than the development of joint plans; for example, it appears that the provincial Departments of Education and the provincial School Building Trusts established by the IDT conduct the planning for their schools building programmes separately. Similarly, the electrification of schools is planned based on information provided by the provincial Education Departments, but is not directed by school building and upgrading programmes implemented by the Departments.

It is further of concern that no formal institutional links exist between institutions, such as DWAF, which are responsible for rural water supply projects, and Eskom which is responsible for rural electrification.

- **A key role for local government**

It is evident from this discussion that local government in rural areas is expected to play a key role regarding the provision of services in rural areas, including water supply and electricity services. This does not mean that it would provide these services, particularly in the case of electricity - rather that it would oversee the provision of the services by other agencies.

The basis for this has been provided in the draft final Constitution which establishes local government as an autonomous level of government with particular powers and functions. In addition, the fact that the draft final Constitution places policy making with respect to the structure and functions of local government under the jurisdiction of national government only, means that a more uniform system of local government is likely to be established in the future.

A question which remains is the extent to which the capacity of lower-tier local government structures in rural areas will be developed to fulfil the functions of local government as envisaged in the draft final Constitution. District Councils, the higher-tier structure in rural local government, are essentially regional rather than district-level structures, and it has been argued in this paper that it will be necessary to build capacity at the lower tier if local government is to be able to fulfil its functions.

In the short term, the relationship between local government and local organisations such as Local Water Committees and local Electricity Agencies, which are essentially fulfilling some of the functions of local government at the local level, needs to be addressed.

- **New funding mechanisms**

At present the funding of rural service provision is mainly sectorally based. However, some funding for municipal infrastructure is likely to be channelled through local government in the future, as the draft final Constitution makes provision for direct fiscal transfers from national to local government. The possibility of a single-channel financing mechanism to local government for the purpose of infrastructure development was mooted in the proposed National Growth and Development Strategy.

It is of interest that the two grant funding agencies, the Mvula Trust and the IDT, both fund local organisations directly, while the tendency in other institutions is to fund implementing agencies rather than local organisations.

Important developments with respect to the financing of rural electrification are in the offing, with the establishment of the Renewable Energy for South Africa (Refsa) company, which will focus on solar electrification in the short term, and the proposed Electrification Funding Agency which would be responsible for allocating funds for electrification on a national basis.

Table 3: Institutional arrangements discussed in the paper (grouped roughly according to similar geopolitical area)

	National	Supra-provincial/Provincial	Sub-provincial/Regional	District	Local (settlement)
Inter-sectoral	RDTT	Provincial Inter-departmental Committees	District Councils (local government)	Rural Councils (local government)	
Water affairs	DWAF; Mvula Trust	DWAF 'regional' Water Affairs Offices	DWAF sub-regional Water Affairs Offices; Water Boards		Local Water Committees
Forestry	DWAF; IDT	IDT Social Forestry Facilitators; IDT provincial structures	DWAF regional Forestry Offices		Community-based organisations
Energy	DMEA				
Electrification	Eskom		Eskom regional and sub-regional offices		Electricity Committees; Local Electricity Agencies
Non-grid electrification	Eskom NGE; IDT; Refsa	NGE Regional Implementation Bodies; IDT provincial structures			
Health services	DOH	Provincial Health Departments	Regional Health Offices	District Health Authorities	Clinic Committees
Education	DOE	Provincial Education Departments	Regional Education Offices	District Education Offices	School Committees

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