

Investigating Underutilization of the Municipal Water Infrastructure Grant (MWIG) in Leekwa-Teemane Local Municipality (LTLM)

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Abstract

Access to potable water and sanitation remains a pressing issue in South Africa, where 3 million people lack clean water and 14 million lack adequate sanitation. Informal settlements and rural areas are disproportionately affected due to ageing infrastructure, insufficient investment, and poor governance. This study aims to investigate the challenges hindering Leekwa Teemane Local Municipality (LTLM) from leveraging the Municipal Water Infrastructure Grant (MWIG) to address water infrastructure backlogs. Using a qualitative methodology, the research analyses documents, conducts stakeholder semi-structured interviews, and explores a case study to identify institutional, financial, and operational constraints. Interviews were conducted with key stakeholders who are involved in infrastructure grant spending, with questions addressing expenditure, rate of project completion, and other significant challenges faced by the municipality. The findings indicate that inadequate planning, limited technical capacity, and complex grant application processes are the primary obstacles faced by LTLM. The study concludes with actionable recommendations to streamline grant processes by enhancing technical capacity and improving accountability mechanisms. These insights provide strategies for LTLM and similar municipalities to overcome barriers, ensuring the delivery of essential water infrastructure.

Keywords: Basic services, Government, Infrastructure Funding, Municipal Grants, Service delivery

1. Introduction

In South Africa, the provision of basic services like water, electricity, and sewerage remains a critical challenge, essential for realising fundamental human rights (Maluleke, 2024). Poor municipal service delivery, often due to inadequate infrastructure caused by limited maintenance and slow development of new systems, contributes to this failure (Maluleke, 2024). Funding constraints have been identified as a significant barrier to improving infrastructure (Mazele & Amoah, 2022). To address these challenges, the South African government introduced Conditional Infrastructure Grants to support municipalities in delivering the infrastructure needed for basic services. However, the ineffective utilisation of these grants has been reported (Mazele & Amoah, 2022).

A thriving economy relies on municipalities creating environments conducive to business operations. Without this, opportunities for residents diminish, leaving municipalities with indigent populations reliant on public support rather than contributing to the municipal fiscus (Balie, 2020).

This research focuses on the underutilisation of the Municipal Water Infrastructure Grant (MWIG) in the Lekwa-Teemane Local Municipality (LTLM). Building on existing knowledge is fundamental to academic research (Snyder, 2019). This literature review examines South Africa's infrastructure

landscape to identify gaps and explore solutions to improve the use of conditional infrastructure grants, particularly MWIG.

By synthesising studies, the review aims to provide insights into technical, social, and environmental factors influencing water access, quality, and management in the country. It seeks to propose strategies for increasing grant utilisation and addressing infrastructure challenges in municipalities like LTLM. Assistance in maintaining and developing water infrastructure is critical to improving service delivery and economic opportunities in the municipality.

LTLM is identified as a good municipality to conduct the case study to determine what barriers are preventing the municipality and similar municipalities from utilising conditional infrastructure grants, particularly the Municipal Water Infrastructure Grant (MWIG), to supplement the income required to outlay water infrastructure projects. These conditional infrastructure grant funding targets service delivery priorities.

2. Literature Review

Previous studies on the MIG indicate the types of challenges faced by municipalities. A study that addresses the barriers preventing the Ba-Phalaborwa municipalities from receiving and effectively utilising conditional infrastructure grants, with a specific focus on the Municipal Infrastructure Grant (MIG) in South

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Africa. It aims to identify the challenges and factors hindering the receipt and utilisation of these grants by municipalities, contributing to gaps in infrastructure development and service delivery (Rangwato, Mukonza & Molepo, 2022). The study focuses on understanding the dynamics and complexities surrounding the utilisation of these funds within municipalities, with implications for infrastructure development and service delivery, utilising a mixed-methodology approach, combining qualitative and quantitative data collection methods (Rangwato et al., 2022).

Further studies by Hostetter, Bolding and van Koppen in 2020 address the failure of water infrastructure delivery in low-income rural South Africa. Despite progressive policies and a legal framework from the Government, ensuring the right to sufficient water, significant problems with water service delivery in these areas, highlighting a gap between policy intent and actual implementation. The study provides an understanding of water service delivery challenges in low-income rural areas of South Africa. Researchers analysed the implementation of policies to examine the four phases of public water services delivery: identification, planning, construction, and operation, to understand the challenges and shortcomings in infrastructure delivery and the underlying factors contributing to these challenges (Hofstetter, Bolding & Van Koppen, 2020). The Authors analysed the four phases of public water services delivery (identification, planning, construction, and operation) in the Sekhukhune District. They conducted a thorough analysis of accountability relations between service delivery agencies and end users, focusing on factors such as gatekeeping and patronage that undermine accountability. The study found that practices often deviate from stipulated policies during the various phases of water service delivery (Hofstetter, Bolding & Van Koppen, 2020). Accountability relations between service delivery agencies and end users were undermined by gatekeeping and patronage, contributing to infrastructure delivery failures (Hofstetter, Bolding & Van Koppen, 2020). The study contributes to the existing research on water infrastructure challenges in South Africa. It provides insights into potential strategies for improving service delivery and addressing barriers preventing municipalities from effectively utilising conditional infrastructure grants.

Another article by O'Brien, O'Neill, and Pike in 2019 seeks to understand further and explain the funding, governance, and financing of urban infrastructure. Contributing to the knowledge on the funding, governing and financing of urban infrastructure in a contemporary period of financialisation internationally. Empirical data were collected from case studies conducted worldwide, including Europe, Africa, Asia, and North America, with Policies surrounding

infrastructure funding not addressed in the paper being a limitation (O'Brien, O'Neil and Pike, 2019). This article allows the authors to identify the relationship between infrastructure funding, finance and governance and where the shortfall may lie in ensuring infrastructure projects are delivered effectively.

Studies by the Development Bank of Southern Africa (DBSA, 2024) identified key challenges in municipalities, including inadequate infrastructure, limited resources, and poor maintenance, which hinder basic service delivery and halt progress. Research on municipal infrastructure grant spending in BaPhalaborwa Municipality highlights barriers such as poor municipal governance and inefficiencies in utilising conditional grants, offering strategies to enhance fund utilisation and improve service delivery outcomes (Rangwato et al., 2022). Hofstetter et al. (2020) revealed that deviations from policy during water service delivery phases undermine accountability through gatekeeping and patronage, further contributing to infrastructure failures. Ramokgopa (2021) identified a funding and technical gap in South Africa's infrastructure delivery. Key findings included reduced infrastructure budgets to manage rising national debt and the government's reluctance to use Development Finance Institutions due to loan conditions. The study stressed the need for a larger role for DBSA and IDC in project execution while concluding that Public-Private Partnerships (PPPs) are ineffective. Future avenues that need further investigation were identified, namely, identifying exactly how revenues are generated from infrastructure assets, specifying the relations of financialisation with other processes such as "assetisation", marketisation and privatisation (O'Brien, O'Neil and Pike, 2019)

3. Research Methodology

This paper employs a case study to determine the findings. It employs an interpretivist research philosophical approach, which emphasises understanding social phenomena through subjective experiences such as interviews, context such as journal articles, audit reports, and conference papers, and meanings. Interpretivism recognises that knowledge is socially constructed and influenced by cultural norms, historical context, and personal experiences. Researchers actively engage with participants, valuing their insights and allowing for flexible research design (Pervin and Mokhtar 2022).

Qualitative research methodology is used in this study, where specific content and data are collected and analysed through a purposive sampling methodology through semi-structured interviews conducted on the targeted population, i.e., key municipal employees with exposure to conditional grant information within the LTLM. The data and content collected will be analysed to identify patterns in the responses. The aim is to

uncover the nature of conditional infrastructure grants, water infrastructure failures in South Africa, Government infrastructure maintenance programs, municipal employees' understanding and knowledge of conditional grants and the allocation of conditional grants in South Africa. Understanding the factors contributing to the under-utilisation of the MWIG in LTLM is crucial to understanding how stakeholders in the LTLM interpret the MWIG funding process and uncovering the underlying issues.

Data collection and research were conducted with a focus on ensuring consent, confidentiality, voluntary participation, agreed access, and the sharing of accurate, plagiarism-free, and ethically sound results. While participants did not specifically request anonymity, it was also respected. The methods of collecting data in this study can be separated into two parts. The first step was the collection of data in the form of document analysis, which included journal articles, policy documents, legislation, government gazettes, etc., on municipal water infrastructure funding and conditional infrastructure funding were purposely selected and analysed to understand the reasons for municipal underutilisation of grant funds when there is a clear need. Secondly, data was collected through semi-structured interviews conducted with municipal employees from various levels within the structures on funding policies and procedures. The interview was designed to determine the barriers preventing the municipality from utilising the MWIG grant. The questions were formulated and targeted at the key stakeholders within the LTLM who deal with infrastructure grant funding.

Interview data were collected from eight participants at the LTLM office based in Bloemhof.

- I. Two participants from Technical Services.
- II. Two participants from IDP (Integrated Development Plan).
- III. Two participants from Finance.
- IV. Two participants from the Office of the Municipal Manager.

This research has a cross-sectional time horizon, as we are limited to collecting data at a single point in time. The research will provide information on the current state of utilisation of the municipal water infrastructure grant in the Leekwa-Teemane Local Municipality. The approach involves collecting data from the municipality to determine their understanding of the municipal water infrastructure grant through conducting interviews with identified stakeholders. Key activities in our time horizon include literature review, research scoping and design, stakeholder identification, data collection and data analysis.

The research covers municipal expenditure and finances, which may be linked to political influence in

the day-to-day running of the municipal finances. Due to this, the research involves ethical considerations such as ensuring confidentiality of sensitive information, obtaining informed consent from participants, and maintaining objectivity and transparency in data collection and analysis, after all "all researchers have good intentions, but if they are not careful, their studies can place individuals in situations that involve risk." (Gall, 1996). Ethical risks also include potential conflicts of interest and ensuring that recommendations prioritise the well-being of communities. The researchers applied for ethical clearance from the university's ethics committee. The application outlined our intended approach to obtain the data, including, amongst others, the inclusion of presenting consent forms to the participants, ensuring anonymity and that the answers would only be used for academic purposes for this research.

4. Findings and Discussion

Empirical research involves the case study conducted in the Leekwa-Teemane Local Municipality in the Northwest Province. The research focused on the municipality's current water infrastructure challenges. Notably, during the period of the interviews conducted, the municipality was experiencing water issues. The sample size was eight participants, and we received eight respondents, as there is a limited number of employees dealing with the administration of infrastructure grants in the municipality.

The research established that Lekwa-Teemane Local Municipality currently relies on the district municipality for all its funding, which includes infrastructure funding. LTLM falls under the Dr Ruth Segomotsi Mompati District Municipality, and the district municipality facilitates all funding received by LTLM on behalf of the local municipality. The process starts with LTLM, together with four other local municipalities within the district municipality, submitting an application in the form of a business plan to the district municipality for funding. The district municipality then makes a consolidated application to the treasury department. Each application is dealt with on a case-by-case basis. In terms of priority, this means that not all the applications will be approved, and the district municipality will allocate funds based on priority. Further to that, the district municipality will deduct an administration fee from the funds, meaning the local municipality will receive less than what they originally applied for.

Additionally, LTLM has never applied for MWIG grants, as it is not aware of any such grant. LTLM, however, does have experience in applying for MIG funding through the district municipality, where there have been no recorded technical or administrative challenges in applying for this grant. This is due to the

existing cordial relationship between the municipality and the application agents it utilises.

With regards to the current state of water infrastructure, much of the reticulation water infrastructure is obsolete. It consists of the old asbestos piping, which has been banned as a building material for its harmful properties and effects on human beings. LTLM needs funds to replace these old asbestos pipes with safer, newer pipes. LTLM, like the rest of the country, is facing population growth, which further puts strain on the existing water infrastructure, so it needs additional funds for expansion and maintenance.

LTLM does not engage the national government directly and relies on Dr Ruth Segomotsi District Municipality to communicate any issues they are experiencing. This has been raised as a challenge by LTLM, as they feel the brunt of the restless community members, even though the failures to deliver on basic services can be attributed to the district municipalities.

The local municipality employs traditional procurement strategies for all its infrastructure projects, which means that an engineering consultant company will be appointed to provide stages 1 to 6 engineering services, and the contractor will be appointed through an open bid process.

Lastly, like any other government institution, the LTLM faces high employee turnover for reasons such as low-income family and living environment, local employment quotas, career growth prospects and political interference in certain positions, to name a few.

5. Conclusion and Further Research

The study identifies several factors contributing to the underutilisation of the Municipal Water Infrastructure Grant (MWIG) in LTLM. Municipal staff lack awareness of MWIG and conditional infrastructure grants, while high staff turnover in the Technical Services department and significant vacancies in the IDP unit exacerbate the issue. Additionally, the responsibility for initiating projects and applying for grant funding lies with the District Municipality, limiting local action. Provincial funding to local municipalities is reduced by administrative fees imposed by the District Municipality. These challenges, coupled with the dire state of water infrastructure and ongoing water shedding, highlight the urgent need for improved staffing, awareness, and funding mechanisms.

Based on the study's findings, it is recommended that the municipality prioritise filling vacancies in Integrated Development Planning (IDP) units and focus on retaining technical staff to ensure continuity and expertise. The Municipal Infrastructure Support

Agency (MISA) should increase awareness about available infrastructure grants to help municipalities access these funds. Continuous professional development (CPD) and training on infrastructure grant funding must be provided to municipal staff. Additionally, responsibilities for project initiation, funding applications, and implementation should be assigned to local municipalities rather than district municipalities, enabling faster decision-making and better responsiveness to community needs.

The study has several limitations, which include time constraints. There was limited time to interview the different departments within the municipality, and only focused on the government departments related to the infrastructure project plan, which are the IDP department and the technical services department. The study also did not investigate the role of other spheres of government in the utilisation of the infrastructure grants. Additionally, this research faces time limitations in conducting comprehensive public interviews. Engaging with residents is crucial to understanding the on-the-ground impacts of water infrastructure, but time constraints have restricted public engagement. This limitation could result in a narrower perspective on community concerns and satisfaction with current water services, potentially omitting valuable insights from residents in more remote or underserved areas.

There are also time constraints on thoroughly investigating the current condition of LTLM's water infrastructure. A detailed examination of existing facilities would provide insights into maintenance needs, structural issues, and areas requiring urgent upgrades. The investigation would assist in determining the extent of the infrastructure funding required. Political priorities, pressures, and agendas can directly impact how funds are allocated, potentially favouring specific priorities or areas based on political affiliations or electoral considerations rather than objective need. The study has not investigated the role of politics in the funding application process.

By investigating the barriers hindering the effective and efficient utilisation of MWIG, the researchers aim to provide valuable insights to municipalities. The findings can help educate municipalities about the availability of conditional grants, such as MWIG, which can supplement existing funds required to complete water infrastructure projects. Once informed, municipalities can apply for and access these grants, enabling them to develop or maintain essential water infrastructure and enhance service delivery to their communities.

Future research stemming from this study has the potential to address critical gaps in understanding and implementation related to infrastructure grant utilisation. These studies could focus on building staff

capacity within municipalities, comparative analyses of grant allocation models, and the broader socio-economic impacts of infrastructure improvements. Such research would not only contribute to academic knowledge but also provide actionable insights to policymakers and practitioners, fostering more efficient and equitable infrastructure development and service delivery.

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