
Mid-Term Review of Masibambane II Programme

Project 2005 – 154

Project Evaluation Report

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PREFACE

The Masibambane Programme is a multi-annual, multifaceted Water Services Sector Support Programme (WS-SSP) of the Government of South Africa in the water services sector, whose overall objective is to provide basic water supply and sanitation services to selected poor rural communities through institutional support to assist various levels of public sector institutions. It is about provision of sustainable service delivery rather than construction of facilities alone.

This programme commenced in 2001 and is based on the South African governments' overall sector wide collaborative approach to water and sanitation service delivery. The rationale for this sector wide approach is premised on the inherent value - add of pooling resources under an effective macro economic environment in addressing the legacy of backlog and progressively improving the levels of service. This rationale forms the basis of the 2003 Strategic Framework for Water Services.

In 2003 the second phase of the Masibambane Programme was conceptualised. This phase commenced in 2004.

The programme is part funded by the European Union. Funding is implemented in accordance with the financing agreement between the European Union and the South African Government. In terms of this agreement the Programme is subject to an independent external evaluation during the second year. Based on this evaluation, the programme can be redirected if necessary.

It is under this condition that DWAF has procured the services of Diversity and Transformation Solutions to conduct the Mid Term Evaluation. This appointment was concluded on the 18 July 2005.

The Mid-Term Evaluation considers progress against key activities and targets and is ultimately intended to provide the impetus for adjustments that may from time to time be required in order to keep the Masibambane programme relevant to the broader sector goals. The need for evaluations, including both mid term and final evaluations is re-iterated in the SA Government-EU Financing Agreement, and the evaluations

have been made a requirement in terms of this funding agreement.

The current assignment, "*Project 2005 -154 Mid-Term Review of Masibambane II Programme*" is one such evaluation and there have been two evaluations for Masibambane I.

The evaluation is designed to assess and appraise the performance of the Programme against the Strategic Framework for Water Services on the basis of the indicators formulated by the sector.

The terms of reference, objectives of the study and the issues to be studied were confirmed in the Project Inception Report in August 2005. A multi stakeholder Resource Group was established to provide on-going support to the Evaluation Team.

In the course of the Evaluation Process a wide range of documents, policies and legislation were consulted. This document review exercise formed an important pillar in the analysis of programme objectives and targets.

Due to the evolving nature of the programme, interviews with the National policy makers, provincial workshops with sector partners and project site visits gave the evaluation team nuanced insights into the practical applications of the sector wide approach. This process was invaluable in testing our desktop findings. More importantly contrasting recommendations were effectively synthesised through this process.

The final evaluation report addresses all objectives of the study. These objectives were examined within 4 major sections of the programme viz.

- ✓ Programme and Financial Analysis
- ✓ Institutional support and Sector Collaboration
- ✓ Water and Sanitation
- ✓ Meeting Targets

All cross cutting and management issues were examined in this context.

Notwithstanding the time constraints of this exercise and the fact that not all stakeholders were completely engaged, the evaluation team



were comfortable that a sufficient cross section of stakeholders were engaged in order to draw out specific findings in relation to the four sections above.

The findings straddle across key achievements and key challenges that face the programme.

The recommendations have been crafted to assist the sector leader and sector partners in their impending deliberations on the shape and form of the third phase of this programme.

The primary audience of this report is the sector leader, sector partners and donor community. We hope that the results of this report play a meaningful role in strengthening the sector and more importantly to continue to give guidance and support to the multi sectoral environment in which our local government structures operate.



EXECUTIVE SUMMARY

SETTING THE SCENE

There have been dramatic changes to the institutional and financial environment in which basic services are delivered in South Africa since the democratic elections in 1994, especially water and sanitation. Over the past few years, there has been a shift away from centralised service delivery towards decentralisation and involvement of local government. To facilitate service delivery at local government level, the conditional Municipal Infrastructure Grant (MIG) has been introduced to ensure adequacy of funds and speedy roll out of investments. The Equitable Share (ES) has been introduced to provide unconditional subsidies to local governments for operations and maintenance. In the water sector the ES share is important to finance Free Basic Water (FBW), especially in local and district municipalities with large rural populations.

The changes have necessitated ever-increasing cooperation between and among key sector stakeholders and one result of this has been the development of the Masibambane program, which is a national government initiative with support from donor partners – most notably the European Union (EU) and Development Cooperation Ireland (DCI).

The Masibambane Programme is a multi-annual, multifaceted Water Services Sector Support Programme (WS-SSP) of the Government of South Africa in the water services sector, whose overall objective is to provide basic water supply and sanitation services to selected poor rural communities through institutional support to assist various levels of public sector institutions. It is about provision of sustainable service delivery rather than construction of facilities alone.

This programme commenced in 2001 and is based on the South African governments' overall sector wide collaborative approach to water and sanitation service delivery. The rationale for this sector wide approach is premised on the inherent value-add of pooling resources under an effective macro economic environment in addressing the legacy of backlog and progressively improving the levels of service. This rationale forms the basis of the 2003 Strategic Framework for Water Services (SFWS).

The program started out in three provinces, which had the biggest backlogs – the Eastern Cape, Kwa-zulu Natal and Limpopo. The program has since been extended to all provinces under phase two of Masibambane. It has been a critical force in facilitating and ensuring collaboration in the sector at national, provincial and local level.

Masibambane is Africa's largest water supply and sanitation program (mainly rural) with a current annual budget of R8bn. It is also one of the first ever water and sanitation sector-wide approaches (SWAPs) where donors provide budget support within a framework for inter-departmental and governmental collaboration to deliver services more effectively to the poor.

The Program is notable not only for its scale of vision, but for the forceful way the program has been conceived and implemented, the achievement of decentralised budget management at scale, and its ability to disburse, and the scale of the outputs which expands improved services to more than 1m South Africans a year.¹

The characteristics of (the sector in) South Africa are in many ways unique. For instance, the per capita income is relatively high compared to the other countries in Sub-Saharan Africa. In spite of this, the success of Masibambane provides valuable lessons to other countries in the region, especially when it comes to collaborative processes for planning, budgeting, implementation and monitoring. The only other parallel processes in Sub-Saharan Africa are the mainly rural water sector-wide approaches/ programs in Benin and Uganda.

The Mid-Term Evaluation considers progress against key activities and targets and is ultimately intended to provide the impetus for adjustments that may from time to time be required in order to keep the

¹ This trend was there even before MSB was conceived.



Masibambane programme relevant to the broader sector goals. The need for evaluations, including both mid-term and final evaluations is re-iterated in the SA Government-EU Financing Agreement, and the evaluations have been made a requirement in terms of this funding agreement.

PURPOSE AND SCOPE OF THE EVALUATION

The overall objective of the study was to assess the progress of the programme against the Strategic Framework for Water Services on the basis of the indicators formulated by the sector. The situation with regard to MIG and CBG has also been evaluated. Emanating from these assessments, recommendations for improving on the progress made, and orientation of programme procedures for both MIG and CBG, if necessary, had to be generated.

The evaluation is intended to provide programme sponsors, role players and partners with information that would enable them to:

- Determine the extent to which programme objectives are met and assess the continued relevance of the programme
- Assess whether the programme is well prepared and designed as well as to assess whether changes are required, if necessary
- Evaluate whether there is value for money
- Assess the efficiency and effectiveness of the programme

APPROACH TO THE EVALUATION

The evaluation was carried out at national level and provinces, namely Kwa-Zulu Natal, the Eastern Cape, Limpopo, North West, Western Cape and Free State Province as well as at a Local Municipality level.

Participatory approaches were used throughout the process of data collection. However the evaluation team maintained its independence in data analysis and reporting. Data was collected through interviews with key sector role players and other relevant stakeholders, field visits and review of relevant documents.

HOW HAS THE SECTOR PERFORMED?

□ Sector Collaboration

Performance:

The SWAP approach adopted by the sector clearly derives overwhelming support in and outside of the sector. Notwithstanding the fact that the Masibambane approach does not operate within a specific legislative mandate, it continues to play a pivotal role in creating an enabling environment for corporate governance.

In examining sector collaboration and co-ordination the evaluation team was satisfied that sufficient progress has been made by the sector in raising the levels of institutionalised collaboration by the major players in the sector. It is worthy of mention that this particular sector wide approach continues to pioneer the rationale and implementation of inter-governmental co-ordination in relation to service delivery, in this case water and sanitation service delivery.

With regard to the extent to which sectoral collaboration contributes to the area of planning outside the national level of government i.e. inter and intra provincial and local government levels, the general impression was that cross-sectoral representation could be improved. This is evident from the fact that a less than optimal alignment exists between the WSDP and IDP planning processes and outputs e.g. the water services component of the IDP not being adequately informed by the WSDP (and perhaps vice-versa).



Challenge:

It should be noted that while significant progress in this regard is recorded, impending challenges to effective co-ordination and collaboration exist. Evidence of such challenges include:

- Diminishing levels of effective CSO's and community participation
- Lack of participation of the Department of Health (particularly at MCC level)
- Lack of participation of National Treasury (found during the Review of Sector Collaboration in the Water Sector, South Africa, June 2005)
- Challenges with intra-DWAF Collaboration

Both local municipalities and WSA's have commented on the lack of alignment between the IDP and WSDP documents when compared to the PGDS. This PGDS process is not considered by LG to be appropriately demand driven, and is therefore very much "top down" orientated.

Conclusion:

While collaborative structures have been established at provincial and national levels the same cannot be said of the local sphere of governance.

However, it is clear that the inclusive process of crafting the SFWS and the methodological framework of this document have laid a firm foundation for future heightened levels of institutional and sector collaboration. The telescopic vision enshrined in SFWS clearly positions this particular sector to continue to play the role of the "canary down the mine".

❑ **Institutionalisation of Masibambane**

Performance:

There is general consensus that sector collaboration is institutionalised at national levels.

Challenge:

While the local government structures inherently operate in a multi-sectoral environment, which facilitates collaboration, the levels of effective community participation need to be enhanced.

Conclusion:

A key element in institutionalising sector collaboration rests with the current individual drivers and champions of this process.

❑ **Institutional Support**

Performance:

Various capacity building grants have been made available for local level strengthening. These include the MSIG/CBG and MIG. The main challenge is the synchronisation of these grants (currently, these two grants are managed from different sections within **dplg**).

Further, Project Consolidate has been instituted to provide hands-on support to identified municipalities and it has enabled the sector to review its own capacity.

A draft Sector Support Strategy (SSS) has also been developed. This draft SSS allocates R 800 m for capacity building initiatives for the 2005/06 financial year.

Attempts to improve capacity within various institutions have, further, been made through appointments and placements of individuals including the Masibambane Coordinators. Benefits of these placements however, vary from institution to institution.

The sector leader's role with regard to the water services checklist is viewed as a positive intervention in understanding the baseline for performance of municipalities against legislative requirements. It should however, be noted that 116 of the 170 WSA's have completed the Checklist, with Western Cape and North



West being the only regions to have 100% of the Checklists completed. In addition, Western Cape is the only region to have 8 WSA Checklists adopted and signed-off by Council.

In relation to PSP support, there is a general criticism that the sector is using more consultants than they should. Further, there has been mixed or differing reaction to the importance of the Strategic Technical Assistance provided as support mechanisms. It is viewed in some quarters as critical while others regard it as stifling capacity development through consultant driven processes. In general though, Technical Support in most provinces has proved to be the pillar of the programme.

There has been significant progress on Section 78 as a result of the support from the Masibambane Programme. In this regard, the JRT's role in facilitating coherent technical and political decision-making clearly points to this direction.

The water chamber has played a significant role in building sector capacity. The chamber registered a number of qualifications through the LGWSETA. The chamber has migrated to Energy SETA and there are expectations for the SETA to provide more support as funding becomes available.

Challenge:

The extreme under-expenditure of current capacity building grants ought to be of major concern to the sector.

Concerns held by some sector partners suggesting that the Section 78 process does not fully embrace the multi-sectoral environment that municipalities are subjected to, merit concern. This has a direct bearing on intergovernmental coordination at a third sphere governance level. In mitigation, it should be noted that the JRT is well placed to play an active role in giving guidance [to this challenge].

Conclusion:

Although capacity building initiatives have been made, it is difficult to quantify how effective they have been. However, it is acknowledged that they have increased municipalities' understanding of their roles, assisted them in formulating by-laws and in understanding their capacity and constraints.

It ought to be of concern to the sector that the deployment of skills at municipalities is biased towards well-developed urban institutions, thereby resulting in huge gaps in rural areas. This certainly reduces the significance of the institutional support initiatives as envisioned by the sector.

It is the view of the evaluation team that the checklist process should be fast tracked and further the sector leader should consider providing support to WSA's in relation to the analysis of the results of the checklist.

□ Transfers

Performance:

As at 31 August 2005, 52% of the schemes were transferred with a further 19% being in the process of being transferred. Progress to date has been influenced by provincial arrangements, for example, in KZN most of the schemes are transferred on completion, while in Limpopo a huge number of schemes are yet to be transferred as a result of them being operated by DWAF.

Conflicting views on transfers have been expressed. In some instances transfers are seen as dumping responsibility on local government. The transfer of 2004/05 funds to local government, for example, is perceived as fiscal dumping and there is an expectation for DWAF to take responsibility to ensure that municipalities can spend. At some levels, Transfers make sense for as long as the transferred scheme is refurbished and there are funds allocated to municipalities for operations and maintenance. There are fears that transferred schemes will bankrupt municipalities.

Challenges:

A key risk to the Transfer process relates to the manner in which the issue of staff transfers is managed. The varied and differing interests between DWAF, WSA's and the relevant trade union organisations need to be fully understood.



Conclusion:

The role of SALGA may be the key facilitative instrument in managing this process. Interventions like DWAF's Social Plan can potentially unlock fears in relation to this process if managed within a genuinely constructed consensus-building framework.

□ **Water and Sanitation**

Performance:

The effect of the MIG in terms of eradicating water and sanitation backlogs has been dramatic. There is general acknowledgement in the water services sector for the progress made thus far as a result of MIG. The MIG programme is thus considered a suitable and adequate vehicle for the eradication of water and sanitation backlogs. It has also found wide acceptance at local government level, and the level of access by local government to the MIG funding is considered appropriate given the constitutional responsibility for service delivery by local government.

It was found that reactions to and acceptance of various levels of service and technology options were mixed. It is beyond the scope of this evaluation to determine the reason for the mixed reactions. It was however noted that where there had been a high level of community involvement in the planning and implementation of services (as evidenced in the Eastern Cape, where "ArchLoo" VIP's were constructed), the level of acceptance was considerably higher than where there was very little community involvement in the implementation (as in the Free State, where a low-flush on-site system was employed). This was despite the perceived higher level of service provided by the latter.

The WSDP is a valuable and effective tool for addressing water and sanitation services backlogs. In this regard the manner in which Zululand DM has undertaken their WSDP process is considered exemplary for all other WSA's.

It is clear from the evaluation that the IDP process commands greater attention by local government structures compared to the WSDP process. In theory there should not be such a difference of focus since both ought to be planning tools for local government structures. The evaluation could not conclusively determine the reasons for such an anomaly. The extent to which **dplg** and DWAF strategy and political leadership alignment consolidates in this regard may have a direct bearing on this anomaly.

It is also apparent that not all WSA's have implemented their free basic water policies, and indeed many WSA's have as yet not developed any policy relating to free basic services. This is not in keeping with the intent of the SFWS.

Challenges:

It is considered problematic and counter-productive that service delivery is seen to be a function of services "hardware" only. This is especially evident with the sanitation programme, in which the "Basic Level of Service" should include "... an ongoing programme of easy to understand information about correct hygiene practices." In this regard, there is a general lack of appreciation and resistance (at Municipalities) to the "soft issues" which should be considered (from a sustainability point of view) as important as putting the hardware in place.

It is worth noting that many WSA's (particularly in Limpopo Province) are pessimistic about achieving WSDP targets for eradication of sanitation backlogs. Linked to this finding is the fact that sanitation does not enjoy universal priority throughout the sector. If this is not addressed, there is a real risk that the target set in the SFWS for the eradication of sanitation backlogs will not be met.

Conclusion:

While the introduction of MIG has made it possible to augment the asset base at local government level, it is also known that local governments already lack the capacity to manage their current assets. This puts a further strain on the capacity on local governments to manage these assets. In addition, the race to eradicate backlogs accentuates the capacity constraints of local authorities.

This environment therefore may have an unintended detrimental effect on service delivery if an appropriate O&M strategy is not factored into the MIG planning process. It is worthy of consideration for the sector to explore the creation of an appropriate O&M budgetary framework within MIG.



The current state of FBW implementation is considered wholly inappropriate. FBS, which are intended to provide basic services at no cost to indigent households, are not currently reaching the target beneficiaries. In a perversion of the intended purpose, those communities who have no need of this form of subsidisation appear to be overwhelmingly in receipt of the benefits. This is borne out by statistical evidence, which indicates that, whilst 69% of the population receives FBW, it is only 60% of poor households that do receive this. This is primarily due to the fact that many of the most vulnerable communities have not yet been provided with water or sanitation service infrastructure, with the result that FBS can therefore not yet be implemented.

□ **Cross-cutting issues**

Performance:

In relation to cross-cutting issues, it is clear that the sector continues to struggle in interpreting a succinct and universally acceptable approach to the engagement of CSOs. This evaluation has identified differing views and strategies, which continue to abound within the sector partners.

Notwithstanding the existence of the relevant institutional arrangements to effect this participation, namely ward committees, the evaluation did not find effective levels of participation of CBOs in the local level planning process.

While it is noted that there has been progress in terms of efforts to improve integration of environmental considerations at a national level the same cannot be said of local government level. A worrying factor though is the attitude towards environmental planning and practice at a local level where EIAs are often seen as "necessary evils".

Awareness of Appropriate Technology has increased since the implementation of Masibambane specifically at national and regional level with advancements in guidelines on Appropriateness of Technology and studies into new technologies. However, consideration of technology is generally limited in project planning and implementation with little or no consideration given to sustainability, potential growth in the area from projects and the future implications of operation and maintenance.

Challenge:

A key challenge relates to the extent to which gender mainstreaming has been embedded through the lifeline of the sector wide approach.

Conclusion:

While there may be a practical realisation that the ultimate engagement strategy in relation to CSOs may be still in its evolving state, it ought to be of serious concern to the sector partners and the sector leader that in the period under evaluation CSOs participation in the programme significantly decreased.

The SFWS planning framework makes specific reference to the role of a strong and active civil society in relation to identification of local priorities in the planning process. The evaluation concurs with the view that weak community participation has a direct detrimental effect on the demand-driven planning process and on the broader democratisation of governance.

The demand driven planning process as enunciated in the SFWS is a clear indicator of the need for communities to be effectively engaged in decision-making. One can argue that the entire collaborative approach at all spheres of governance is designed for this ultimate goal. The extent to which collaboration is universally understood and practiced for this goal needs careful consideration.

It is the view of the evaluation team that this matter requires strategic intervention by all sector partners and the sector leader. This is the one area, which the evaluation team believes needs further deliberation in the SFWS.

All sector partners have a challenge to respond to raising the bar of community participation and integrated planning within the planning cycle.



Civil society organisations, both NGOs and CBOs need to define a clear strategy to engage the ward committee process, the WSDP process and the IDP process in order for the voice of the consumer to be heard and listened to at local government level. CSOs need to take the lead in lobbying the sector to create conditions for participation.

Local government structures hold the key for effective participation of communities in the planning process. These structures need to be effectively empowered in engaging communities within the demand driven planning process. It is worthy of consideration for local government structures to develop succinct public participation strategies in relation to planning goals.

The *Sector Leader* needs to review its current support programmes and activities in relation to effective community participation within the planning process. This review should straddle across the entire organisation of the Sector Leader. Support to community participation ought to be a strategic imperative for the Sector Leader. The internal planning and programme management processes of the Sector Leader therefore needs to accordingly respond to this strategic objective. Here, the Sector Leader needs to review its skills matrix, budgetary alignment and systems in relation to this strategic objective.

For the Sector Leader to be successful in supporting the goal of community participation within the planning process it will further need to consolidate its engagement strategies with key institutional role players, namely Treasury, **dplg** and SALGA. This consideration has specific relevance to the changed fiscal environment within which the Sector Leader has to operate. This necessitates the need for the Sector Leader to position and align its strategy to all major capacity building grants operating in the multi-sectoral environment.

In terms of its legislative mandate, **dplg** is best placed in creating an enabling environment for local government structures to effectively communicate and engage local communities, including CSOs. This enabling environment should reflect appropriate regulations and oversight mechanisms to this end. Further, it would be prudent for **dplg** to increase its levels of collaboration and coordination with the sector leader to this end.

□ **Programme Analysis**

• **Planning**

Performance:

Based on national and provincial interviews, the positive finding was that the SFWS did appear to have a high degree of credibility, support and buy-in from across the sector. The collaborative process that was followed (and driven by the WSSLG) in developing the framework was seen to have been a key driver of the extent to which the sector vision, goals and targets are bought into by sectoral role-players. SALGA's role in championing the roll out of the SFWS (and sectoral support provided therein) to all municipalities is one example of buy-in and commitment from a key sectoral partner.

Conclusion:

It is worthy of consideration for the sector to pay attention to the overriding objectives of the various collaborative structures operating at national, provincial and local spheres. In essence these collaborative structures have a direct bearing on democratisation of the sector. This democratisation process ought to be mindful of three key factors, namely, appropriate representation; rights preservation; and beneficiary participation. Depending on the scope and nature of the different collaborative structures, there may exist an emphasis on particular factors. This issue should be dealt with in the design and review phases of collaborative structures.

• **Management Support Programmes**

Performance:

The motivation to acquire additional management support in the sector was (broadly speaking) a response to the recognition of capacity constraints that existed, delays in the finalisation of organisational structures, lengthy staff procurement processes, the non-core and transitory nature of certain activities and need to optimise the approach to service delivery.



In terms of understanding the role and benefits derived from the National Technical Assistance Contract (TaC), there appears to be contrasting views and experiences between DWAF and other sector role players at the National level. Where a number of DWAF role players were interviewed, they were of the opinion that the TaC was providing a valuable management support role to the sector and MSB II programme. However, non-DWAF sectoral role players appeared to be less informed about the role of the TaC or expressed reservations as to the extent to which they could derive value from there, based on the skills mix available. This could suggest an inadequate amount of communication and awareness building on the management support role of the TaC to non-DWAF sector role-players and / or possible shortcomings in the extent to which the skills mix therein talks to the needs of these role-players. DWAF's dominance in the utilisation of this support vehicle is borne out by the fact that as of 30 September 2005, more than 95% of PEP's had been for DWAF².

One of the areas within which the TaC was perceived to be providing a good service was within the secretariat service covering the development of the Masibambane Coordinating Committee (MCC) Quarterly Reports. A common view between DWAF and other role players (at the National level) was that the TaC mechanism was not yet providing what could be defined as sectoral support but rather that its main focus was still primarily the provision of support to DWAF. This may be symptomatic of the primary contractual relationship that exists between BRIM and DWAF as opposed to other sector departments.

Challenges:

A key challenge relates to ensuring that MSPs are not procured only for the purposes of supporting DWAF, but also the sector as a whole and this should be clearly communicated as such. It must be noted, however, that the TaC is an optional vehicle that has been made available to the sector role players and they are under no obligations to use it. Indeed the existence of a number of other management support vehicles supports this fact.

Conclusion:

One of the overriding benefits in the utilisation of the MSP's was that despite the capacity constraints being experienced, 'the work still gets done'. It is unlikely that the technical expertise and skills that such PSP's provide can or should be done away with entirely – trying to do so would perhaps be undesirable as it suggests that the sector would have to be capacitated beyond the optimal level where the external sourcing of capacity is strategically and economically justifiable. That the work still gets done however, might be taking a short-term view of the situation as this may be at the cost of realising the SFWS goals of transformation, collaboration and service delivery decentralisation in the sector. The WIN sector collaboration review document (pg. 52 – albeit looking primarily at the Eastern Cape Province) makes reference to the concern that consultants have been used excessively during the reform process and that if they (the consultants) rather than sector role-players are driving reform, institutions are likely to continue doing business as usual. The capacity constraints reflected in terms of the 30% vacancy figures and mentioned by the majority of respondents as a reality, suggest additional effort is required to ensure that MSP's are not used as a buffer to remain in comfort zones and conduct 'business as usual'. The process of finalising organisational structures and addressing staff hiring process inefficiencies, must be prioritised to guard against this.

- **Monitoring and Evaluation**

Performance:

As part of its transition to the new role of sector leader and the phasing out of the CWSS M&E system, DWAF implemented a new system, the Performance Developer (PDF) system in 2004. The system aimed to streamline information and provide a one-stop process in efficient data capture and retrieval. From a study conducted on the implementation of the Performance Developer System (PDF) across the Provinces (Langa, Grossberg, Mncwango and Struwig, 2004), a number of issues were identified that had a bearing on M&E functions at the Provincial level.

One of the key findings from the study was that very few provinces had a dedicated M&E section. M&E was seen to be a part-time function, and most staff was fully occupied with other responsibilities. Very few of M&E officials interviewed indicated that they had M&E training and were struggling to conceptualise M&E functionality. In terms of process no standardised methods of reporting to H/O, sourcing and verification of

² Based on responses from BRIM to written questions from the MTR team



data appeared to be in place'. This would obviously lead to non-standardised reporting. At that point in time MIG was found to be a vague concept for most M&E officials across most provinces. Against these challenges it was perhaps not surprising that the PDF was not fully functional in most of the regions.

With respect to the impact that the start of MIG has had on M&E a number of views were expressed. Some of the concerns raised had to do with the longer than desired / anticipated time it has taken to have an operational MIG MIS up and running, which role-players could access and engage for purposes of obtaining information. The adoption of a sectorally collaborative approach (and the experience gained through MSB I) was mentioned as areas that could have been better leveraged in this regard. The expectation is that departments will work together in a way that facilitates monitoring and evaluation that meets the needs of the sector.

On the question of the impact the start of MIG has had on the ability to develop quarterly reports on progress being made on the SFWS targets, based on discussions with the M&E unit, it is encouraging to note that this has not been negatively impacted. With the exception of the period April to June 2005, information from **dplg** has been submitted for all quarters of the 2004/05 cycle. Testimony to the validity of the data supplied is the utilisation thereof as part of the inputs towards preparing the variable tranche release report. Information from other sectoral departments has been forthcoming as well.

Challenges:

The main challenge being differences in reporting cycle timeframes as is the case with the Department of Health.

Conclusion:

Although not directly attributable to the start of MIG, the concern over a lack of 'soft' information as opposed to financial / infrastructural data needs to be looked at. Such information would help to better understand the outcomes / impact being realised from the area having the single largest sector investment. A comment was also made that sub-indicators for the institutional development and performance set of targets could be considered in order to better reflect the degrees of progress being made with respect to such targets. The lack of such indicators could give the impression that no progress had been made whereas this was not necessarily true.

- **Change Management**

Performance:

Change Management was identified as one of the areas requiring support in terms of the Management Support for Water Services Sector tender awarded in terms of a TaC. By most accounts there does not appear to have been a systematic change management programme that has been put in place to journey manage the transition of DWAF from 'implementer' to 'sectoral leader'. Where change management initiatives have taken place, this appears to have been done at the initiative of individual units rather than as part of an overarching programme. It was mentioned that part of the role of MSB coordinators was to act as change agents.

Conclusion:

In the absence of an overarching guiding framework; the goal of MSB Coordinators acting as change agents would prove very difficult e.g. standardisation of messages in communication becomes difficult without a common reference point that a guiding framework would provide.

- **Financial Analysis**

Performance:

- **Financial reports and utilization of funds.** There is continued high utilisation of funds under MSB, but some stakeholders are concerned that some local governments and water service authorities (WSAs) do not have sufficient capacity to absorb more funds.
- **Budget process and program allocations.** There has been a push for alignment of the sectoral planning process with the overall budget process at national, provincial and local levels. But the new fiscal and multi-sectoral environment necessitates even better integration of sectoral planning processes with national, provincial and municipal planning and budgeting processes to ensure



(continued) strategic allocation of funds. Efforts are needed from all sector-players including **dplg**, National Treasury as well as DWAF to ensure this.

- **Monitoring and financial reporting.** Compared to other countries in the region, the monitoring and financial reporting system is well developed. It could however benefit from simplification as well as a greater focus on feeding back processed data to planning units at lower levels. It also needs to be better integrated into the overall government M&E system(s) – several departments with significant water and sanitation expenditure are not reported for under MSB. Action is needed both from within and from the outside of the sector such as from **dplg** and other institutions implementing national information and monitoring systems to rationalise monitoring and financial reporting.
- **Cost effectiveness.** The cost benchmark framework of 2003 for the sector is currently being revised to become more user-friendly and relevant at project and implementation level. Cost-effectiveness and unit costs are also receiving greater attention under MSB II in the quarterly reports and were identified as key issues to address during the mid-term evaluation workshop. More attention should focus on better understanding the variation in implementation costs as well as on soft issues such as institutional development costs and capacity building and program management costs so that it can feed into strategic and tactical planning at national and provincial level as well as at local government level. Capacity needs to be built within the sector to do this.
- **Financial sustainability of service provision.** The evaluation of MSB I pointed out the need to better understand the financial sustainability of local governments and WSAs, and in turn, respond to the variation in financial sustainability potential. The National Treasury is carrying out work in that regard, but the findings from the studies were not yet available at the time of the review. It is clear, however, that the ability of WSAs to secure adequate funds for operations and maintenance, whether through user charges or through the ES, is still a concern to be better understood and addressed.

Challenges:

- **Financial reports and utilisation of funds.** There are signs of low utilisation especially under the MIG and Capacity Building Grants (CBG) and funds tend to roll over from one fiscal year to another.
- **Budget process and program allocations.** The new fiscal and multi-sectoral environment necessitates even better integration of sectoral planning processes with national, provincial and municipal planning and budgeting processes to ensure (continued) strategic allocation of funds.
- **Monitoring and financial reporting.** The monitoring and financial reporting system needs to be better integrated into the overall government M&E system(s) – several departments with significant water and sanitation expenditure are not reported for under MSB.
- **Financial sustainability of service provision.** It is clear that the ability of WSAs to secure adequate funds for operations and maintenance, whether through user charges or through the ES, is still a concern to be better understood and addressed.

There is a concern regarding the extent to which the ES is used for the intended purpose. Being an unconditional grant, there is a strong view that often the ES is used to cover overhead costs at local/district municipality level and does not trickle down to the WSA and WSPs to provide for their operations and maintenance costs.

Another concern was that the FBW/FBS is not appropriately targeted and reaching the poor. Municipalities tend to provide FBW where they can reach the largest number of people at the lowest cost, which usually means that people, who are more capable of paying for water, and in fact, at times, non-poor, are not billed. Ways of how to discourage this need to be explored.

Conclusion:

- **Financial reports and utilisation of funds.** More capacity building in the sector is needed and the transferring departments of CBG need to take a lead in coordinating this effort. This does not,



however, impede the Department of Water Affairs and Forestry (DWAF) and other sector institutions from playing a key role as DWAF has done under the MIG.

- **Budget process and program allocations.** Efforts are needed from all sector-players including DPLG, National Treasury as well as DWAF to ensure this.
- **Monitoring and financial reporting.** Action is needed both from within and from the outside of the sector such as from dplg and other institutions implementing national information and monitoring systems to rationalise monitoring and financial reporting.
- **Cost effectiveness.** More attention should focus on better understanding the variation in implementation costs as well as on soft issues such as institutional development costs and capacity building and program management costs so that it can feed into strategic and tactical planning at national and provincial level as well as at local government level. Capacity needs to be built within the sector to do this.
- **Financial sustainability of service provision.** It is clear that that the ability of WSAs to secure adequate funds for operations and maintenance, whether through user charges or through the ES, is still a concern to be better understood and addressed.

Where to from here.....

After considered examination of the findings the evaluation team identified specific issues that constantly surfaced throughout the evaluation. It is therefore the view of the evaluation team that special reference should be made to these issues. Specific recommendations relating to these issues are contained more fully in the attached work stream reports.

Integrated Planning Process

The finding on WSDP/IDP and PGDS alignment needs to be looked at in detail. This alignment question goes to the heart of the programme's current state in relation to the SWAP approach in its entirety and the external environment in which the SWAP approach interfaces, namely the multi-sectoral environment.

The weak levels of collaboration at local government level, has had an impact on the WSDP process. This needs careful examination and immediate corrective action as the programme evolves. The reference point for such an examination should be the intent and spirit of the SFWS ten planning points (page 40).

While the PGDS process falls outside of the scope of this evaluation, the evaluation had to consider the extent to which alignment transcends across the IDP/WSDP process and the PGDS process. It is clear from the SFWS that the WSDP process is seated within a demand driven planning framework. It is unclear, however, whether the PGDS is equally demand driven. As a result planning alignment becomes a serious challenge. There is sufficient anecdotal evidence gathered in this evaluation, from WSAs, that point to a level of frustration between these two planning frameworks. This poses a threat to ultimate effective collaboration and pooling of resources as envisioned by the Masibambane approach. This matter requires strategic intervention by the key role players. The extent to which a brokered solution in this regard is required needs to be explored. The role of **dplg** and Treasury therefore becomes central.

The legislative framework and the fiscal environment places **dplg** at the center of all collaborative strategies within the multi-sectoral environment. The evaluation is satisfied that the sector wide approach has contributed positively to the multi-sectoral environment in which **dplg** is the key driver. It would therefore follow that **dplg** ought to further support the sector wide approach at all levels.

Role of Sector Leader

The sector leader' role is clearly spelt out in the SFWS, namely, sector policy, support and regulation. While the role in relation to sector policy is universally understood and accepted, the sector leader faces specific challenges in relation to its support responsibilities to the sector and its impending regulatory function.

In relation to its **support** function the sector leader operates within a multi-sectoral environment in which consolidated funding for capacity building is largely located outside of its ambit. This poses immediate and



long-term challenges for the sector and the sector leader. It further poses an institutional challenge to the sector leader in relation to its obligations as enunciated in the SFWS. The Masibambane approach is itself a complex programme that necessitates a change in the manner in which DWAF, as the sector leader, has to operate.

The current institutional arrangement, where largely funding is outside of the ambit of the sector leader, mitigates in favour of the sector leader developing a clearly defined collaborative strategy to engage the appropriate consolidated funding in **dplg**, Treasury and other institutional partners in order to be effective in its support functions.

The structural conditions in which the sector leader finds itself necessitates it to engage inter-governmental coordination (within the framework of the Inter-Governmental Co-ordination Act) from the basis of interest-based interactions with its institutional partners. This interest-based interaction requires high levels of information sharing, lessons sharing, best practice promotion and collective problem solving on an ongoing basis. Project Consolidate, the Water Information Network and SALGA's 'lessons learnt' initiative can lay a firm foundation for interest-based interactions between institutional players, which has long term direct benefits for the sector leader. In particular, the sector leader should therefore consider playing an active role within Project Consolidate for this end. The sector leader should be equally mindful of the risks of positional-based "inter-governmental bargaining" as it positions itself within the new multi-sectoral environment. The sector leader should be acutely aware that positional-based negotiations are adversarial in nature, short-term based and tend to favour the stronger financial partner.

The current fiscal environment requires the sector leader to directly align its support strategy with key local government capacity building funding instruments. In this regard it would be worthy to mention its specific alignment with the objects of MSIG. While the sector leader has contributed positively to the MIG process it would be prudent for the sector leader to consider its support function in a broader context and therefore the need for alignment with key capacity building strategies.

The sector leader has a key challenge in relation to its **regulatory** role as outlined in the SFWS and its role as custodian of water resources (as outlined in the National Water Act). There exists a body of opinion which point to a potential conflict of interest in relation to these two functions and therefore if proved to be correct, it would have a material impact on DWAF's role as sector leader. The extent to which there needs to be a separation of powers in relation to these two functions needs immediate examination. It is the view of the evaluation team that this issue be examined within the context of the planning frameworks as outlined in the SFWS. On resolution of this issue, it becomes imperative for the sector leader's role in this regard to be universally understood and effectively communicated to the sector partners and the role players within the multi-sectoral environment, including the donor community.

In relation to the sector leader's regulatory function, the view of the evaluation team is that further investigation should be commissioned in order to clarify the sector leader's role in relation to its other constitutional mandate, viz; custodian of water resources.

As the sector wide approach migrates into its third phase, specific attention should be given to understanding and effectively communicating the impending regulatory role of the sector leader.

❑ *Targeting the Poor*

It ought to be of concern to the sector that while there is progress in the provision of FBS across the country, the levels of FBS provision to the poor is less than the national percentage. This raises the question on the extent to which the ES is being targeted at the poor, thereby effectively implying that the intent of the government's pro poor policy is not translated into action. The fact that not all WSA's have implemented their free basic water policies, and indeed many WSA's have as yet not developed any policy relating to free basic services, is indicative of the potential risk of governments pro poor policy.

Further, the absence of a single, reliable source of information regarding backlogs is considered an hindrance in terms of planning for service delivery (including financial planning).

At the point of writing this report the indications show, at the current rate of delivery the bucket eradication target as reflected in the SFWS would not be met, notwithstanding the fact that bucket eradication is set to enjoy national priority.



It is clear that much still needs to be done to give effect to Free Basic Services. It is important that a concerted effort be made to ensure that FBS are effectively and efficiently implemented. DWAF may therefore, as part of the Sector Support Programmes, look to provide further support to WSA's in order to assist in ensuring that FBS policies are developed AND implemented to adequately address the objectives of FBS and ensure effective and efficient expenditure to this end. In these efforts particular attention should be given to sanitation services in order to ensure that the provision of FBSan remains sustainable and is not a later liability to the end user.

It is imperative that the impending integrated M&E system should adequately report on the implementation of these free basic services. In order to ensure that the reporting is indeed effective, the sector leader should take the initiative and promote KPI's that provide an indication of how effective the implementation has been, and in particular how effective FBS implementation has been in target groups (i.e. the poor).

It is also crucial that the extent to which the equitable share targets the poor be reported on. This reporting process, when implemented, will give clear guidelines on the effect of government's pro poor policy implementation status.

□ *Change Management*

In any organisation undergoing the significant redefinition of role (that DWAF has undergone) the management of the personnel uncertainties and fears is an important part of ensuring eventual success. Such uncertainties and fears have an impact on the ability with which the department is able to effectively lead the implementation of programmes like MSB II.

The evaluation strongly recommends that an appropriate overarching and comprehensive change management programme be designed and implemented for the sector as a whole as well as for the sector leader. It would be advisable for the key players, namely **dpig**, DWAF and SALGA to work in a collaborative manner in relation to this recommendation.



*Project 2005 – 154 Assignment for Mid Term Review of Masibambane II
Programme*

PROJECT EVALUATION REPORT

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Finally, I would like to extend my sincere thanks to the evaluation team for their proficient conduct of this exercise in accordance with their stipulated mandate.

"The achievements that we cherish the most are those we have worked hardest to gain, the farther we've come the sweeter the celebration at the destination when we arrive"



LIST OF ACRONYMS

Africasan	African Sanitation
BOTT	Build, Operate, Train & Transfer
BP	Business Plan
BPTS	Business Plan Tracking System
CBG	Capacity Building Grant
CBO	Community Based Organisation
CD	Chief Director
CETA	Construction Education & Training Authority
CSO	Civil Society Organisations
CWSSCP	Community Water Supply and Sanitation Capital Programme
DDG	Deputy Director General
DEAT	Department of Environmental Affairs and Tourism
DFID	Department of International Development
DM	District Municipality
DOF	Department of Finance
DoH	Department of Housing
DoRA	Division of Revenue Act
DPM	Deputy Programme Manager
DPLG	Department of Provincial & Local Government
D: RC	Directorate: Regional Coordination
DWAF	Department of Water Affairs and Forestry
EIA	Environmental Impact Assessment
EIMS	Environmental Impact Management System
ES	Equitable Share
EU	European Union
FMS	Financial Management System
FBW	Free Basic Water



FBSan	Free Basic Sanitation
FBS	Free Basic Services
FBWTT	Free Basic Water Task Team
CWSS	Community Water and Sanitation Supply
GDP	Gross Domestic Product
HDC	Historically Disadvantaged Company
HDI	Historically Disadvantaged Individual
IDP	Integrated Development Plan
IMATU	Independent Municipal and Allied Trade Union
ISD	Institutional and Social Development
JRT	Joint Response Team
KFA	Key Focus Area
KPI	Key Performance Indicators
LG	Local Government
LGSU	Local Government Support Unit
LGWSETA	Local Government and Water Sector Education and Training Authority
LM	Local Municipality
MAPP	Multi Annual Action Plan
MCC	Masibambane Coordinating Committee
MFMA	Municipal Finance Management Act
MIS	Management Information System
MITT	Municipal Infrastructure Task Team
MSB	Masibambane
MSCU	Masibambane Sector Collaboration Unit
MSIG	Municipal Systems Improvement Grant
M & E	Monitoring & Evaluation
MIG	Municipal Infrastructure Grant



MMT	Masibambane Management Team
MSP	Masibambane Programme
MSBP	Masibambane Business Plan
NBPAC	National Business Plan Appraisal Committee
NCWSTI	National Community Water Supply and Sanitation Training Institute
NEHAWU	National Education, Health and Allied Workers Union
NGO	Non-government Organisation
NQF	National Qualifications Framework
NSTT	National Sanitation Task Team
OSS	One Stop Shop
OVI	Objectively Verifiable Indicator
O & M	Operation and Maintenance
PEP	Project Execution Plan
PFDD	Per-form Developer (Software program)
PFMA	Public Financial Management Act
PGDS	Provincial Growth and Development Strategy
PMBOK	Project Management Book of Knowledge (Project Management Institute of the USA)
PMU	Project Management Unit
PSC	Project Steering Committee
PSP	Professional Service Provider
PSQ	Provisional Schedule of Quantities
PSTT	Provincial Sanitation Task Team
PSU	Project Support Unit
RBPAC	Regional Business Plan Appraisal Committees
RDP	Reconstruction & Development Plan
ROWS	Regional Operations and Water Services
SALGA	SA Local Government Association
SAMWU	South African Municipal Workers Union



SAQA	South African Qualifications Authority
SETA	Sector Education and Training Authority
SPIP	Sanitation Project Implementation Plan
SWAP	Sector Wide Approach
SFWS	Strategic Framework for Water Services
TaC	Technical Assistance Contract
ToR	Terms of Reference
UN	United Nations
UNDP	United Nations Development Programme
VIP	Ventilated Improved Pit
WASH	Water, Sanitation and Hygiene
WIN	Water Information Network
WRC	Water Research Commission
WSDP	Water Services Development Plan
WSSLG	Water Services Sector Leadership Group
WSA	Water Services Authority
WSP	Water Service Provider
WSSP	Water Services Support Program
WS-SSP	Water Services Sector Support Programme



Project 2005 – 154 Assignment for Mid Term Review of Masibambane II Programme

1. INTRODUCTION

The Department of Water Affairs and Forestry (DWAF) tendered and commissioned Diversity and Transformation Solutions (D&TS) to undertake the External Evaluation of the Water Services Sector Support Programme (Project No. 2005 – 154). The evaluation assignment covered the period 01 April 2004 – 30 September 2005.

This project has been completed and this document, Project Evaluation Report, provides, in detail, the findings of the study. This report also provides the reader with an understanding of the terms of reference for the study, approach and methodology applied in the conduct of the study, implications for the Masibambane Programme as a result of the findings, conclusions and recommendations.

The draft report was discussed at the Multi Sectoral meeting on the 08th November 2005. Inputs and comments from this meeting have been reviewed, considered and where necessary incorporated,

1.1 Background and Objectives of the Masibambane Programme

The Masibambane Programme is a multi-annual, multifaceted Water Services Sector Support Programme (WS-SSP) of the Government of South Africa in the water and sanitation services sector, whose overall objective is to provide basic water supply and sanitation services through the support of strategic policy development, water and sanitation services provision to selected poor rural communities through institutional support to assist various levels of public sector institutions. It is about provision of sustainable service delivery rather than construction of facilities alone.

Addressing of inequalities in the distribution and access to domestic water and sanitation in South Africa is a major driving force behind the programme. The programme involves a variety of government departments at all levels as well as civil society role players and stakeholders. These include the Department of Water Affairs and Forestry (DWAF), the Department of Provincial and Local Government (DPLG) and the National Treasury at national level, provincial and local spheres of government, as well as civil society organisations.

The ultimate aim of the programme is to decentralise provision of water and sanitation services to local government institutions. This requires collaboration, integrated planning and implementation as well as capacity building of all role players.

1.2 Purpose of the Mid-Term Evaluation

The Mid-Term Evaluation considers progress against key activities and targets and is ultimately intended to provide the impetus for adjustments that may from time to time be required in order to keep the Masibambane programme relevant to the broader sector goals. The need for evaluations, including both mid term and final evaluations is re-iterated in the EU Funding Agreement, and the evaluations have been made a requirement in terms of this funding agreement.

The current assignment, "*Project 2005 -154 Mid-Term Review of Masibambane II Programme*" is one such evaluation and there have been two evaluations for Masibambane I.

1.3 Scope of the evaluation

The overall objective of the study was to assess the progress of the programme against the Strategic Framework for Water Services on the basis of the indicators formulated by the sector. The situation



with regard to MIG and CBG has also been evaluated. Emanating from these assessments, recommendations for improving on the progress made and orientation of programme procedures for both MIG and CBG, if necessary had to be generated.

The following objectives were critically evaluated:

1. The effectiveness of sector collaboration & coordination and the implications of the SWAP approach (first of its kind)
2. The institutionalisation of Masibambane (its approach, objectives and modus operandi) and the effectiveness and strategic impact of Masibambane (as a whole)
3. Achievement of outputs and progress in meeting strategic objectives as outlined in the Strategic Framework for Water Services, including the extent to which cross cutting issues have been considered
4. Appropriateness of approach and strategies including the appropriateness of the approach and strategies taken for the above points
5. Evaluate the effectiveness of special development initiatives aligning IDPs and WSDPs with the PGDS
6. Evaluation of strategy - within the context - and appropriateness of the changes made in order to make recommendations for the future implementation of the program
7. To what extent has the program results been entrenched on a sustainable basis
8. The situation with regard to the support from MIG and CBG to the water services sector and re-orient the programme procedures if required
9. The extent to which the capacity building initiatives of DWAF and the sector have been successful
10. The situation with regard to the impact of Project Consolidate on the Masibambane approach, objectives and modus operandi

In order to achieve the objectives detailed above, the following main issues were covered by this evaluation:

Water and Sanitation Services

- ✓ An assessment of the water and sanitation service delivery activities and results. Among others this includes a detailed review of the quality of the project business plans, choice of technology, cost estimates in relation to current market prices, quality of end-products and the participation of women and men of the communities involved. The following focal points of the delivery process will be taken into account:
 - Reduction in water supply backlogs
 - Operation and maintenance
 - Reduction in sanitation backlogs
 - Outreach education campaigns
- ✓ The process of decentralisation of the water and sanitation services function to the local government level and migration of infrastructure delivery to a single national funding channel (MIG)
- ✓ MIGs contribution to the water services sector
- ✓ The implementation plans for accelerated and expanded sanitation programme

Water Sector Support

- ✓ An assessment of the management support programmes, designed to strengthen the administration and implementation activities of DWAF
- ✓ An analysis of the impact and implementation of the sector wide approach including an assessment of the appropriateness of the approach and strategies is required
- ✓ An assessment of the sector co-ordination structures and the quality of involvement of other sector stakeholders in terms of ownership and joint (or decentralised) decision-making



- ✓ An analysis of the extent to which the following have been implemented and their effectiveness and efficiency:
 - The water services sector is efficiently co-ordinated and organised in the provinces
 - SALGA and Municipal Structures are supported to effectively participate in water services policy development and implementation
 - An effective regulatory framework and performance monitoring system is established that will enable DWAF to measure, regulate and report on the performance of WSAs and WSPs
 - A sound and enabling policy framework for all key issues in water services sector is clarified and implemented
 - DPLG supported to establish a MIG Strategic Management Unit at Head Office and perform its role as manager of MIG
 - Activities of the programme effectively disseminated through knowledge management and lesson learning documentation
 - Training courses developed together with training materials in the context of building capacity the training of trainers

Institutional Support

- ✓ An assessment of the institutional development and support activities and results. Here specific emphasis will be given to the appropriateness of approach taken and the support provided to local authorities involved and the existence and quality of transfer policies and strategies
- ✓ An assessment of the institutionalisation of the water services sector support programme
- ✓ An assessment of whether or not the strengths of the different role players (i.e. Government, NGOs and the private sector) have been optimally utilised in order to achieve maximum benefits and strategies to strengthen participation of the NGO/CBO sector
- ✓ An assessment of the extent to which the programme has succeeded in ensuring that WSAs and WSPs have an improved capacity to fulfil their respective functions and discharge their responsibilities in an efficient and business like manner
- ✓ An assessment of the extent to which WSPs operate water services schemes effectively and efficiently and honour the service delivery agreements with WSAs and ultimately provide a reliable service to consumers

Transfers

- ✓ An assessment of the progress with transfer of DWAF schemes to local authorities to operate and maintain these schemes. This includes the extent to which transfer of ownership of water services infrastructure, the movement of people and the responsibility of operation and maintenance has been achieved. The effectiveness of the process was also analysed.

Cross-cutting and Management Issues

- ✓ An assessment of cross-cutting issues and especially how gender sensitivity, environmental impacts and appropriate practice are taken into account and the empowerment and involvement of organs of civil society
- ✓ An analysis of the project and programme management techniques and tools utilised together with an analysis of the monitoring and evaluation systems
- ✓ An analysis of the finance and reporting tools and processes was also undertaken



2. APPROACH AND METHODOLOGY TO THE EVALUATION

2.1 Approach to the study

The evaluation was carried out at national level and provinces, namely Kwa-Zulu Natal, the Eastern Cape, Limpopo, North West, Western Cape and Free State Province as well as at a Local Municipality level.

Participatory approaches were used throughout the process of the data collection. However D&TS maintained its independence in data analysis and reporting. Data was collected through interviews with key sector role players and other relevant stakeholders, field visits and review of relevant documents.

Specifically, the evaluation was structured as follows:

- ✓ Review of policy documents, programme proposal, financing proposals, financing agreements, work plans, project business plans, progress reports and other programme reports at national level
- ✓ Interviews with stakeholders at national level (sector partners) and EU officials from the Delegation in Pretoria
- ✓ Interviews with stakeholders in the selected provinces (Limpopo Province, Kwa-Zulu Natal, Eastern Cape, Western Cape, Free State and North West)
- ✓ Review of provincial strategies/MAAPS, work plans, project business plans and other project related documents at a provincial level
- ✓ Field and project visits in the Limpopo Province, Kwa-Zulu Natal, Western Cape, Free State, North West and the Eastern Cape including interviews with representatives of local governments, members of water committees and beneficiaries
- ✓ Preparation of interim draft report
- ✓ Presentation of final draft report and recommendations
- ✓ Workshop report findings
- ✓ Preparation and submission of final report

2.2 Methodology

2.2.1 Data Collection

Sampling Framework

The sample of interviewees, site visits and documents for review are based on the scope of work outlined above. The sampling framework is as follows:

- ✓ Respondents at national level, including DWAF, DPLG, SALGA, the EU Delegation in Pretoria, Civil Society
- ✓ The provinces identified (Eastern Cape, Kwa-Zulu Natal, Limpopo, Western Cape, Free State and North West)

Within each of the provinces, the following were targeted as the respondents:

- ✓ DWAF Regional Manager and staff
- ✓ Provincial Sectoral Forums
- ✓ Provincial Department of Local Government and Housing
- ✓ Water Services Authorities
- ✓ Water Services Providers
- ✓ Civil Society Organisations
- ✓ Project Steering Committees



- ✓ Water Services Sector Leadership Group
- ✓ Programme beneficiaries
- ✓ SALGA
- ✓ Consultants, implementers and other agencies

Instruments

Each evaluator had a generic section covering key issues to be addressed. Each individual evaluator ensured that the investigation instruments utilised covered adequately the issues specified in the terms of reference.

Prior to undertaking the provincial visits, the project team familiarised themselves and undertook a review of provincial strategies / MAAPS, work plans, project business plans and other project related documents.

2.2.2 Data Collation and Analysis

An accurate paper trail of information to ensure efficiency and professionalism with data handling and accessing, was adhered to.

Throughout the process, close supervision of task completion and document capturing took place. All progress reporting and draft reports adhered to the adopted format for the final report so as to ensure expectations in terms of deliverables are met.

2.3 Reporting

The reporting arrangements for the project were as follows:

- ✓ Weekly progress reports were submitted to the Project Steering Committee;
- ✓ Weekly meetings between the Project Director and Programme Manager and Project Management Committee to discuss issues arising out of the progress report etc were convened;
- ✓ The Draft Inception Report was workshopped with the Masibambane Steering Committee
- ✓ The Revised Draft Inception Report was workshopped with the Masibambane Co-ordinating Committee
- ✓ Workshops with various stakeholders were held as part of data collection as well as to present and discuss preliminary and proposed final project outputs;
- ✓ A short monthly communication summarising progress that has been made on the project as well as key activities / action items for the following period;
- ✓ Two workshops were held with the Resource Group, the first to finalise the Inception Report and the second to discuss the draft /preliminary workstream reports.

2.4. Project Schedule

The time frames for the project were as follows:

- o The study commenced on 08th July 2005: Project Initiation meeting
- o First Draft Inception Report: 18th July 2005
- o Finalisation of team composition: 29th July 2005
- o Draft Final Inception Report: 10th August 2005
- o Workshop Draft Final Inception Report with Steercom: 15th August 2005
- o Approval, in principle, of the Inception Report: 18th August 2005
- o Interviews and programme evaluation (completed): 28th October 2005
- o Data analysis and first draft workstream reports: 28th October 2005
- o Multi Stakeholder Workshop: 08th November 2005
- o Final Draft Report: 22nd November 2005



2.5 Constraints

The following constraints are considered to have had a negative effect on the outcomes of this evaluation and may effectively affect the validity of some findings:

- ✓ Attendance of provincial interviews by WSA and other municipal representatives was less than satisfactory;
- ✓ In a number of instances copies of project business plans were requested, but these have never been submitted. Efforts will be made to contact the municipal representatives in order to rectify this situation. It must however be noted that to date no project business plans have been reviewed. A generic copy of the "standard" MIG project business plan has however been reviewed;
- ✓ It should furthermore be noted that site visits were limited, and it was not possible to make an evaluation of all technology (including appropriate technology) options that have been implemented. The evaluations in this regard are therefore based on the limited "on-site" interactions and anecdotal evidence provided by municipal representatives;
- ✓ DPLG were also not adequately represented at provincial interviews and the evaluation is therefore dependant on information provided by national DPLG representatives;
- ✓ When the provinces were requested to provide the team with printouts from the database, only one province responded with quantitative data that was forwarded by a consultant;
- ✓ Another Province referred the evaluator to the implementing consultant;
- ✓ This is a clear indication that access to important information for planning and development is not easily nor readily accessible;

3. THEMES

3.1 Sector Collaboration and Institutional Support

3.1.1 Findings

□ Sector Collaboration

Sector collaboration is the overarching objective of the Masibambane II approach. The approach seeks to encourage active participation of government partners, organs of civil society and communities.

Sector collaboration has made some strides and has proved to be able to bring the sector partners together. Sector-shared goals have been agreed to and coherently documented in the Strategic Framework for Water Services. Further the roles played by each sector partner are clearly defined.

National Coordinating Structures with working groups have been established. These structures bring together key national departments, SALGA, Organs of Civil Society and the donor community.

The establishment of the national sanitation task team (NSTT) that must report to the Municipal Infrastructure Task Team (MITT) is evidence of an attempt to co-ordinate sanitation initiatives in this sector. Similarly, Provincial Sanitation Task Teams (PSTTs) have been set up in each province to coordinate the provincial sanitation effort.

Evidence of collaboration can further be seen from the interaction that happens between the Environment and Recreation Sub-Directorate of DWAF nationally (located within the Water Resources Directorate) and DEAT regarding the mainstreaming of environmental considerations in the water services and sanitation sector. During this evaluation period, progress has been made in the development of an EIMS and other environmental tools that can be effectively rolled out by DWAF at a national level to sector role players at provincial and local government level. This environmental management system has been refined and workshopped over the past 18 months and the roll - out phase is now ready for implementation. The DEAT have played a constructive and helpful role in refining this environmental management system.



With regard to the extent to which sectoral collaboration contributes to the area of planning outside the national level of government i.e. inter and intra provincial and local government levels, the general impression (based on observations and feedback from respondents on the provincial visits) was that cross-sectoral representation could be improved. This is evident from the fact that a less than optimal alignment exists between the WSDP and IDP planning processes and outputs e.g. the water services component of the IDP not being adequately informed by the WSDP (and perhaps vice-versa).

An obstacle to achieving quality planning collaboration in the sector was identified in the uneven capacity between role players that influenced the extent to which each could effectively engage in planning (and other) activities. Although not exclusive to, this problem was found to be particularly problematic at the provincial / regional and local spheres and evidenced through the activities of regional MSB forums / collaboration structures. The following issues were identified by provincial / local level respondents as factors influencing the extent to which effective sectoral collaboration was taking place within provincial water services forums (which represent a core component of provincial level programme management):

- ✓ Uneven attendance of sectoral forums by role players;
- ✓ Changing role-player representatives which negatively influence continuity and the building of relationships;
- ✓ Uneven seniority of persons representing institutions that would compromise the extent to which decisions could be taken at such forums;
- ✓ Unclear legal authority of forums to take binding decisions that apply to sectoral role players
- ✓ Degree of maturity of the forum where the 'original' MSB provinces of Eastern Cape and Kwa-Zulu Natal have built up experience over time in contrast to the relatively new forums of other provinces. Through initiatives such as the Water Information Services Network (WIN) the intention is to have the learning curve for these provinces significantly shortened.
- ✓ Lack of strong and focused leadership of the forums

Institutionalisation of the sector wide approach: An enabling environment has been created by the sector for the institutionalisation of the approach. There is general consensus that sector collaboration is institutionalised at national levels. While the local government structures inherently operate in a multi-sectoral environment, which facilitates collaboration, the levels of effective community participation need to be enhanced. A key element in institutionalizing sector collaboration rests with the current individual drivers and champions of this process. Institutionalisation of the programme at municipal level is in some instances difficult as a result of staff turnover.

At the same time there are push and pull factors to be considered. Municipalities are drawn to the approach because there are financial gains to be made through various initiatives. Some partners are pushed away because of the demands placed on them by their own organization or because there is no monetary gains. Those individuals who are committed to the vision see the benefit of joint planning and to some extent recognize the value of the sector leadership.

Owing to the huge contribution (50 %) DWAF has made to MIG and the role it has played previously (pioneering and championing delivery) there is a need to develop a sound collaboration to ensure that service delivery is not compromised but rather improved. The institutionalization of the sector wide approach can only be enhanced if the utmost levels of collaboration between DWAF and DPLG are pursued.

Placement of individuals in key strategic areas within institutions has proved to be a successful vehicle for institutionalizing the sector wide approach.

There is a need however for individual specific orientation to deal with knowledge gaps. The Masibambane Coordinators benefited from intense induction/orientation, which enabled them to operate within this rapidly changing environment. The same orientation should be extended to those individuals placed in other institutions to ensure effective integration.

The extent to which the programme can be effectively institutionalized therefore, depends on understanding the environment (stakeholder, administration, political) organizational motivation



(incentives rewards), capacity (human resources, finance, skills, inter-institution linkages, leadership) and organisational performance (effectiveness, efficiency, and relevancy. These four key elements as demonstrated in diagram 3 are interdependent.

There is a realisation that the sector is comprised of all institutions that are inter-dependent in nature. DWAF as the sector leader needs to deal with intra-departmental collaboration and bring all sections on board.

Institutionalisation of Masibambane within CSO: The Masibambane Programme recognizes the need to engage civil society organisations in creating a link between government and local communities. The programme has thus far managed to assist civil society organisations to develop a framework for their participation and establish a forum within which they can participate. Sector collaboration is regarded as an important concept that must be pursued. It is however difficult for CSO to collaborate when everyone is competing for the same resources. The flow of funds through MIG and delays in the Masibambane forces CSO to operate in a survival mode and as a result compromises the effectiveness of structures created to facilitate collaboration. There is a perception that there is no mutual benefit in collaboration or that this still needs to be realised.

It is abundantly clear that the sector continues to struggle in interpreting a succinct and universally acceptable approach to the engagement of CSOs. This evaluation, like the previous two evaluations, has identified differing views and strategies which continue to abound within the sector partners. While there may be a practical realization that the ultimate engagement strategy in relation to CSOs may be still in its evolving state, it ought to be of serious concern to the sector partners and the sector leader that in the period under evaluation CSOs participation in the programme significantly decreased. It was beyond the scope of this exercise to conduct a conclusive audit in relation to this question.

Integration of Cross-cutting issues

In order to holistically institutionalize collaboration gender equality and the need to mainstream gender is a fundamental pillar. The extent to which this key cross-cutting issue is embedded within the SWAP will have a direct bearing on sustainable social development and consequential impacts on local economic development.

Although sector partners generally agree on the usefulness of the approach there are, however, challenges to the continuance of both collaboration and the institutionalisation of the Masibambane Programme. The situations detailed below serve to demonstrate some of the challenges that have been encountered:

- ✓ Although the SFWS states that the Department of Environment Affairs and Tourism (DEAT) has a role to play with regard to water and sanitation supply sector in so far as environmental impact assessments (EIA's) are required for water service infrastructure projects, and in participating in joint ventures that promote conservation, cleaner technologies and waste minimisation, limited collaboration was noted between DEAT and the water services sector role players such as DWAF, DPLG, Department of Housing, Department of Education, etc.
- ✓ The composition of the sector is sometimes difficult to understand as a result of DWAF heavy attendance of meetings and the sporadic involvement of key partners in some instances. This raises the question on who or what constitutes the sector? Water Services Authorities in general prioritise the sector meetings. Attendance is however affected by staff turnover which results in inconsistencies.
- ✓ However, findings noted during the field visits indicated that there is a need for greater institutional support and integrated planning to prevent two different sectors implementing similar projects in the same area. For example, there is a need for greater collaboration between the Department of Housing (DoH) and the WSA's relating to the implementation of sanitation services (two toilets constructed on one property by two different sector providers).



- ✓ The national structure is not replicated in the provinces. The fluid conditions at local government levels are not helpful since these lead to inconsistencies and a continuous need to bring new members on board.
- ✓ The structures exclude beneficiaries and as such their voices are not represented in decision-making. As a result of this community apathy crystallizes. During the site visits, this was demonstrated by people going about their business, ignoring the presence of those visiting projects and only engaged if asked questions. Community members do not volunteer information and perhaps are silent because they see the projects as donations to which they have limited rights. In one project the community members interviewed explained that they are still sleeping in the shack and using the house for storage because they do not trust the quality of the house. In some instances, they were not knowledgeable in using the low flush system provided and always complained that it did not work. The values espoused for in sector collaboration cannot be fully realised unless the community is part of the process. Further, Men in Project Steering Committees and Village Steering Committees are able to marginalise women from work involving manual labour traditionally done by men (digging and building top structures of VIP toilets) in some regions in Provinces e.g. Eastern Cape. It is the general perception that laying pipes is a suitable occupation for women since it requires very little manual labour. This is a result of loopholes that exist in the founding documents (constitutions) of the Project Steering committees and Village Steering Committees. These constitutions are not aligned to the Countries Constitution, CEDAW, the Beijing Declaration and Platform for Action, and The UN Universal Declaration of Human Rights, the basis on which all gender policies in the country are formulated.
- ✓ SALGA has uneven capacities, therefore does not play the same role in all provinces. Masibambane funding for SALGA is not appreciated the same way by all. Some individuals are of the opinion that SALGA is too involved with programme details and that it is not paying enough attention to municipal performance management.
- ✓ In general Water Boards are not involved in the sector wide collaboration with the exception of a few at provincial levels. Participation in view of implications of Section 78 is critical. Relationships between the boards and WSAs could be improved through sector collaboration.

□ **Institutional support**

Based on interviews with municipal officials, it is seen that the current focus at Local Government level is not on developing institutional support but more on addressing the most critical matters relating to delivery of services and the continued operation of existing infrastructure (crisis management).

This is also true at District and Regional planning stages with co-ordination limited to water source with limited or no co-ordination between the various role players in project master planning for implementation and joint planning of projects and utilisation of skills available.

Local government is faced with a number of challenges, many of these requiring quick efficient and effective responses. These demands are placed on institutions with uneven capacities, with many Water Services Authorities having assumed water services responsibility in 2003. To this end various systems, procedures and support programmes have been put in place to assist municipalities in understanding their roles; in making decisions on water services provision (Section 78- Municipal Systems Act); in taking over water services schemes (Transfer Policy) and in organizing itself in a cost effective manner for service delivery (Institutional Reform).

Further, DWAF in consultation with sector partners developed a national Sector Support Strategy³. The strategy seeks to give effect to conditions made in the Constitution⁴ and the Municipal System Act, which places an obligation on District Municipalities to build capacities of Municipalities. Sector partners have implemented various capacity building initiatives. These initiatives, although difficult to

³ Draft Sector Support Strategy 2004

⁴ Section 154(1) and 156(6) makes obligation for all spheres of government to support local government to manage and perform its function.



quantify, have increased municipalities' understanding of their roles, assisted them in formulating by-laws and in understanding their capacity and constraints.

Attempts to improve capacity within various institutions have, further, been made through appointments and placements of individuals including the Masibambane Coordinators. Benefits of these placements however vary from institution to institution.

dplg has also made available two grants, MIG and CBG/MSIG to support municipalities. The main challenge is the synchronization of these two grants. These two grants are managed from different sections in **dplg** and there is no sense as yet as to how they are coordinated to ensure municipal capacity building and the eradication of backlog to meet set targets. According to the draft Sector Support Strategy R800 million has been allocated for capacity building for 2005/06 financial year.

The National Department of Housing has also set aside R30million for 2005/06 capacity building. Housing together with DPLG are working out details focusing on specific housing capabilities and linking with Project Consolidate.

The lack of clarity, direction and planning in terms of the CBG (or MSIG) is considered problematic. This stream of grant funding provides an opportunity to strengthen the local government in order to more effectively provide services.

What can DWAF do, as sector leader, to ensure that the MSIG is appropriately and effectively utilised?

DWAF has the opportunity, given the general prominence of the water and sanitation sector, to emerge as a pioneer for the successful implementation of the MSIG. In order to take the lead, DWAF will not only have to identify WSA's with shortcomings, but also identify what "systems" are in need of improvement at these WSA's.

The shortcomings at WSA's will already have been identified during DWAF interactions with these institutions. Project Consolidate has also pointed out a number of WSA's that are struggling to provide water and sanitation services and WSA's that have not yet commenced their WSDP process will provide a further linkage. Given the hands-on dealings that DWAF has had with many of these WSA's, they are in a position to provide inputs as to what actions are required.

Once a clear strategy for improving municipal systems" has been developed, DWAF will be in a position to lobby DPLG (as the "custodian" of the grant) for appropriate financial support from the MSIG.

There has been mixed or differing reaction to the importance of the Strategic Technical Assistance provided as support mechanisms. It is viewed in some quarters as critical while others regard it as stifling capacity development through consultants driven processes. The extent to which there is even distribution of resources to facilitate collaboration still needs to be established. In most provinces, the technical assistance contracts were finalised in time while in the Free State for an example, the appointment was only made in August 2005. In general though, Technical Support in most provinces has proved to be the pillar of the programme.

Although there are general comments to the effect that the capacity building allocation is not adequate, expenditure patterns as at the first quarter do not support this notion. Funds allocated are not spent.



Table 4: Quadrant 4 Non Water Services Capacity Building Grants

	2005/06 Sector Budget R'000	2005/06 Water Sector Budget R'000	2005/06 Expenditure R'000	% Expenditure
Local Municipality Financial Management Grant	132 500	13 250	995	7.5%
Local Government Restructuring Grant	350 000	-	-	
Municipal System Improvement Grant/ Programme	200 000	20 000	-	0.0%
Total	682 000	33 250	995	3.0%

Source: Masibambane 2005/06 First Quarter Report

It has been noted that much of the capacity building efforts of the programme (Masibambane) are directed at WSAs, with little or no attention paid to WSPs.

Also, it has been established that provincial champions, as would be expected, do not possess the same levels of expertise and capabilities (notwithstanding the fact that a skills audit was not undertaken), resulting in varied levels of their operational capabilities. Perhaps these variations are necessary for as long as there is sufficient information sharing and best practice promotion. There is a need however for national level support in instances where champions are new to the sector and where the sector coordination structures are in formation stages.

The migration from LGWSETA to the Energy SETA has been viewed as a positive move for the water chamber. The Energy SETA has thus far concentrated on water services. There is a need, however, to expand focus to also include water resources. Water Services Providers, in particular Water and Irrigation Boards, should take advantage of opportunities created by this SETA as are WSAs, which are currently exploiting opportunities presented through this SETA and thus enjoy maximum benefits.

It has been established that Operations and Maintenance will or is the current threat to sustainability. In most instances municipality admit that they do not have plans or that their plans are reactive in nature. This issue needs to be addressed during the Section 78 processes. The institutional component of the programme is increasingly becoming important. Proactive plans are required to sustain sector assets and to ensure that services provided are of the best quality, reliable and cost effective. There is a need therefore for municipalities to fully understand what their requirements are to optimally deal with O&M issues.

With the completion of the authorization of Water Services Authorities in 2003, there was a need to put in place strategies that would enable municipalities to adapt to the new institutional environment. In this regard a Draft National Sector Reform Strategy was formulated through the participation of DWAF, DPLG, National Treasury, SALGA and SAAWU. The strategy is however still in draft form and as such the extent to which it has been implemented could not be evaluated. It is a positive step in the right direction though that it has been developed.

However, concerns have been raised about this process having the potential of undermining Water Boards who are experienced in the field and placing the responsibilities of bulk and retail in the hands of new WSA some of whom are still struggling to understand the new role and cost recovery especially in areas where the majority of households are poor.

Further it should be of concern to the authorities that the implementation of Institutional Reform, Transfers and Section 78 processes has not been integrated (some municipalities have reported during the evaluation that they are unable to take on transfer because schemes to be transferred are regional in nature or straddle across a number of municipal boundaries).

□ **Transfers**

The following findings have emerged in relation to the transfer process:

- ✓ A joint policy on Transfers has been formulated through the collaboration of DWAF, DPLG, SALGA and the National Treasury
- ✓ There has been a revision of the target for completing the transfer process, from 2005 to 2008
- ✓ Of the 514 schemes 52% were transferred as at 31 August 2005, with a further 19% being in the process of being transferred
- ✓ Progress on the process is highly influenced by provincial arrangements. For example in KZN most of the schemes are transferred on completion, while in Limpopo inherited schemes and those implemented after 1994 have been operated by DWAF thus leaving a large number of schemes yet to be transferred
- ✓ The process is complicated, time consuming and requires consistency and perseverance. The challenge for DWAF is to ensure that municipalities make the right decision on water service provision and that conditions of transfers are clearly spelt out and agreed to.
- ✓ Different capacities at local levels affect the process
- ✓ Institutional arrangements at a local level have a bearing on the process (there are different labour organisations to be consulted and negotiated with. At a national level, the programme deals with NEHAWU and PSA while at local levels negotiations are between IMATU and SAAWU. To demonstrate how complex this process can be, there is a situation where national level decisions of NEHAWU cannot be implemented at local levels since they have no presence at that level. This is reflected in the reluctance by Water Services Authorities to take over DWAF staff).
- ✓ A memorandum of understanding between DWAF and SALGA to set parameters for staff transfer will be signed
- ✓ A corporate pool of ring-fenced staff for transfer has been established.
- ✓ Most schemes were designed as regional schemes and are therefore not aligned to municipal boundaries. Concurrent decision-making is therefore problematic where a scheme to be transferred is cross boundary in nature.
- ✓ There are fears that transferred schemes will bankrupt municipalities
- ✓ Section 78 processes have not yet been completed. Municipalities are still in the process of making decisions on Water Service Provision. Potential tension exists between municipalities who chose to provide service themselves and Water Board who have played the WSP role.
- ✓ Conflicting views have been expressed on transfers. In some instances transfers are seen as dumping responsibility to local government. The transfer of 2004/05 funds to local government for an example is perceived as fiscal dumping and there is an expectation for DWAF to take responsibility to ensure that municipalities can spend. Municipalities in some instances are still struggling to spend on 2004/05 allocations and have not yet accessed their MIG allocations. At some levels, transfer makes sense for as long as the transferred scheme is refurbished and there are funds allocated for municipalities for operations and maintenance.

3.2 Water and Sanitation Programme

3.2.1 Findings

Water and Sanitation service delivery is at the heart of the Masibambane Programme. In this regard it is understood that the Masibambane II Programme aims to assist in strengthening the sector and in so-doing create an enabling environment in which the objectives of the Strategic Framework for Water Services (SFWS) as well as the Millennium Development Goals (in so far as they relate to the Water Services Sector) can be met or exceeded.

Opinions on whether the sector targets will be achieved differ but in general all sector partners know about and have accepted the SFWS as the measure for success.



The MIG and CBG are considered complimentary, and the successful implementation of MIG funded projects is therefore influenced by the establishment of suitable capacity at Municipalities. It has been noted that whereas both the MIG booklet and the DoRA previously referred to the CBG, both of these documents now refer to the MSIG. The stated purpose of the grants, as well as the objectives, has been revised (as published in the DoRA). The fundamental purpose of these grants, to assist in creating capacity at municipalities, has however remained unchanged.

MIG funding allocations for the next 3 years (up to and including the 2007/08 financial year) have been identified in the 2005 DoRA. Similarly, funding for municipal systems improvement has also been identified. These grants are both allocated under Vote 5 of the DoRA.

	2005/06	2006/07	2007/08
Municipal Infrastructure Grant – MIG (Vote 5)	R 5 436 161 000	R 7453 595 000	R 8 301 274 000
Municipal Systems Improvement Grant (Vote 5)	R 200 000 000	R 200 000 000	R 200 000 000

It is noted in the 2003 DoRA that expenditure against this grant had previously not reached the full allocation. It has also been noted (from anecdotal evidence) that expenditure in this regard is traditionally slow and targets are often not met.

There is general acknowledgement in the water services sector for the progress made thus far by MIG. There is also however still some criticism, particularly from DWAF, regarding MIG implementation and processes. In particular, the MIG is criticised for the reason that the “lessons learned” during the CWSS implementation have not been adequately transferred to MIG, and that this has resulted in a MIG process that is not sufficiently holistic in this approach and is, in addition, also short on beneficiary representation.

The support initiatives being undertaken by DWAF as part of the Masibambane programme are considered to be well aligned with the SFWS and are furthermore appropriate to the MIG process. The MIG process is in turn considered as being a process in development. This fact is evidenced by the publication of a revised MIG “booklet” during the course of this evaluation.

It is considered problematic and counter-productive that service delivery is seen to be a function of services “hardware” only. This is especially evident with the sanitation programme, in which the “Basic Level of Service” should include “... an ongoing programme of easy to understand information about correct hygiene practices.” In this regard, there is a general lack of appreciation and resistance (at Municipalities) to the “soft issues” which should be considered (from a sustainability point of view) as important as putting the hardware in place. The question has repeatedly been asked whether any of the lessons learned in the CWSS programme have been applied to the MIG. This may be linked with the “Planning issues” but also related to community participation and sustainability issues. The social development focus of the Masibambane support plan is therefore considered a positive step.

The support role that can be played by DWAF in the planning process as well as registration of MIG planning projects within the water services sector is worthy of further development. It has been noted that the approach to planning for MIG delivery is based on funds approved by MIG, and projects are “fitted into the budget” rather than the budget being tailored around the planned and budgeted service delivery needs.

There is no doubt that the MIG has had a profound effect on service delivery since its inception in April 2004 (R 4,8 billion spent between April '04 and end June '05). How effective this massive expenditure has been is however uncertain, particularly in the light of what is often reactive planning (i.e. real planning only takes place after MIG has allocated funds, and then only to see what can be fitted into the budget).

The WSDP is a valuable and effective tool for addressing water and sanitation services backlogs. In terms of recognition for the WSDP, the MIG “booklet” provides ample references to the IDP, whilst very little reference is made to the WSDP in the booklet. This fact detracts from the importance of



the WSDP as a planning resource for WSA's. It is however also acknowledged that MIG does not give any greater prominence to other sector plans, and that water and sanitation services do enjoy the lion's share of the MIG expenditure (approximately 64%).

The MIG booklet states that "... if a municipality is unable to adequately prepare its IDP, it will not be able to identify and prioritise MIG projects. This is a serious capacity constraint which must receive urgent attention."⁵

What does this statement say about WSA's that have not yet commenced the IDP process? What weight should be given to the water and sanitation portion of an IDP in the absence of an adopted WSDP?

It is not known how many local municipalities had completed and adopted their IDP's by the end of this evaluation period.

Where WSA's are not local municipalities, problems have been encountered in aligning the IDP's with WSDP's. Although these documents will eventually align through their iterative development processes, better acknowledgement of the WSDP in the MIG could only benefit both planning processes.

Both local municipalities and WSA's have commented on the lack of alignment between the IDP and WSDP documents when compared to the PGDS. This PGDS process is not considered by LG to be appropriately demand driven, and is therefore very much "top down" orientated.

Zululand District Municipality (KZN) have undertaken what is considered to be a meaningful and productive WSDP process. This DM has undertaken feasibility studies for all projects identified. The feasibility studies have addressed issues relating to bulk sources of water, populations and options for levels of service and has provided a well constructed budget for each of the projects and initiatives identified. The result is a well informed, realistically budgeted WSDP that provides the DM with a link between their responsibility for the provision of water and sanitation services and the implementation resource that is available in the MIG. They are now well informed as the actual extent of backlogs, the cost of implementing various options to eradicate these and the effect that this will have on their water resources.

The manner in which Zululand DM has undertaken their WSDP process is considered exemplary for all other WSA's. It was acknowledged by Zululand DM that this process was considerably more costly than the norm, but that the planning cost was considered justifiable as it had provided the WSA with a vital planning tool. If all WSDP's were undertaken in this productive manner, would there be any problem in aligning WSDP's with IDP's?

Integration of Cross-cutting issues:

Gender Equality and the need to Mainstream Gender in order to level the playing fields of a patriarchal society, forms an integral part of the countries constitution hence governance policies and frameworks.

In order to effect the mandate of the constitution, legislation and policies were developed. Relevant to the water sector are the Water Services Act of 1997, the National Water Act of 1998 and the White Paper on Water supply and Sanitation Policy of 1994. These policy documents do not adequately capture South Africa's commitment as stated in the Constitution, neither does it adequately contain South Africa's alignment to International policies and frameworks on mainstreaming gender and sustainable social development.

Definition: Gender Mainstreaming

*To create a safe **enabling environment** in the water and sanitation services sector for **women and men to participate equally** in realising their **full potential** and put in place **mechanisms** to facilitate **equal access to resources and opportunities in a fair and just manner at all levels.** The*

⁵ MIG Booklet p28



*emphasis must be to facilitate the **full participation of women, youth, the physically challenged and the voiceless poor male, in equal and active decision making and service delivery**, so that **effective sustainable social and economic empowerment** can take place. (Source: South African Constitution, United Nations Universal Declaration of Human Rights, The Beijing Declaration and Platform for Action, CEDAW.)*

The Strategic Framework for Water Services dated September 2003 does not include Gender Mainstreaming nor Sustainable Social development in its set of nineteen targets on pages 10 and 11. It is neither mentioned nor contained in the list of key performance indicators for the water services authority on pages 61 and 62 of annexure 2. Gender Mainstreaming and Sustainable Social development is listed as an item under Sector Goals on page 9 in item number 3 and under key principles informing the institutional vision on page 14 in item number 9.

Gender Mainstreaming is identified and approached as a separate entity, that is constituted as Gender Forums at provincial and national levels using a multi sectoral approach with the aim to eventually integrate it as a cross cutting issue.

In relation to Appropriate Technology it has been established that awareness has increased since the implementation of Masibambane specifically at national and regional level with advancements in guidelines on Appropriateness of Technology and studies into new technologies. However, consideration of technology is generally limited in project planning and implementation with little or no consideration given to sustainability, potential growth in the area from projects and the future implications of operation and maintenance. Mal-Functioning technology due to the lack of maintenance impacts on women and children and vulnerable groups by virtue of the historical role they play in fetching water. In this regard operation and maintenance impacts have a direct bearing on the quality of people's lives.

An indication of a positive movement forward for the implementations of Appropriateness of Technology from National level to project implementation can be seen from the presently proposed pilot project(s) initiative in Sanitation: - 'Job Creation in Sanitation Programmes'.

This initiative between DWAF and the Labour Job Creation Trust includes input and Co-operation from sector role players and is linked to the Expanded Public Works Programme and includes National Youth Service, donor funding, cross cutting issues (gender etc) and other relevant sector items to develop project implementation into job creation, training co-ordinate project planning with the potential down stream growth for communities as well as providing appropriate sanitation. However, training of beneficiaries is fragmented and not structured to achieve the objectives of the Masibambane approach. In particular gender sensitization is not included in any training targeted and trainers, nor the beneficiaries. The capacity building is thus ineffective, limited in duration and leaves the trainers with a lack of confidence, limited understanding and knowledge to effectively train beneficiaries. If ongoing training, development, mentoring and monitoring does not occur at beneficiary level, the cleaning and maintenance of VIP toilets is compromised and can contribute to major health hazards for beneficiaries. The health of women and children (especially the girl child) who are more susceptible to picking up infections is specifically compromised. If implemented correctly, use and appropriateness of technology in projects could go a long way in ensuring that sustainable social development is embedded in project implementation.

The Environment and Recreation Sub-Directorate of DWAF that is based in the Water Resources Directorate had as one of their aims for this evaluation period the need to review EIMS in light of MIG and the new EIA regulations. Cognisance has therefore been taken of the need to integrate environmental considerations with the new MIG approach.

A complaint at Local Government and at DPLG level related to the high costs associated with undertaking feasibility studies and environmental impact assessments (EIA). However, the current MIG funding structure does cover the EIA costs of new projects. Such projects need to be registered in the WSDP of the Local Authority. MIG funding does not cover pre-feasibility studies and this is a problem for Local authorities in terms of funding.

The accuracy of the data indicating the targets reached must be scrutinised carefully: – in the Limpopo Province, Department of Housing (DoH) has supplied a toilet inside the house through its housing project and the local WSA supported by DWAF has supplied an outside VIP toilet to the same stand. The DoH toilets are not functional as there is no running water connected to the stand. Could such incidents cause inaccurate reporting of targets reached? It is not known how widespread this type of poor planning situation is.

3.3 Programme and Financial Analysis

3.3.1 Findings

□ Programme Analysis

A number of components were reviewed under the Programme Analysis workstream:

- ✓ The activity of planning and extent to which it (in terms of process and outputs) reflected the philosophy and goals of the Sector Wide Approach (SWAP) and the Masibambane II Programme;
- ✓ A review of Management Support Programmes to MSB II and the extent to which they have contributed towards the realisation of the goals of MSB II was also investigated;
- ✓ For Monitoring and Evaluation the focus was on:
 - Understanding of the M&E framework and systems in place and the extent to which these are enabling the effective management of MSB II
 - Degree of alignment of M&E activities and how well the reporting cycle was working
- ✓ Change Management then looked at:
 - The extent to which a formal / structured change management programme was being implemented to manage the transformation occurring within the sector and DWAF

In terms of the 7 assessment areas for SWAP the programme analysis workstream focuses on 'sector policy and national strategic framework' and 'performance monitoring' (shaded as grey in the figure below).

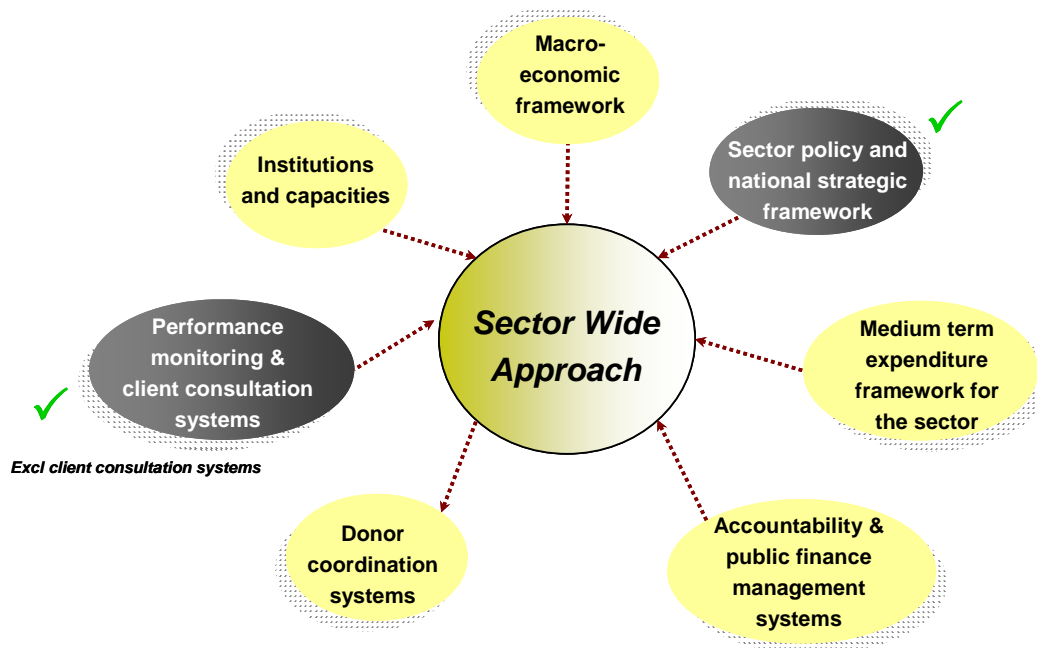


Figure 1. Assessment areas for SWAP



The other areas (not shaded grey) of SWAP assessment are covered in terms of the Financial Analysis and Institutional Support workstreams.

Planning

In the context of planning (as one of the natural outputs guided by the sector policy and national strategic framework), it was important to evaluate the extent to which the SFWS did indeed represent a common point of departure for role players and context within which they conducted planning activities. As the bedrock of the sector i.e. the SFWS, it is a logical place to start to assess the potential health of the programme. Based on national and provincial interviews, the positive finding was that the SFWS did appear to have a high degree of credibility, support and buy-in from across the sector. The collaborative process that was followed (and driven by the WSSLG) in developing the framework was seen to have been a key driver of the extent to which the sector vision, goals and targets are bought in to by sectoral role-players. SALGA's role in championing the roll out of the SFWS (and sectoral support provided therein) to all municipalities is one example of buy-in and commitment from a key sectoral partner.

The extent to which the planning activities that led up to the establishment of the MSB II programme reflected the ethos of sectoral collaboration was also investigated. The indications are that sectoral collaboration did indeed take place in the planning processes towards the commencement of MSB II in 2004. While the role of the European Commission in the funding of the work done by the GOPA team to prepare the programme proposal for MSB II is acknowledged, the view was that most sectoral role players played an effective role in the development of the proposal to establish MSB II.

An obstacle to achieving quality planning collaboration in the sector was identified as the uneven capacity between role players that influenced the extent to which each could effectively engage in planning (and other) activities. Although not exclusive to, this problem was found to be particularly problematic at the provincial and local spheres and evidenced through the activities of regional MSB forums / collaboration structures. The following issues were identified by provincial / local level respondents as factors influencing the extent to which effective sectoral collaboration was taking place within provincial water services forums (which represent a core component of provincial level programme management):

- ✓ Uneven attendance of sectoral forums by role players;
- ✓ Changing role-player representatives which negatively influence continuity and the building of relationships;
- ✓ Uneven seniority of persons representing institutions that would compromise the extent to which decisions could be taken at such forums
- ✓ Unclear legal authority of forums to take binding decisions that apply to sectoral role players
- ✓ Degree of maturity of the forum where the 'original' MSB provinces of Eastern Cape and Kwazulu Natal have built up experience over time in contrast to the relatively new forums of other provinces. Through initiatives such as the Water Information Services Network (WIN) the intention is to have the learning curve for these provinces significantly shortened.
- ✓ Lack of strong and focused leadership of the forums

Management Support Programmes

The motivation to acquire additional management support in the sector was (broadly speaking) a response to the recognition of capacity constraints that existed, delays in the finalisation of organisational structures, lengthy staff procurement processes, the non-core and transitory nature of certain activities and need to optimise the approach to service delivery.

In terms of understanding the role and benefits derived from the National Technical Assistance Contract (TaC), there appears to be contrasting views and experiences between DWAF and other sector role players at the National level. Where a number of DWAF role players were interviewed, they were of the opinion that the TaC was providing a valuable management support role to the sector and MSB II programme, non-DWAF sectoral role players appeared to be less informed about the role of the TaC or expressed reservations as to the extent to which they could derive value from there, based on the skills mix available. This could suggest an inadequate amount of communication



and awareness building on the management support role of the TaC to non-DWAF sector role-players and / or possible shortcomings in the extent to which the skills mix therein talks to the needs of these role-players. DWAF's dominance in the utilisation of this support vehicle is borne out by the fact that as of 30 September 2005, more than 95% of PEP's had been for DWAF⁶. It must be noted that the TaC is an optional vehicle that has been made available to the sector role players and they are under no obligations to use it. Indeed the existence of a number of other management support vehicles (discussed below) supports this fact.

One of the areas within which the TaC was perceived to be providing a good service was within the secretariat service covering the development of the Masibambane Coordinating Committee (MCC) Quarterly Reports. A common view between DWAF and other role players (at the National level) was that the TaC mechanism was not yet providing what could be defined as sectoral support but rather that its main focus was still primarily the provision of support to DWAF. This may be symptomatic of the primary contractual relationship that exists between BRIM and DWAF as opposed to other sector departments.

At the provincial / local level mechanisms for programme management and secretariat support also exist. Institutions and individuals providing such services may be part of the National TaC - as the original ToR specified that the PSP needed to have a regional / provincial and local footprint. As mentioned above, regions, clusters and sector partners are under no obligation to use the resources available through the National TaC.

It was found that at the provincial and local levels, other forms / vehicles of management support were being used. These generally fall into the categories of Technical Assistance Contract (TaC), 'Strategic Management Support', 'Staff Contracts' and Secretariat Support. It must be noted that these are not mutually exclusive categories and indeed there are cases where combinations and variations of these models are used. Furthermore these are not the preserve of Provincial and Local government as they are also used at the National level.

The findings from interviews conducted with provincial MSB coordinators on their utilisation and experience with management support programmes are summarised below.

⁶ Based on responses from BRIM to written questions from the MTR team



Summary of the various types of MSP and potential advantages / disadvantages of each

Model / Type of MSP	Advantages	Disadvantages	Comment
Technical Assistance Contract	<ul style="list-style-type: none">- Burden of the procurement of expertise / skills is reduced- Some flexibility to include additional resources / skills even after commencement of contract- Convenience of having access to a diverse pool of skills / resources	<ul style="list-style-type: none">- May not necessarily include the 'best' individual resources for the particular needs that exist	<ul style="list-style-type: none">- Where procurement processes can be characterised as particularly inefficient and onerous the TaC vehicle may offer an attractive alternative- Comment was made that although some skills transfer to DWAF staff has occurred, at times work executed should have been done by DWAF staff
Strategic Management Support	<ul style="list-style-type: none">- Greater ability to tailor the expertise sourced to the need identified	<ul style="list-style-type: none">- Can prove to be time consuming in sourcing specific skills for the interventions to be addressed	<ul style="list-style-type: none">- Assumes that the SMS PSP has strong strategic planning capabilities and experience and understands the sector well – they should also be able to invest the necessary amounts of time for the function. Person managing the SMS PSP i.e. National, Provincial or Local counterpart must be of calibre to effectively engage and manage SMS PSP.- Will typically be involved in provincial forums, working groups, management teams
Staff contracts	<ul style="list-style-type: none">- Offers an opportunity for more effective skills transfer and institutionalisation of capacity	<ul style="list-style-type: none">- Could be time consuming where organisational staff procurement processes are inefficient and act as obstacles to the acquiring of contract staff	<ul style="list-style-type: none">- The observation was made that in many cases due to the value demonstrated by the contracted staff, employment was continued even after the funding period had elapsed.- Used at both municipal and provincial levels- A risk mentioned was that because capacity constraints extend beyond the area of water, sector contract staff (ostensibly) may be tasked with broader activities beyond water provision



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Model / Type of MSP	Advantages	Disadvantages	Comment
Secretariat support	<ul style="list-style-type: none">- Provides a valuable service in what tends to be non-core (but time consuming) function- Typically used as support to provincial sector forums	<ul style="list-style-type: none">- Can become too dependent	<ul style="list-style-type: none">- Secretariat function must respond to the business timeframes and needs of forum members



Many of the provinces appeared to be making use of some form of strategic management and secretariat support. As mentioned earlier, these models are not mutually exclusive and some of the advantages / disadvantages apply across more than one. The selection of the most suitable model depends on the conditions that exist at the time. Some of the original MSB provinces may have had the opportunity to evolve various forms of MSP models over time. The typical drivers to the 'outsourcing' of support functions included:

- ✓ Obstacles to filling in of posts e.g. moratoriums, delays in approval of structures;
- ✓ Absence of and / or inability to attract certain types of required skills and expertise especially management and technical capacity;
- ✓ Ad hoc / temporary nature of the function which militates against permanent appointment
- ✓ Function is non-core to the organisation
- ✓ Need to augment the information / knowledge base of management towards making informed decisions and enhancing the integrity of strategic planning process and outputs
- ✓ Task overload on organisational staff i.e. time involved in operations leaves little time for strategic

As can be seen, some of these drivers are rooted in operational inefficiencies. The question could then be asked whether addressing the inefficiencies themselves would reduce the need for some forms of MSP. Where these are still required they could be better targeted for use in areas offering greater strategic impact. To get some idea of the magnitude of the problem of unfilled posts, figures from the Human Resource Plan of the DWA Multi-Year Strategic Plan 2005/6 – 2007/8 were analysed. According to the plan, as at 30th September 2004 there were 1,470 vacant⁷ top, middle and junior management posts (consideration of vacancies. This represented about 31% of the total approved posts (for these levels). This would suggest that a considerable amount of management support utilisation (at least in the case of DWA) may be going toward capacity substitution as opposed to capacity supplementation.

An important and common underlying factor across all forms of support is that effective management of the support structure needs to be in place to ensure that the desired deliverables and value are realised. The situation of capacity constraints and a lack of MSP counterparts within the entity receiving support do increase the risk of dependency by sectoral role players on such programme support structures. Clear terms of reference and letters of appointment specifying key deliverables were mentioned as an essential part of the overall framework of performance managing such support. The PEP is an important tool for performance managing under the TaC form of support. MoU's can be used to facilitate the secondment of contract staff to sectoral role-player organisations e.g. dplg and SALGA. The lengthening of the decision making cycle was also identified as a challenge as externally sourced personnel are limited in the extent to which they can make decisions that are binding on the department.

Based on a number of the provincial visits (admittedly not necessarily representative) the strong role played by MSP structures and the personnel within them was quite evident. As mentioned above, it is important that the capacity to effectively manage the various forms of management support is in place and the extent to which government capacity constraints compromises the ability to do so must be understood and addressed. The impact of lost opportunity for growth and development of internal human resources due to the unmanaged (and perhaps over) use of such structures was also raised as a concern.

MSB Coordinators were asked to indicate what key learnings can be drawn from experiences gained in the utilisation of MSP vehicles. In terms of responses given these included:

- ✓ Top sector management involvement with strategic support PSP's is key to realising strategic breakthroughs;
- ✓ If used properly, MSP's can increase the capacity of institutions to deliver on their mandate;

⁷ Difference between approved posts and number of employees on the establishment. Consideration of vacancies at low level supervision / production was deemed to be inappropriate as the use of MSP at this level is unlikely.



- ✓ Achieving the balance between decentralisation, independence and well managed support is complex;
- ✓ Ensuring PSP's have the necessary experience and time to allocate to the task
- ✓ Ensuring that there are counterpart staff for continuity (after completion MSP contract period)

Respondents interviewed were asked to indicate the areas for critical management support in the future - this would inform likely areas of support for the 2nd term of MSB II and possibly MSB III. These included:

- Broad WSP support to address issues of capacity around asset management, customer management, operations and maintenance etc. Staff contracting (with the provisos mentioned above) could be considered as the type of support here;
- Regulatory support. At this relatively early stage of assuming the regulatory role DWAF may still need to provide support to WSA to capacitate them to fulfil their local level regulatory functions;
- Change management support;
- Financial management support and coordination of inter-governmental relationships;
- Support to help DWAF grow into the role of sector regulator; Initially this will be about providing support to build awareness and understanding of the regulatory function, Once this has (largely) been achieved the issues of compliance and exercise of incentives / penalties on deviations come into play.

The type and volume of support will of course also depend on the extent to which proposed structures are approved and resources obtained to fill in defined posts.

One of the overriding benefits mentioned in the utilisation of the MSP's was that despite the capacity constraints being experienced, 'the work still gets done'. It is unlikely that the technical expertise and skills that such PSP's provide can or should be done away with entirely – trying to do so would perhaps be undesirable as it suggests that the sector would have be capacitated beyond the optimal level where the external sourcing of capacity is strategically and economically justifiable. That the work still gets done however, might be taking a short term view of the situation as this may be at the cost of realising the SFWS goals of transformation, collaboration and service delivery decentralisation in the sector. The WIN sector collaboration review document (pg. 52 – albeit looking primarily at the Eastern Cape Province) makes reference to the concern that consultants have been used excessively during the reform process and that if they rather than sector role-players are driving reform, institutions are likely to continue doing business as usual. The capacity constraints reflected in terms of the 30% vacancy figures and mentioned by the majority of respondents as a reality, suggest additional effort is required to ensure that MSP's are not used as a buffer to remain in comfort zones and conduct 'business as usual'. The process of finalising organisational structures and addressing staff hiring process inefficiencies must be prioritised to guard against this.

Monitoring and Evaluation

As part of its transition to the new role of sector leader and the phasing out of the CWSS M&E system, DWAF implemented a new system, the Performance Developer (PDF) system in 2004. The system aimed to streamline information and provide a one-stop process in efficient data capture and retrieval. From a study conducted on the implementation of the Performance Developer System (PDF) across the Provinces (Langa, Grossberg, Mncwango and Struwig, 2004), a number of issues were identified that had a bearing on M&E functions at the Provincial level.

One of the key findings from the study was that 'very few provinces had a dedicated M&E section. M&E was seen to be a part-time function, and most staff was fully occupied with other responsibilities. Very few of M&E officials interviewed indicated that they had had M&E training and were struggling to conceptualise M&E functionality. In terms of process no standardised methods of reporting to H/O, sourcing and verification of data appeared to be in place'. This would obviously lead to non-standardised reporting. At that point in time MIG was found to be a vague concept for



most M&E officials across most provinces. Against these challenges it was perhaps not surprising that the PDF was not fully functional in most of the regions.

Some of the recommendations emanating from the study included (in summary form):

- ✓ Closer co-operation and communication between DWAF line managers and M&E officials in the provinces;
- ✓ Greater training support to centres where M&E is not functional;
- ✓ Provision of guidelines on the establishing and ongoing maintenance of the provincial M&E structure;
- ✓ The building of partnerships between sectors is especially important in light of the introduction of MIG. Greater awareness creation and understanding among M&E officials of implications of MIG

With respect to the impact that the start of MIG has had on M&E a number of views were expressed. Some of the concerns raised had to do with the longer than desired / anticipated time it has taken to have an operational MIG MIS up and running which role-players could access and engage for purposes of obtaining information. The adoption of a sectorally collaborative approach (and the experience gained through MSB I) were mentioned as areas that could have been better leveraged in this regard. The expectation is that departments will work together in a way that facilitates monitoring and evaluation that meets the needs of the sector.

Although not directly attributable to the start of MIG, the concern over a lack of 'soft' information as opposed to financial / infrastructural data was also raised. Such information would help to better understand the outcomes / impact being realised from the area having the single largest sector investment. A comment was also made that sub-indicators for the institutional development and performance set of targets could be considered in order to better reflect the degrees of progress being made with respect to such targets. The lack of such indicators could give the impression that no progress had been made whereas this was not necessarily true.

On the specific question of the impact the start of MIG had had on the ability to develop quarterly reports on progress being made on the SFWS targets, based on discussions with the M&E unit, it is encouraging to note that this has not been negatively impacted. With the exception of the period Apr to June 2005, information from dplg has been submitted for all quarters of the 2004/05 cycle. Testimony to the validity of the data supplied is the utilisation thereof as part of the inputs towards preparing the variable tranche release report. Information from other sectoral departments has been forthcoming with the main challenge being differences in reporting cycle timeframes as is the case with the Department of Health

It is in the interest of the sector as a whole to ensure the successful roll out of an operational MIG MIS. This should improve process efficiencies related to M&E and enable DWAF to play a more effective information management role (as part of its sector leader role).

In response to the changes in the institutional and financial framework for service delivery, a sector-wide M&E framework is (being) developed to align the functions and information needs of the water sector-players at strategic level with the detailed information generated at an operational level. This framework will hopefully consolidate the strategic information management in the sector and make relevant information available to appropriate planning units and institutions. There are two key reasons for the development:

- ✓ *'The changing of structure and roles within DWAF meant that information needs and requests placed on the Directorate Planning and Information would also change. Consequently a process was set in motion to identify probable reporting needs so as to proactively set up the information channels that would be required.'*
- ✓ *The primary source of operational data from which management information is derived was moving out of DWAF's direct control and thus clear, comprehensive data provision specifications and agreements would need to be formulated⁸*

⁸ Sector-wide M&E framework for water services – discussion document (DWAF 2005).



The M&E system seeks to contribute to the sector process at three levels: national – for policy and strategy, provincial/ regional – for tactical planning and, local/ WSA – for operational delivery.

In terms of reporting and other mechanisms used to ensure the successful management of the MSB II programme, the Masibambane Coordinating Committee (MCC) was raised as an important vehicle through which the performance of the sector is managed. The work plan tool was another important vital tool mentioned especially with respect to linking budgets with strategy (see Financial Analysis section).

The MCC forum is an important structure / mechanism for (among other things) ensuring effective reporting on and M&E of the progress that has been made with respect to achieving the goals and targets of the SFWS goals as well as MSB II indicators and targets. A healthy forum could be described as one with effective and consistent representation and input from sectoral role players. It could also be characterised as one where the information on which reporting is done is timely, accurate and appropriate. Based on the interviews the following factors were mentioned as obstacles to achieving this:

- ✓ Attendance at the MCC meetings appears to be waning possibly due to the establishment of the MIG and perceived decline in the power and influence of the MCC⁹;
- ✓ Representation from sectoral role players in terms of breadth is also something that needs to be worked on to ensure proper representation of all parties
- ✓ The differences in reporting cycles between role players e.g. annual versus quarterly cycles was also mentioned as a challenge to the reporting function

A challenge identified on the practice of M&E within the department was that of consolidating the M&E functions that exist within various units in the department. Problems of duplication that result on reporting overload for WSA's, cost inefficiencies etc are some symptoms of the current situation. This is a challenge not unique to DWAF and the Information Acquisition Model is one of the initiatives being pursued towards addressing such challenges. This is an approach to coordinating the collection and storage of information in the sector. It is envisaged that a national repository will be developed and made accessible to sectoral role players. This is related to strategic objective 11.5 (DWAF 5 year Strategic Plan 06/07 – 10/11) that refers to the 'establishment and maintenance of a National Information and Reporting System'. The Sector-wide M&E framework for water services is also a response to the challenges posed by the moving out of operational data from DWAF's direct control (mentioned earlier).

A requirement of the envisaged overarching sector M&E system (and systems therein) is compatibility with other M&E systems. As indicated in the SFWS, compatibility with the national M&E system for all government departments, the MIG M&E system, DPLG data and National treasury requirements is necessary.

Change Management

Change Management was identified as one of the areas requiring support in terms of the Management Support for Water Services Sector tender awarded in terms of a TaC. In terms of the scope of work the PSP would be expected to fulfil the following (selected) functions:

- ✓ 'Identify key priority issues that require attention to ensure change readiness...in terms of:
 - Resistance to change;
 - Core skills development; and
 - Lack of organisational capacity for change
- ✓ Develop a Change strategy;
- ✓ Develop a change management roll out plan;
- ✓ Draw up formal programs and develop material for the development of Change agents;
- ✓ Formalise a communication strategy.'

By most accounts there does not appear to have been a systematic change management programme that has been put in place to journey manage the transition of DWAF from 'implementer'

⁹ Decline in numbers does not necessarily correlate with decline in the quality of engagement



to 'sectoral leader'. Where change management initiatives have taken place this appears to have been done at the initiative of individual units rather than as part of an overarching programme. It was mentioned that part of the role of MSB coordinators was to act as change agents however in the absence of an overarching guiding framework; this would prove very difficult e.g. standardisation of messages in communication becomes difficult without a common reference point that a guiding framework would provide.

It is important that DWAF as the sector leader in conjunction with the key role-players of DPLG and SALGA appreciate the risks associated with the lack of change management (as appears to be the case. Some of these include:

- ✓ Low morale, burnout and increased staff turnover
- ✓ Loss of skills / capacity threatening the ability to fulfil sector leadership role (as emphasised in the SFWS
- ✓ Limited ability to mobilise the support of (especially local government) sector role players due to a lack of understanding of the sector journey therein

□ **Financial Analysis**

Reporting on financial analysis was organized around five inter-related aspects of importance with regard to the financing and assessment of the financial performance of Masibambane II and the water sector:

- ✓ Financial reports and utilization of funds
- ✓ Budget process and programme allocations
- ✓ Monitoring and financial reporting
- ✓ Cost effectiveness in service provision and value-for-money
- ✓ Financial sustainability of service provision – adequate provision for O&M

Before reporting on the findings within each of the sections some overarching observations were made.

- There is continued high utilization of funds under MSB II, but some stakeholders are concerned that some local governments and water service authorities (WSAs) don't have sufficient capacity to absorb more funds. Especially under the MIG, there is sign of low utilization and funds tend to roll over from one fiscal year to another.
- The new fiscal and multi-sectoral environment necessitates better integration of sectoral planning process with national, provincial and municipal planning process to ensure (continued) strategic allocation of funds. Efforts are needed from all sector-players: DPLG, Treasury as well as DWAF to ensure this.
- Compared to other countries in the region, the monitoring and financial reporting system is very well developed. It could however benefit from simplification as well as a greater focus on feeding back processed data down to planning processes at lower levels. It also needs to be better integrated into the overall government M&E system(s) – several departments with significant water and sanitation expenditure are not reported for under MSB.
- The cost benchmark framework of 2003 for the sector is currently being revised to become more user-friendly and relevant at project and implementation level. Cost-effectiveness and unit costs are also receiving greater attention under MSB II in the quarterly reports. More attention is however needed to ensure a better understanding of the variation in implementation costs as well as soft issues such as institutional development costs and capacity building and program management costs so that it can feed into strategic and tactical planning at national and provincial level as well as at local government level.
- In the evaluation of MSB I, it was pointed out that there was a need to better understand the financial sustainability of local governments and WSAs, and in turn, respond to variation in financial sustainability potential. The National Treasury and the World Bank are carrying out work in that regard, but the findings from the studies are not available at the moment. It is clear however that the ability of WSAs to secure adequate funds for operations and maintenance, either through user charges or the ES, still is a concern that needs to be better understood and addressed.

Financial reports and utilization of funds

Under Masibambane (II) the water and sanitation sector has been very successful in attracting public money to the sector and rolling out infrastructure.¹⁰ As a result, there has been continued high utilization of funds in the sector. The shift however to more demand-responsive implementation by WSAs and local government and increasing public expenditure in the sector dictates the need to build local capacity to absorb available funds.

The Work Plan Tool with the quadrant approach developed under MSB to help senior management track the use of funds is intended for sector-wide budget and expenditure analysis. It includes water services specific and non-water services specific expenditure by DWAF and other relevant institutions such as the MIG under the Department of Provincial and Local Government in the sector. The Work Plan Tool also makes it possible to carry out analysis of capital and recurrent expenditure.

Though the expenditure in the water sector is increasing, it is still short of the target set out in the Strategic Framework for Water Services (SFWS) (GSA 2003), but not all public water and sanitation expenditure is reported on. The trend seems to be that the budget is increasing in the water sector. Figure 1 provides the actual expenditure for FY04/05 and the budget for FY05/06 and 06/07. In FY05/06 the budget is equal to R8,024bn which in terms of GDP amounts to the equivalent of 0.53 of gross domestic product (GDP), 0.22% below the target of 0.75% as set out in the SFWS.

The total budget reported in the Work Plan DWAF the budget indicated in the proposal for MSB II mainly because the proposal only referred to the budget under quadrant 1 which is DWAF water services specific expenditure. The actual budget in the sector is likely to be higher though, because there are a lot of public resources spent in the sector that are not reported on in the Work Plan. Expenditure by the Department of Education, Health and Housing is one example.¹¹

It is difficult to assess whether the resources in the sector are adequate. Given the time constraints, the focus of this report is mainly on expenditure analysis, not so much on requirement details. The 'Municipal Services Model' developed under the Municipal Infrastructure Investment Framework (MIIF) sheds some light on this however as it is intended to demonstrate the feasibility of removing infrastructure backlogs by the year 2013. Final results were not available at the time of this review, and it is important for the sector to see how the results and the model can feed into strategic and technical management and resource allocation in the sector.

The budget outturn continues to be high though, but there are signs that local government and WSAs have difficulties in spending the money they are allocated. In FY04/05, the grand total expenditure in the sector was R5,729bn, which corresponds to a budget outturn – actual spending versus planned – of 76%.¹²

Public expenditure on recurrent activities seems high, but given the large infrastructure stock and the policy of FBW, operations and maintenance costs are probably high. In other Sub-Saharan African countries with lower coverage, public funds tend to be used for capital investments, and not recurrent expenditure.¹³ 57% of total public spending in FY04/05 was on recurrent activities. The ES which in part is to provide for operations and maintenance costs for WSAs and the operational subsidy transfers to DWAF schemes constitute most of the recurrent expenditure. It is important however to note that this is based on the assumption that 35% of the total ES transferred to municipalities is actually spent on operations and maintenance cost incurred by WSAs and water service providers (WSPs). Very little information is actually available to support this assumption.

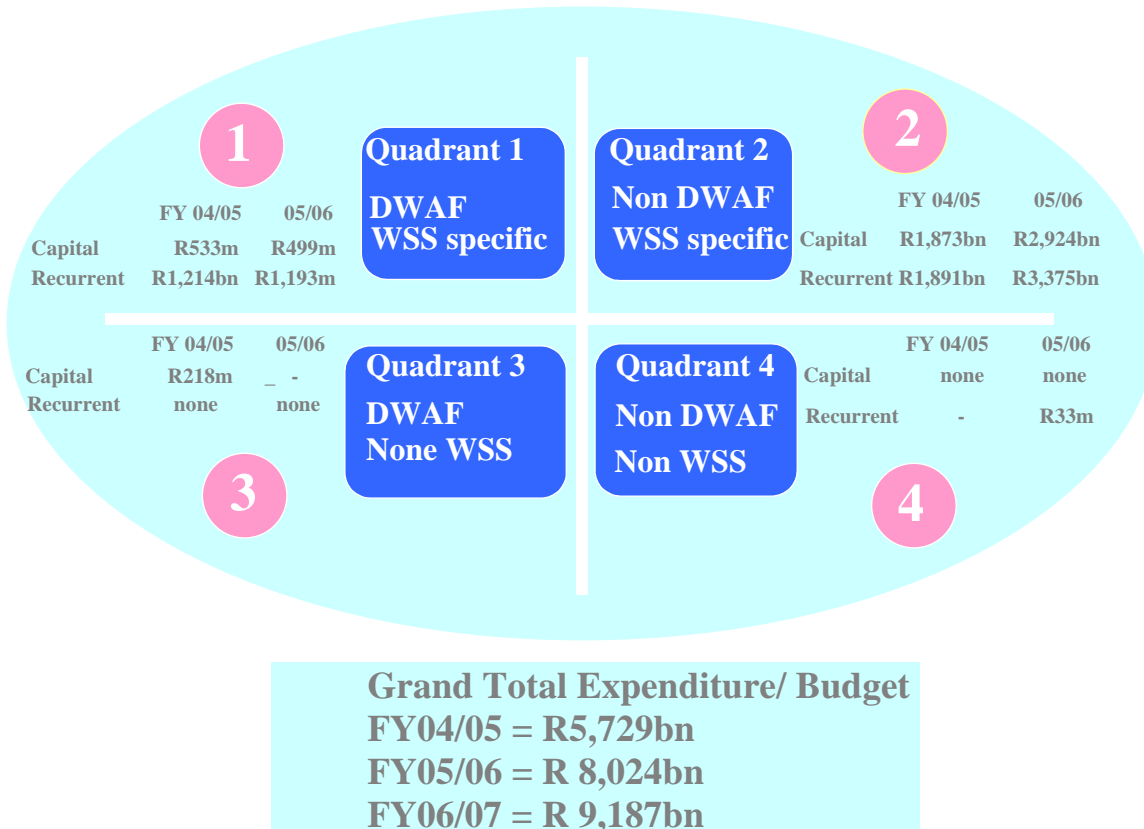
Figure 1: Expenditure summary for MSB II

¹⁰ It needs to be noted that this trend was the trend before MSB was conceived.

¹¹ For details, see section on budget process.

¹² It is important to note that the actual expenditure and budget outturn was slightly higher, because transfers during the first quarter of FY04/05 under the Equitable Share (ES) are not included in the Work Plan because of the mismatch in the fiscal years between local level and national levels. See discussion on ES for clarification.

¹³ For details see Chiwele (2004), Metha and Ondari (2004) and WSP-AF (2004).



Source: All financial information inputs are from Johan Styen, Brim based on the MSB Work Plan and the Quarterly reports for Jan-Apr and Apr-June 2005.

Note: The budget and expenditure information was not final at the time of this review and the changing information may have led to inaccurate reporting. The final evaluation of MSB II needs to review this.

Masibambane makes it possible for donors to fund water and sanitation services at lower management costs while strengthening national and local delivery processes. The donor support to the initiative is important for its success, although due to the increased prioritization in spending on water and sanitation by the Government of South Africa, the relative importance of donor funding is decreasing. In MSB I, donor funds accounted for about 28% of the total expenditure in the sector, whereas in MSB II, donor funds account for less than four percent according to reported expenditure in the Work Plan. Donor funds represent 17% of the overall budget available to DAWF and 57% of the capital expenditure budget though (Mehta 2004).¹⁴

The arrangement of pooled financing through budget support under Masibambane continues to be a good mechanism for coordination of overall donor support to the Government of South Africa. While ensuring government leadership, it also reduces duplication and overhead costs at the same time as it gives the donors the possibility of supporting specific components of MSB that correspond to their priority areas. It is difficult however to quantify the donor cost-effectiveness under Masibambane within the timeframe of this review exercise.

There is concern about low utilization of donor funds. Only 60.5% of donor funds were utilized in FY04/05 (Table 1), mostly because government resource were freed up elsewhere in the DWAFF budget (resource management) and were used in lieu of donor funds. The unutilized donor funds rolled over to FY05/ 06. Underutilization of donor funds seems to continue however in FY05/ 06, and Irish Aid is concerned about the low utilization of funds in the Limpopo province. A better understanding of the reasons and implication of this under-utilization is needed.

¹⁴ It must also be noted that the relative decline in spending by donors due to the expanded reporting on expenditure in the sector i.e. funds that are captured in the Work Plan now were not necessarily captured in earlier reviews.



Utilization of DWAF funds continues to be high. To assess the utilization of funds and challenges in financing the sector, it is important to analyze each of the quadrants separately. With regard to quadrant 1 which DWAF water specific spending – utilization of funds still continues to be high, though the capital expenditure seems a bit on the low side so far in FY05/06: only 18% of the budgeted funds for FY05/06 have been committed/ certified as expenditure through September 2005, and unless the spending picks up in the second half of FY05/06, the turnout might be lower than last year which was 91%.

There seems however to be a higher utilization of recurrent DWAF funds, and although only 29% of the departmental baseline recurrent budget has been spent so far in FY05/06 (certified expenditure), the outturn is higher than during the same period last year.¹⁵ It is important to note that the capital grant to fund bulk, connector and internal infrastructure for water services at a basic level of service and to implement such projects on behalf of municipalities is to be fully incorporated into the MIG in FY06/07. The recurrent operating and transfer subsidy grant for subsidizing water schemes owned and/ or operated by DWAF or by other agencies on behalf of the department is to be phased out by FY11/12 (Government of South Africa 2005).

Table 1: Quadrant 1 – DWAF water specific spending

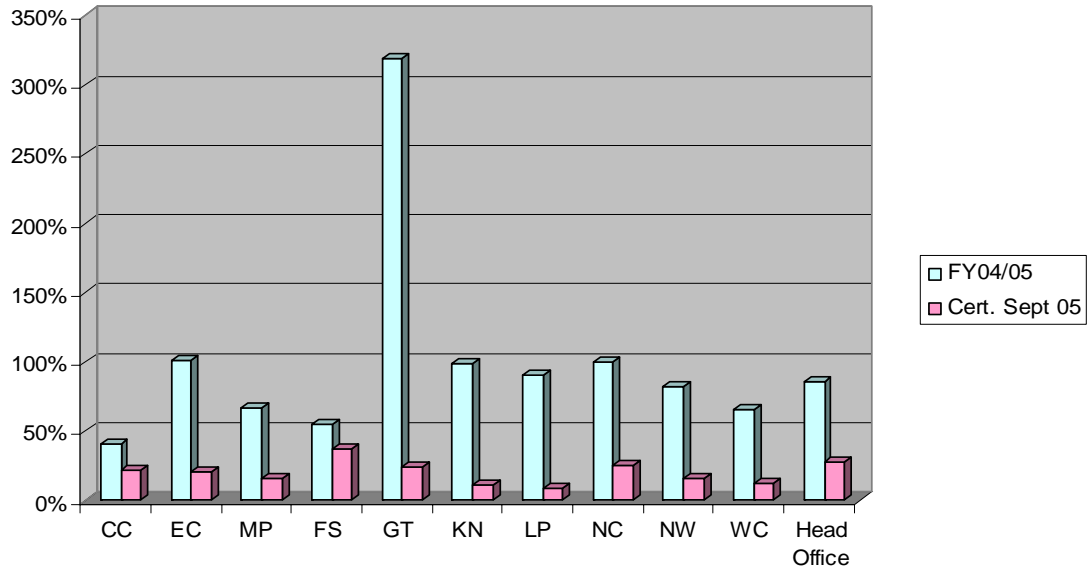
	2004/2005			2005/2006			2006/2007
	Budget	Expenditure	%	Budget	Expenditure	% Expenditure	Budget
	R'000	R'000	Expenditure	R'000	R'000		R'000
Capital							
- Indirect Grant to Capital Projects	217,322	217,322	100.0%	138,679	61,719	44.5%	-
- Management Support Overheads	69,030	133,670	193.6%	70,811	-	0.0%	71,819
- Donor Funding (EU, IDC & Flanders)	300,666	182,046	60.5%	289,564	29,405	10.2%	69,144
	587,018	533,038	90.8%	499,054	91,124	18.3%	140,963
Recurrent							
- Departmental Baseline	262,173	210,883	80.4%	258,115	76,066	29.5%	273,602
- Indirect Grant Water Services Operating Subsidy	951,862	1,003,158	105.4%	934,434	234,360	25.1%	990,500
	1,214,035	1,214,041	100.0%	1,192,549	310,426	26.0%	1,264,102
Total	1,801,053	1,747,079	97.0%	1,691,603	401,550	23.7%	1,405,065

Source: MSB Work Plan as of Nov 04, 2005.

No immediate pattern in capital expenditure is apparent across the provinces, though spending was low in Mpumalanga, Free State and Western Cape in FY04/ 05. Free State was the province with the lowest utilization of funds in FY04/05, but in FY05/06, it is the province that has utilized the most funds. Limpopo is lagging behind the others with only nine percent of the budget committed through September 2005. In Gauteng, the actual expenditure was much higher than the budget in FY04/05, but the absolute expenditure was relatively low compared to other provinces (Figure 2). It is important to note that the utilization of funds on Key Focus Areas (KFAs) that are key to DWAF in its new role as the sector leader. They include: water sector support (KFA 11); institutional support (KFA 12); Africa participation (KFA 14); and capital expenditure on transfers (KFA 13). All are low compared to the KFA for provision of water and sanitation supply (KFA 10) as indicated in Figure 3.

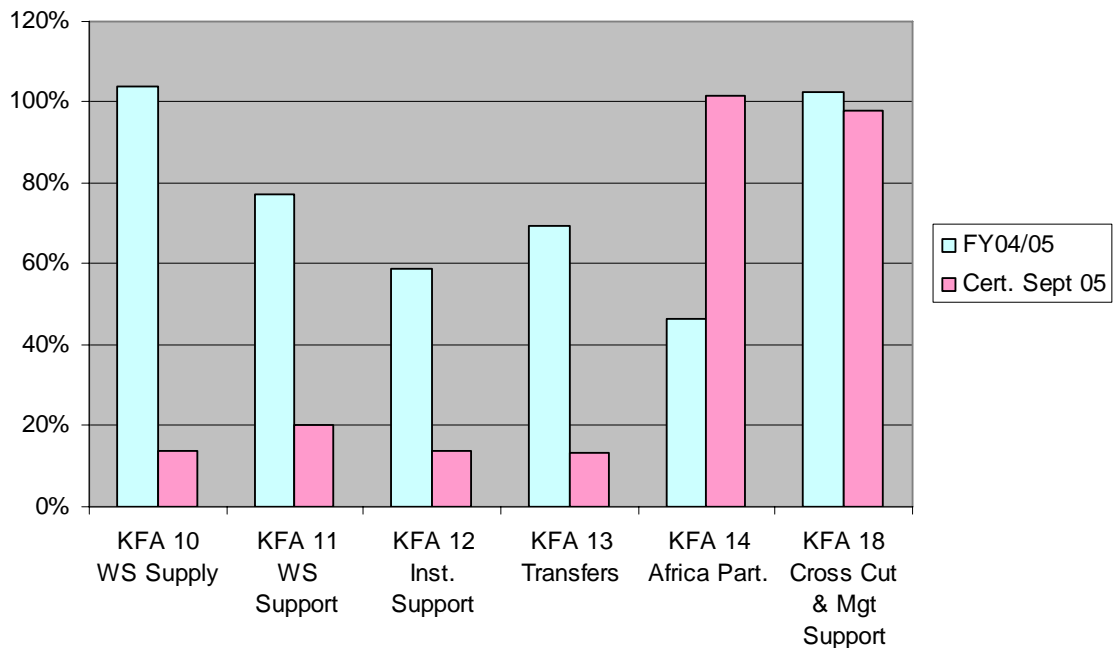
Figure 2: Utilization of DWAF Capital Funds by province

¹⁵ Refer to Table 1 and Mehta 2004.



Source: MSB Work Plan as of Nov 04, 2005.

Figure 3: Utilization of DWAF Capital Funds by KFA



Source: MSB Work Plan as of Nov 04, 2005.

The utilization of funds under the Municipal Infrastructure Grant (MIG) seems to be lower than for DWAF funds as shown in quadrant 2. This is a worrying sign given the relative share of funds in the sector that is passed through the MIG and the role of the instrument in supporting the roll out of infrastructure to reduce the backlog in services (until 2013).

In FY04/05 total expenditure under MIG on water and sanitation was R1.8bn. This is only 77.9 % of the budget. Similarly, expenditure is slow to pick up in FY05/06 (Table 2). As pointed out in the KPI report of June 2005 (DPLG 2005), the slow expenditure is mostly due to the fact that municipalities and WSAs are still spending their previous allocations. This raises a concern about whether WSAs and municipalities have the capacity to keep spending money and rolling out infrastructure. As many as 70-80 local municipalities are reported to lack staff with the adequate technical skills.

Table 2: Non-DWAF water services specific – Quadrant 2

	2004/2005			2005/2006			2006/2007
	WS Budget	Expenditure/ Transferred	% Expenditure	WS Budget	Expenditure/ Transferred	% Expenditure	WS Budget
	R'000	R'000		R'000	R'000		R'000
Capital							
- Municipal Infrastructure Grant - MIG (52%)	2,204,770	1,872,957	77.9%	2,722,808	1,145,747	21.1%	3,667,869
- Eradication of Bucket Sanitation Programme (100%)	200,000	-	-	200,000	-	-	400,000
- Donor Funding - DFID (52%)	7,488	-	-	1,230	-	-	-
	2,412,258	1,872,957	77.6%	2,924,038	1,145,747	21.1%	4,067,869
Recurrent							
- Equitable Share (35%)	2,687,141	1,890,756	70.4%	3,375,169	1,195,051	35.4%	3,680,229
	2,687,141	1,890,756	70.4%	3,375,169	1,195,051	35.4%	3,680,229
Total	5,099,399	3,763,713	73.8%	6,299,207	2,340,798	37.2%	7,748,098

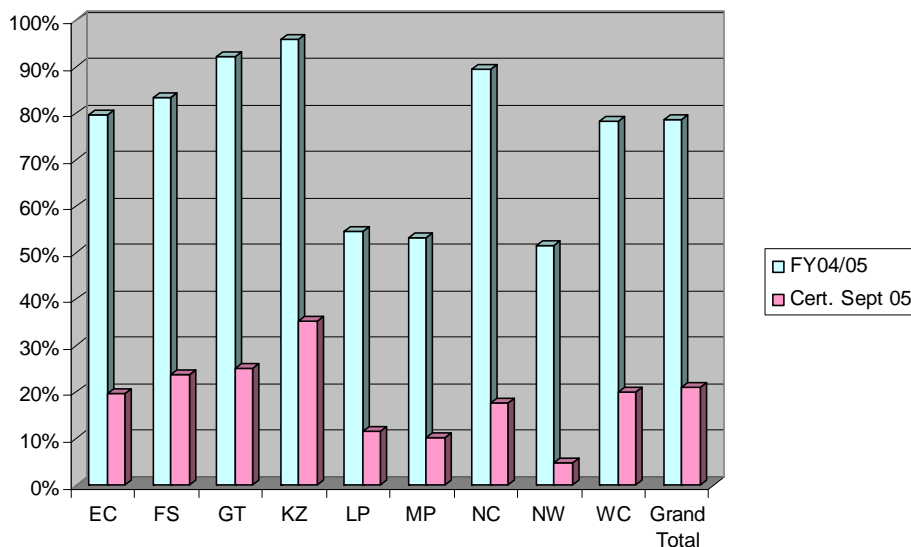
Source: MSB Work Plan as of Nov 04, 2005.

There is also some variation in utilization of funds across provinces. Limpopo, Mpumalanga and North West are the provinces with the lowest utilization rates at below 70% in FY04/05 (Figure 4). Stakeholders consulted in this Mid-Term Evaluation seem to be concerned that the trend of low utilization of funds will continue unless adequate support and time is given to build up the capacity at municipal and WSA level to enable sustainable roll out of infrastructure.

All the funds under the ES are transferred as per the budget. The ES is an unconditional grant from the National Treasury to the local municipalities for the provision of operations and maintenance costs in water and sanitation service delivery as well as other recurrent cost incurred by local governments. The estimated amount transferred for water services is R2.3bn and 2.9bn for FY04/05 and 05/06 respectively. Since the fiscal year for local governments (Jul – Jun) doesn't fully overlap with the national government fiscal year (Apr – Mar), the transfer of the ES only shows up as 70.4% for FY04/05 as per the Work Plan for MSB.

The assumption that 35% of the ES is spent on water and sanitation is rather weak though it is based on a survey carried out by DWAF). Currently, there are no reporting mechanisms in place to inform national (and provincial) decision-makers about the use of the ES. Concerns are raised about whether the ES is enough to cover all required recurrent activities at municipal level, and is therefore used for overall municipal overheads, not for operations and maintenance at WSA and WSP level. Efforts need to be made to see how it is possible to ensure that local governments report on the ES so that it feeds into strategic planning in the sector. For this, support is needed from DPLG and the National Treasury.

Figure 4: Utilization of MIG funds by province



Source: MSB Work Plan as of Nov 04, 2005.

DWAF funds that are non-water service specific are less relevant under MSB. In FY04/05, a draught relief fund was availed to local governments to deal with natural disasters. The program is scheduled to end by FY06/07. Only 45.3% of the funds were spent in FY04/05. Information on expenditure in FY05/06 is currently not available.

Table 3: DWAF – Non Water service specific

	2004/2005	2004/2005	% Expenditure
	Allocation	Expenditure *	
	R'000	R'000	
Capital			
- Drought Relief	481,583	218,105	45.3%
Total	481,583	218,105	45.3%

Source: MSB Work Plan as of Nov 04, 2005.

The utilization of the capacity building grants to enhance the capacity of local government to deliver services seems low. The Government of South Africa has introduced two capacity building grants that are of relevance to the water sector. They are: the Local Government Financial Management Grant under the Treasury which aims 'to promote and support reforms to municipal management and the implementation of the Municipal Finance Management Act (MFMA)'; and the Municipal Systems Improvement Grant (MSIG) under DPLG which aims 'to assist municipalities in building in-house capacity to perform their functions and stabilize institutional and governance system as required in the Local Government Municipal Systems Act of 2002.¹⁶ Though it is unclear how the assumption is arrived at, it is assumed that ten percent of the funds will directly benefit the water sector. Disbursements have however been slow under both grants as per information in the Work Plan.

The sector needs to be appropriately aligned with the overall planning and budget process to benefit from these grants. For this to happen, efforts are needed from all partners, especially DPLG, the National Treasury and DWAF. There is an opportunity for the sector to take the lead in ensuring that the capacity is built within local governments and WSAs as it did under the MIG. From a sector point of view, it also needs to be assessed how much is actually going to the water sector – WSAs – and how this can be encouraged (to continue) (Table 4).

Table 4: Non-DWAF water specific – Quadrant 4

	2004/2005	2004/2005	2004/2005	% Expenditure	2005/2006	2005/2006	2005/2006	% Expenditure	2006/2007	2006/2007
	Sector Budget	WS Budget	Expenditure		Sector Budget	WS Budget	Expenditure		Sector Budget	WS Budget
	R'000	R'000	R'000		R'000	R'000	R'000		R'000	R'000
Capital										
- None	-	-	-	-	-	-	-	-	-	-
Recurrent (10%)										
- Local Government Financial Management Grant	137,000	13,700	-	0.0%	132,500	13,250	-	0.0%	145,250	14,525
- Local Government Restructuring Grant	342,900	-	-	-	350,000	-	-	-	350,000	35,000
- Municipal Systems Improvement Programme	182,243	18,224	-	0.0%	200,000	20,000	995	5.0%	200,000	20,000
	662,143	31,924	-	0.0%	682,500	33,250	995	3.0%	695,250	69,525
Total	662,143	31,924	-	0.0%	682,500	33,250	995	3.0%	695,250	69,525

Source: MSB Work Plan as of Nov 04, 2005.

Success factor: Continued high utilization of funds and roll out of infrastructure.

¹⁶ National Treasury has indicated that the Local Government Restructuring grant will not be used to build capacity and support in the water services sector. This grant component has therefore been removed from the budget (MSB quarterly report Apr-Jun 2005).

Issue to be addressed; Though utilization of funds continues to be high, there are signs that the demand-responsive approach of greater role of local government and the establishment of WSAs require increased attention on capacity building.

Budget process and program allocations

During the evaluation there have been raised concerns about the integration of the planning process(es) in the sector with the budgeting system. As a result of decentralization in service delivery and the changing fiscal environment – primarily through the introduction of MIG under DPLG and the Equitable Share under Treasury – Masibambane (II) and the water sector finds itself in a multi-sectoral environment with a more complex budget process and where the sector has to compete with other sectors for attention in local and provincial planning processes as well as the budget process. Funds are no longer under the direct control of DWAF – the sector leader. The new environment therefore necessitates a need to encourage integration of the planning and budget process to ensure (continued) strategic allocation of funds. For this to happen, integration needs to be encouraged at three levels: national, provincial and at local/ implementation level.

The primary instrument for planning in the water sector is the five year Water Services Development Plan (WSDP), but efforts need to be made to integrate it into cross-sectoral planning processes. The WSDP requires the consideration of the physical, social, economic, financial, environmental and institutional aspects of water service provision in a particular water services authority area. Currently, 44 out of 167 WSAs have adopted a WSDP, while 23 WSAs have not started to develop a WSDP (Table 3). The water services development plan is supported by a Business Plan (BP) developed by water service providers, which show how the WSDP will be achieved on an annual basis. Given the significance of the WSDP, the roll out needs to be speeded up under MSB II, although, attention needs to be given to local capacity in WSAs and municipalities to develop the plans because there are concerns that often the WSDPs remain consultant-driven.

Table 5: WSA WSDP Status

Interim Working Document	55	33%
Draft (pre public comment)	20	12%
Draft (post public comment)	27	16%
Adopted	42	25%
No WSDP	23	14%
Total number of WSAs	167	100%

Source: DWAF as of September 2005.

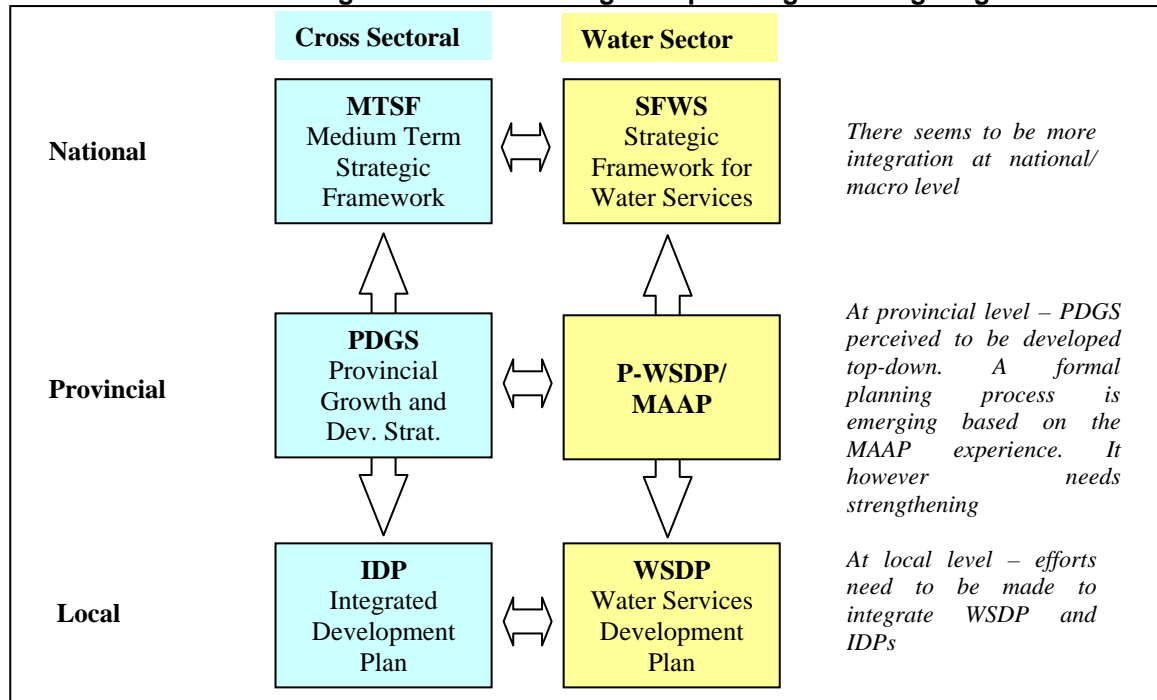
Under the new fiscal arrangements however, at municipal level, the Integrated Development Plan (IDP) is a process through which municipalities prepare a strategic development plan which in turn informs the budget, including the MIG as well as the ES. The IDP is envisioned, as it should be, as the overarching planning and budget allocation tool for the municipal government. The WSDP plan, therefore, needs to be appropriately integrated into the IDP. This seems however to be a key challenge facing many WSAs and municipal governments. The sector needs to explore how to better integrate WSDP into the IDP. There seems to be various opinions among stakeholders over how independent the WSDP exercise is/ should be, but the sector might want to consider focusing less on the brand “WSDP” and rather rolling the WSDP in (as an annex) under the IDP instead.

The planning and budget process is a political decision-making process, though the WSDP and IDPs tend to become technical processes. It is therefore important that choices are presented in a manner that enables council members to make informed budget decisions for the sector. It is also important to involve council members and other relevant players such as the IDP manager in the planning process to encourage integration. An example of an advocacy campaign to involve key stakeholders in the development process of the WSDP by Mmabatho district in the North West province is attached in annex 2.

Towards an integrated planning and budgeting. Provincial governments have also a role to play to ensure that water is appropriately catered for in the IDP process as well as DPLG which approves

the IDPs and control the finances as well as National Treasury (and DWAF). Figure 5 suggests an emerging framework for aligning the water services sector with national and municipal planning and budget systems. The emphasis on provincial planning process can also facilitate better provincial and local needs assessment in terms of identifying the support required at various levels.

Figure 5: Towards integrated planning and budgeting



Success factor: The five year WSDP is being implemented as the primary instrument for planning in the water sector and there is a push for alignment of the planning process with the budget process.

Issue to be addressed: Efforts are needed to make the WSDPs plans less consultant-driven. The new fiscal and multi-sectoral environment necessitates even better integration of sectoral planning processes with national, provincial and municipal planning and budgeting processes to ensure (continued) strategic allocation of funds. Efforts are needed from all sector-players: DPLG, National Treasury as well as DWAF and possibly SALGA to realize this.

Monitoring and financial reporting

In response to the changes in the institutional, financial framework for service delivery, a sector-wide M&E framework is (being) developed to align the functions and information needs of the water sector-players at strategic level with the detailed information generated at an operational level. This framework will hopefully consolidate the strategic information management in the sector and make relevant information available to appropriate planning units and institutions. There are two key reasons for the development:

- *'The changing of structure and roles within DWAF meant that information needs and requests placed on the Directorate Planning and Information would also change. Consequently a process was set in motion to identify probable reporting needs so as to proactively set up the information channels that would be required*
- *The primary source of operational data from which management information is derived was moving out of DWAF's direct control and thus clear, comprehensive data provision specifications and agreements would need to be formulated¹⁷*

¹⁷ Sector-wide M&E framework for water services in discussion document (DWAF 2005).



The M&E system seeks to contribute to the sector process at three levels: at national for policy and strategy; at provincial/ regional for tactical planning; and at local/ WSA for operational delivery.

Several monitoring and reporting tools have been put in place under MSB for strategic planning at national level (Box 1). Key to the financial and strategic budgeting is the Work Plan Tool which helps to link expenditure to outputs and outcomes and facilitates reporting for strategic planning and reports such as the quarterly and annual reports.

Box 1: Key MSB monitoring and reporting tools

Several national reporting tools have been put in place for transparency and facilitating the planning dialogue at a nation level.

PFMA Requirements:

- Annual Report
- Internal & External Audits

EU Finance Agreement Requirements:

- Quarterly Reporting
- Work Plan
- Mid-Term Evaluation
- Final Evaluation

Though the financial reporting for Masimabane II has improved with the introduction of the Work Plan, there still are key constraints in reporting. Reporting can be improved at several levels:

- There has been little reporting on sanitation. Given the urgency and priority given to sanitation in the program, it would be beneficial for overall strategy and planning that sanitation be reported on separately
- Budget and expenditure related information is so far not available in the Work Plan from Department of Housing, Health and Education, which means that significant amounts of public resources are not appropriately tracked according to the SFWS. The challenges here seem to be the misalignment of the reporting cycles of the various departments. Efforts are made to improve this
- Currently there are no reporting mechanisms in place to inform national (and provincial) decision-makers about the use of the ES
- More important, there is no reporting and tracking of municipality resources such as user charges and capital funds raised in the financial market by creditworthy local governments and service providers

The national MIG Management Unit is also concerned about the accuracy and completeness of reports received from municipalities and provinces. It is hoped that the monitoring and reporting will improve with the finalization of the new Management Information System (MIS) at all spheres of government (in which the specified KPI and financial details could be captured and monitored) (DPLG 2005).

The M&E systems could also be simplified. A sector-wide M&E system is appropriate, but there seems to be an information overload in terms of level of details and numbers of indicators suggested in the sector-wide M&E framework. It would be beneficial to explore ways of limiting the number of indicators to identify key areas that need attention to maximize the impact for achieving the goals set out in the SFWS. For example, establishing golden indicators as in the case of Uganda. This would also provide guidance as to which issues the evaluation team/ process of MSB need to give attention. It was clear from this evaluation that it was difficult to identify/ reduce the number of key targets and objectives to review during the mid-term evaluation workshop.

There is also a need to consolidate the information and processing of data in the sector. So far, too many units collect and analyze data without proper mechanisms for sharing the information to the extent that there is different reporting on key information such as backlogs. For this to happen, there is a need for better alignment of the MSB reporting system with the overall municipal reporting



mechanisms as well as the engagement and support of DPLG and the National Treasury and in-house capacity building at DWAF.¹⁸

The capacity at local level is limited. During the provincial visits it was pointed out that the burden on local government and WSAs need to be reduced. It was also pointed out that monitoring and reporting need to feed back into local level planning purposes. MSB has already introduced some mechanisms for feedback such as the letters to the municipal managers with financial and budget analysis. A way forwards could be to build on this and also provide some comparative analysis and benchmarks that would be useful at WSAs and municipal level.

Success factor: Though the development of the sector-wide information and monitoring system started late and implementation is still in progress, the monitoring and financial reporting system is well developed compared to other countries in the region.

Issue to be addressed: The sector information and monitoring system could however be simplified and more focused on feeding back processed data to planning units at lower levels. It also needs to be better integrated into the overall government M&E system(s). Several departments with significant water and sanitation expenditure are not reported for under MSB. Action is needed from DPLG, National Treasury, DWAF and other institutions implementing national information and monitoring systems.

Cost effectiveness

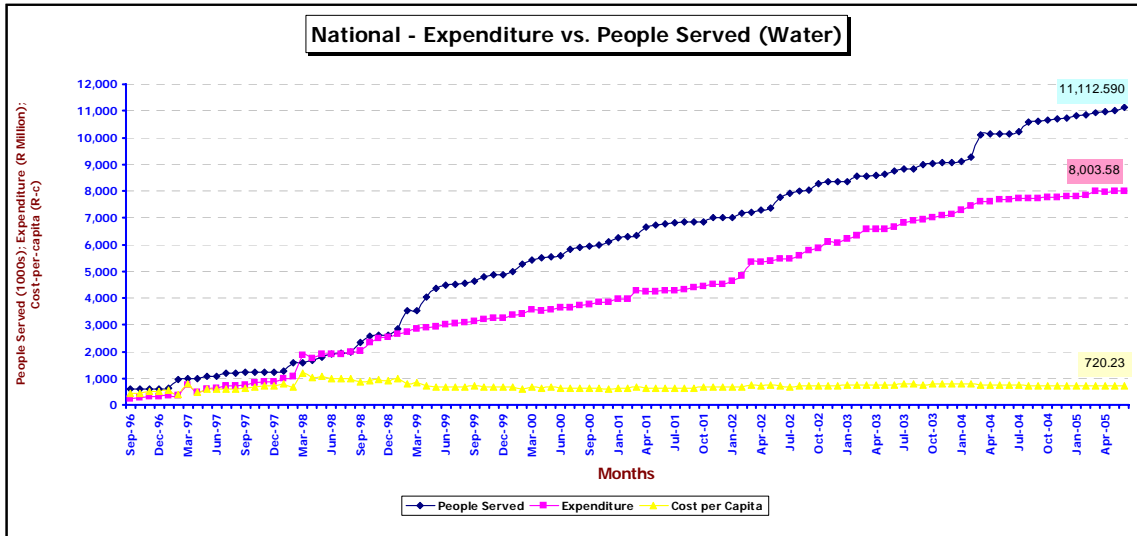
Although attention has been paid to the cost of service delivery, the main focus of the government since 1994 has been to successfully to roll out services to reduce the large backlogs in relation to nationally agreed standards. So far an impressive 11 million people have been give access to water. Some stakeholders have raised concerns about the long-term sustainability and the cost of service delivery, especially as the backlog diminishes and the unit-costs are likely to increase because the government has to reach out to people in more remote areas (Republic of South Africa 2003). The main concern, however, is that there is limited understanding at strategic (national and provincial) level of the cost drivers, especially the cost of institutional development and capacity building as well as soft issues such as hygiene awareness promotions campaigns and why cost vary across and within provinces.

Though some efforts are made in MSB II to report on cost effectiveness, more is needed. As shown in Figure 6, costs per capita for provision of water infrastructure has remained more or less the same as expenditure in the sector has increased significantly to give people access to services to reduce the backlog. As of June 2005, the national per capita cost of providing one person access to water was reported to be R720. This is in fact below the cost benchmarks developed by DWAF except for the Limpopo province (DWAF 2003).¹⁹

Figure 6: DWAF Expenditure versus People Served, 1996 to June 2005

¹⁸ An initiative for consolidating national information and monitoring under the Office of the President was brought to the attention of the evaluation team during the evaluation workshop. The sector needs to review and engage in this initiative.

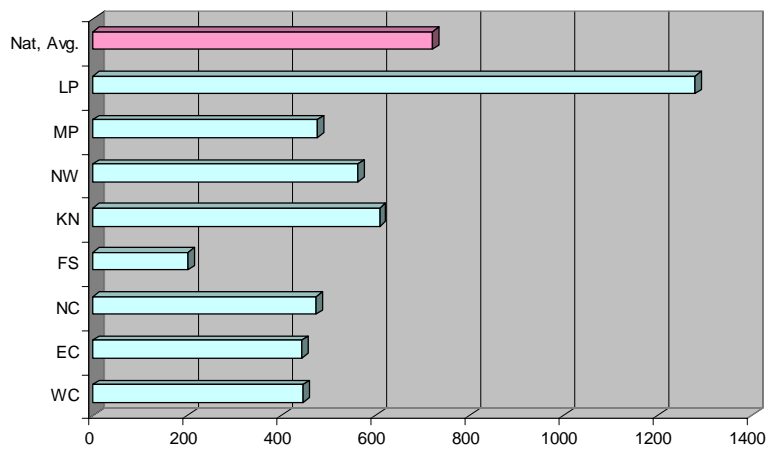
¹⁹ In 2003 DWAF produced a cost study for water and sanitation services as a guide to local authorities. It provides a guide for various technologies and variations by provinces.



Source: MSB II Quarterly Report Apr-Jun 2005.

The cost of providing services varies greatly across provinces. For instance, the cost of providing one person with water in Free State only costs R201, whereas it costs R1,279 in Limpopo (Figure 7). The reason for the variation in costs is still unclear because most of the costing is carried out at project level. More attention needs to be given at program level and at provincial and municipal level to understand the driving cost factors so as to inform planning and implementation. If it is not possible to give support at the level of each WSAs/ local government, analysis needs to be done at provincial level.

Figure 7: Cost per Capita for Provision of Water Infrastructure by DWAF



Source: MSB II Quarterly Report Apr-Jun 2005.

There are other shortcomings in the reporting and analysis as well, especially with regard to what is reported on and how it feeds into planning and budgeting. They are:

- Reporting on cost-effectiveness includes only DWAF funded programs. It excludes for instance infrastructure funded through the MIG
- It does not give details for sanitation
- These numbers are generated by dividing overall expenditure by the people served. Therefore, the per capita cost is inclusive of all program/ project costs, not just the infrastructure component, but also feasibility studies and business planning etc. To reflect more accurately the cost of providing services, ideally, the cost component such as hardware, capacity building, institutional development and program costs etc need to be reported on separately
- Only cumulative data seems to be available because of the significant time lags between when money is spent and when people are reported to be served on the ground. This means that the unit costs do not reflect the actual cost for a given year



DWAF is currently planning to review the cost benchmark framework that was developed in 2003 to make it more user-friendly for WSAs and WSP. It would be useful in that regard to review how costs can be more easily tracked at a program level and which components are the most useful while focusing on keeping the tracking system simple. How the information can best trickle down from strategic to implementation level also need to be reviewed.

Success factor: The revision of the costs benchmarks from 2003 is in progress to make it more user-friendly. Gaining a better understanding of the cost-drivers was identified as a key issue to address at the mid-term evaluation workshop.

Issue to be addressed: How to track more easily unit costs at a program level and which cost-drivers and components are the most useful to track while focusing on keeping the tracking system simple. To review how the information can trickle down from strategic to implementation. Capacity for doing this needs to be built within the sector.

Financial sustainability in service provision

The key challenge while moving forward is to ensure sustainable delivery of services while scaling up expansion of services under the MIG. Key to longer term financial sustainability is to ensure that the operations and maintenance and refurbishment costs of the infrastructure stock is provided for. The finances either have to be internally generated through user charges or sufficient public resources must be provided in lieu of user charges.

Nevertheless, a concern that came out during the field visits was that more attention has been paid to the costs of the capital investments involved and less to securing the operating and maintenance costs of the systems once implemented. In fact the water sector is not the only sector that is plagued with lack of funds for and neglect of operations and maintenance. The electricity sector also faces similar challenges. As the infrastructure stock grows, O&M as a share of total requirements is also likely to increase in the coming years. The MSB II proposal also highlights the urgency of financial sustainability in service provision as a key success factor to be pursued. As stated in the MSB II proposal:

'with the emphasis on delivery, the need for ensuring sustainability of systems seems to have been lost sight of. More attention has been paid to the costs of the investment expenditures involved and less to securing the operating and maintenance costs of the systems once implemented. Although the costs of Free Basic Water are meant to be covered by the Equitable Share, a number of problems referred to earlier have conspired to make most rural and many peri-urban systems non-viable. Greater attention needs to be paid to this problem'

'Compared to phase one of the programme, budgetary allocations for phase two reflect a greater emphasis on institutional support, programme planning and management in order to ensure the long term sustainability of planned physical investments and to support the ongoing institutional transformation process within the water services sector'.²⁰

Little data is available in the sector to assess the operations and maintenance requirements and the adequacy of funds. The 'Municipal Services Model' being development under the MIIF could provide more insights and efforts are needed to use the results and the model within MSB. Understanding of these issues and action is needed at two levels: at local level – Water Service Provider/ Authority level and at national and provincial level – program level. Several issues of concern regarding financial sustainability emerged in this evaluation:

- **Often, infrastructure that renders the WSA incapable of raising user charges is put in place and there is anecdotal evidence that the ES is often not enough to cover operations and maintenance costs.** Many municipalities, especially those with a significant rural population have few customers that they actually can bill and raise required revenue from for cross-subsidization. WSAs end up putting in place a lot of standposts which are associated with

²⁰ As stated in the MSB II proposal.



lower unit costs, but at the same time not enabling the WSAs to raise required revenue. The S-component of the ES or cross-subsidies are supposed to cover for the cost of FBS. Though the ES has increased over the past years, it is often not enough to meet the operations and maintenance costs. In both the North West Province and in the Eastern Cape, concerns were raised about how much longer WSAs could roll out infrastructure at the same time as they do not have the funds and capacity to maintain infrastructure.

- **To what extent is the ES used for the intended purpose?** As pointed out above, the ES is an unconditional grant, and often the ES is used to cover overhead costs at local/ district municipality level and does not trickle down to the WSA and WSPs to provide for their operations and maintenance costs. It is difficult to assess how representative this concern is, because there is little information on the use of the ES. The National Treasury is carrying out studies that could inform MSB and the sector on this crucial issue. The findings from the studies were not available at time of this mid-term evaluation.
- **FBW is not appropriately targeted to reach the poor.** Municipalities tend to provide FBW where they can reach the largest number of people at the lowest cost. It often means targeting people that are more capable of paying for water, and at times, non-poor are not billed. The targeting of the poor is especially difficult where the service providers are not local government, but for example, communities. Ways of discouraging this and improving targeting to reach the poor need to be explored.
- **The ES and other subsidies are not used optimally to leverage the potential of internally generated funds and capital from the domestic financial market.** Overall cost recovery needs to underpin the roll out of FBS. Although there seems to be some improvement in this regard, there is anecdotal evidence that the sector is not realizing the full potential of user charges. The studies currently being carried out by the National Treasury could provide useful insight to decision-makers within the sector.

Although some efforts have been made to prioritize financial sustainability of water services, more needs to be done. Below are some measures which could be further explored as was also indicated in the evaluation of MSB I:

- **Alignment of the WSDPs and IDPs.** To secure adequate funding for operations and maintenance, it is necessary, as discussed in the budget process and program allocation section, to better incorporate the WSDP into the IDP.
- **Responding to variation in financial sustainability potential.** There seems to be a huge variation in the ability of different municipalities to secure finances for operations and maintenance. One possibility could be to add a revenue raising capacity measure to the ES formula as a whole rather than only to the 1 component. This, however, does require a better assessment of service costs and revenue capacity. A major concern expressed in this regard by the National Treasury is the inadequate information available at this stage to adapt the local government equitable share (LES) formula. The MIG formula could also be adjusted for capacity and allocate more capital funds to those WSAs/ local municipalities that are able to raise revenue and expand services. Those that are having difficulties expanding services could rather access capacity building grants.
- **Monitoring financial sustainability and the use of the ES.** Little information is available on municipal revenue and the use of the ES, the current monitoring and evaluation system does not include performance indicators to effectively assess financial sustainability, hence better monitoring and reporting is an urgent issue. The implementation of improved national and municipal information and reporting systems is an excellent opportunity to review how this information can be aggregated at national and provincial level.
- **Incentives/ rewards for performance.** The current transfer system may act as a disincentive for the LMs/ WSAs to improve performance on financial sustainability. It is advisable to explore the possibility of introducing incentives in allocation of intergovernmental transfers through ES and MIG. For instance, those WSAs that manage to raise their own revenues and resources from the capital market can be rewarded, especially municipalities with larger urban populations.



Any such proposals would need to ensure that the formula is still kept simple, does not become too data intensive and does not lead to unintended consequences.

Success factor: Though the results are not yet available, National Treasury and DPLG are making efforts to better understand operations and maintenance requirements in the sector.

Issue to be addressed: To ensure financial sustainability the sector needs to explore how to improve monitoring of financial sustainability and to respond to the variation in financial sustainability and the benefits of incentives/ rewards for performance.



3.4 Meeting Targets

Service delivery is seen to be lagging behind the targets as set out in the SFWS especially in terms of sanitation.

Refer to the table below:



MEETING THE 19 TARGETS OF THE SFWS										
TARGET	DATE	INTERIM OR ANNUAL TARGET	ACHIEVEMENTS	TARGETS MET	WEAKNESSES	STRENGTHS	FINANCIAL PROVISIONS	FINDINGS	RECOMMENDATIONS & COMMENT	
ACCESS TO SERVICES										
1	Access to basic water supply	2008	At least 1 million people to be provided with at least basic water supply service annually (Sector target is to reduce the number of households without basic water by 20% each year)	Approx. 3,8 million people have received basic water supply services since April 2004. This includes services provided by DWAF, DPLG and Dept. of Housing	Based largely on the progress reported by MIG, the annual target has already been exceeded. (June '05 MIG KPI report: approx. 198 500 households provided with water since April '04)	Clarity required regarding services provided to below RDP level of service and how this impacts on backlog.	National policy for basic water supply infrastructure is available to WSA's	Funding for service delivery is provided for under the MIG (approx. 64% on water and sanitation services)	This period of evaluation has coincided with the introduction of the MIG and a substantial portion of the MIG expenditure is towards water and sanitation service delivery. According to DWAF (WSIS) the total backlog in 2005 is ±9,1 million people	-
2	Access to basic sanitation	2010	At least 300 000 households to be provided with at least basic sanitation services annually	Approximately 904 000 people have been provided with at least a basic sanitation service since April 2004. This includes services provided by DWAF and DPLG, however no data is available for the services provided by Dept. of Housing	Based on progress in the first quarter of the current financial year, the annual sector target should be achieved. (June '05 MIG KPI report: approx. 80 617 households provided with sanitation since April '04)	Impact of services below RDP level to be clarified Certain provinces have voiced concern over their ability to achieve the 2010 target. The target of 300 000 households per year is inadequate to meet the 2010 target (based on backlog of ±4 mil households)	Progress has been positive during the current financial year and by June 2005 nearly half of the annual target had been reached.	Funding for service delivery is provided for under the MIG (approx. 64% on water and sanitation services)	Success has been experienced on DWAF implemented schemes where increased impetus from Regional Directors and Sanitation Managers was realized According to DWAF (WSIS) the total backlog in 2005 is ±16 million people	Sanitation should enjoy greater priority if targets are to be met.



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3	Schools have water & sanitation	2005	2 098 schools must be provided with sanitation and 687 with water annually in order to meet the target.	By June 2005 water to has been provided to 315 schools and sanitation to 941 schools. More current information is not yet available.	Dept of Education has also indicated that it will attempt (through the schools sanitation programme) to reduce the number of schools without basic sanitation by 80% in the 3 years commencing 2004/05 This implies that the SFWS target 92005) will not be met.	-	Dept. of Public Works has indicated that no new schools will be built without sanitation facilities. It is also noted that the budget required to meet the SFWS targets has not been adequately provided.	Not directly provided for in the DoRA. Indirect provision through "Provincial Infrastructure Grant" (Vote 8): "... the construction, maintenance and rehabilitation of new and existing infrastructure in education, roads ..."	The total backlog (as estimated by the Dept. of Education during September 2004) is ± 4 300 schools, and 80% of this backlog exists in KZN, Eastern Cape and Limpopo.	Financial provisions (i.e. budget) should be aligned with SFWS targets if progress is to be made. Provisions should also be clear and unambiguous in the purpose and application.
4	Clinics have water & sanitation	2007	Approximately 540 clinics (or blocks) must be provided with water and/or sanitation annually	By June 2005 a total of 413 toilet blocks (1817 seats) had been constructed with an additional 126 blocks (474 seats) still under construction. More current information is not yet available.	As the extent of the backlog is not currently certain, progress in eradicating the backlog cannot be measured.	The actual extent of the backlog is uncertain and reporting on progress is inconsistent	The original budget allocations were reduced from R 40 million to R 35 million (during October 2003). Business plans have been prepared and approved in Eastern Cape, KZN, Limpopo, Northwest and Mpumalanga.	Not directly provided for in the DoRA. Indirect provision through Vote 16 (Hospital Revitalisation)	The extent of the water and sanitation backlog at clinics is uncertain	The extent of backlogs must be confirmed in order to formulate a structures response and meet the target



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5	Bucket toilets eradicated	2006 (Rev. to 2008)	Interim eradication targets (buckets): 2005/06 – 35 000 2006/07 – 79 000 2007/08 – 110 000	5 907 buckets replaced by March 2005 By end September '5 this figure was approximately 11 000	Final progress to be confirmed, but based on prelim data, only 30% of the target has been met.	Total funding amounting to R 1,2 billion has been agreed with National Treasury for the eradication of buckets.	-	-	The eradication of bucket toilets already enjoys national priority. The revised target is more realistic and achievable.	-	
6	Investment in water services 0,75% GDP			Expenditure for the 2004/05 financial year was ± R 6,76 bn while planned expenditure for the 2005/06 financial year is ± R 8,20bn(about 0,5% GDP)	The total expenditure still falls± 0,25% short of the target. There has however been an increase in expenditure of about 21% from 2004/05 to 2005/06 and this trend is expected to continue.		-	Although total funding falls short of the target, funding for the sector is increasing and it is worth noting that not all public sector W&S expenditure is reported.	MIG, Equitable Share; MSIG (CBG); Various local government grants (DoRA) incl. LG Financial Management and LG Restructuring grants; Donor funding; funding for bucket eradication programme	LG and WSA's only achieved 82% expenditure compared to planned expenditure for the FY 2004/05	-



EDUCATION AND HEALTH										
7	Hygiene education in all schools	2005	-	It is understood that hygiene education has been incorporated into the national syllabus	The fact that H&H has been incorporated into the national syllabus implies that the target has been met.	-	Vision 20:20 campaign active in schools. DWAF and DoH have provided some guidance in order to keep the syllabus relevant	-	H&H programme in schools should be monitored to ensure that this means of creating awareness remains effective	
8	70% of households practice safe sanitation	2005	300 000 household to be educated in safe sanitation practices each year. By 2010, all people with sanitation facilities must know how to practice safe sanitation.	DWAF had provided health and hygiene awareness to approximately 53 000 people	Reporting is inconsistent	Impact is difficult to measure, cannot simply measure the number of units installed (in terms of services) or the number of people impacted.	National WASH initiative has been launched MIG projects have included health and hygiene awareness (667 projects)	-	In certain instances, projects are implemented without H&H awareness. Equally importantly, there are instances where safe sanitation is not practiced despite H&H awareness	Monitoring of the effectiveness of H&H awareness is essential Campaigns must also become more widespread and prevalent, particularly in vulnerable groups (e.g. areas with high incidences of HIV/Aids)
9	FBW implemented by all WSA's	2005	-	Currently 95% of all WSA's are providing FBW - As of June 2005 total 17 782 712 people (60.5%) have FBW	WSA's have made good progress towards reaching the target, although not all of the target groups are receiving FBW	The lack of infrastructure (particularly prevalent among the most vulnerable groups) is also a constraint.	Only 8 WSA's have not yet implemented FBW policies	Equitable share provides for R 9,6 billion to be disbursed to Local Government	There is a concern that although FBW is being implemented by almost all WSA's, those in need are not always benefiting (69% of the population receive FBW while only 60% of poor receive FBW)	WSA's should be encouraged to ensure that their FBW reaches the areas of greatest need
10	FBS implemented by all WSA's	2010	-	Many (most?) WSA's have made provision for basic sanitation facilities at no cost to the beneficiary. Actual achievements to be quantified.	Achievements to date still to be quantified	The lack of infrastructure (particularly prevalent among the most vulnerable groups) is a constraint.	Provision for FBW is complicated by the nature of the services and the difficulty	Equitable share provides for R 9,6 billion to be disbursed to Local Government	Cabinet memo regarding FBS has been withdrawn	-



INSTITUTIONAL DEVELOPMENT & PERFORMANCE										
11	National Institutional reform strategy	June 2004	Water Services Amendment Bill by March 2005 Institutional Reform Strategy by March 2005	Water Services Act of 1997 is being updated A draft institutional reform strategy has been developed.	These strategies are still under development and the targets have therefore not been met.	Institutional reform may undermine the WSP arrangements that are already in place Could also negate some decisions/conclusions from S78 process	Potential exists for improving economies of scale	LG Financial Management Grant LG Restructuring Grant	-	-
12	Institutional reform of regional WSP's	2013	-	-	Institutional reform of WSP's will also occur through the National Institutional Reform Strategy	-	-	-	-	-
13	Assets transferred from DWAF to WSA's	2008	-	Overall progress for transfers is ±80% (Transfer agreements have been signed with 27 out of 57 WSA's and at only 4 out of the 57 WSA's there is no Draft TA in place)	Initial target of 30 June 2005 has not been met	-	-	-	Transfer of DWAF assets will be completed during 2008.	-
14	By-laws promulgated in every WSA	2005	-	Achievements to date still to be quantified	-	-	The Municipal Systems Act sets out the processes that must be followed when a municipality makes by-laws. DWAF provide support to WSA's in drafting their by-laws (Mbuso Zama - Manager: Sector Economics & Finance)	-	Municipal by-laws are a requirement of the Water Services Act	-



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15	WSA's report annually on WSDP progress	2005	-	It is as yet not known to what extent public reporting takes place.	Unknown	Only approx. 40 WSA's have had their WSDP's adopted.	-	-	-	-
17	All WSP's are rendering a service in terms of a business plan	2005	-	Some WSP's are however operating on interim arrangements	-	Some WSP's are however operating on interim arrangements	-	-	-	All WSP's should be rendering services in terms of a BP
18	All WSA's adopt KPI's	2005	-	Majority of WSA's have adopted KPI's	Unknown	WSA's not yet reporting against KPI	KPI's are published in the SFWS	-	-	KPI's are published in the SFWS
19	DWAF reports on sector development and progress annually	-	n/a	DWAF have produced the Masibambane Annual Report (2004/05) DWAF Annual report also captures all DWAF programmes	Targets are met.	-	-	-	-	n/a



4. CONCLUSIONS

After considered examination of the findings the evaluation team identified specific issues that constantly surfaced throughout the evaluation. It is therefore the view of the evaluation team that special reference should be made to these issues.

□ *Integrated Planning Process*

The finding on WSDP/IDP and PGDS alignment needs to be looked at in detail. This alignment question goes to the heart of the programme's current state in relation to the SWAP approach in its entirety and the external environment in which the SWAP approach interfaces, namely the multi-sectoral environment.

Firstly, it is important to examine this alignment issue in relation to the sector wide approach. This SWAP is seated within the principle of coordination, collaboration and community involvement, in order to effectively pool resources in addressing the legacy of backlogs and improved service delivery.

While collaborative structures have been established at provincial and national levels the same cannot be said of the local sphere of governance. The weak levels of collaboration at local government level, therefore has had an impact on the WSDP process. This needs careful examination and immediate corrective action as the programme evolves. The reference point for such an examination should be the intent and spirit of the SFWS ten planning points (page 40).

The SFWS planning framework makes specific reference to the role of a strong and active civil society in relation to identification of local priorities in the planning process. The evaluation concurs with the view that weak community participation has a direct detrimental effect on the demand-driven planning process and on the broader democratization of governance.

The demand driven planning process as enunciated in the SFWS is a clear indicator of the need for communities to be effectively engaged in decision-making. One can argue that the entire collaborative approach at all spheres of governance is designed for this ultimate goal. The extent to which collaboration is universally understood and practiced for this goal needs careful consideration.

Notwithstanding the existence of the relevant institutional arrangements to effect this participation, namely ward committees, the evaluation did not find effective levels of participation of CBOs in the local level planning process.

It is clear from the evaluation that the IDP process commands greater attention by local government structures compared to the WSDP process. In theory there should not be such a difference of focus, since both ought to be planning tools for local government structures. The evaluation could not conclusively determine the reasons for such an anomaly. The extent to which **dplg** and DWAF strategy and political leadership alignment consolidates in this regard may have a direct bearing on this anomaly.

While the PGDS process falls outside of the scope of this evaluation, the evaluation had to consider the extent to which alignment transcends across the IDP/WSDP process and the PGDS process. It is clear from the SFWS that the WSDP process is seated within a demand driven planning process. It is unclear, however, whether the PGDS is equally demand driven. As a result planning alignment becomes a serious challenge. There is sufficient anecdotal evidence gathered in this evaluation, from WSAs, that point to a level of frustration between these two planning frameworks. This poses a threat to ultimate effective collaboration and pooling of resources as envisioned by the Masibambane approach. This matter requires strategic intervention by the key role players. The extent to which a brokered solution in this regard is required needs to be explored. The role of **dplg** and Treasury therefore becomes central.

The legislative framework and this fiscal environment places **dplg** at the center of all collaborative strategies within the multi-sectoral environment. The evaluation is satisfied that the sector wide



approach has contributed positively to the multi-sectoral environment in which **dplg** is the key driver. It would therefore follow that **dplg** ought to further support the sector wide approach at all levels.

□ *Role of Sector Leader*

The sector leader' role is clearly spelt out in the SFWS, namely, sector policy, support and regulation. While the role in relation to sector policy is universally understood and accepted, the sector leader faces specific challenges in relation to its support responsibilities to the sector and its impending regulatory function.

In relation to its **support** function the sector leader operates within a multi-sectoral environment in which consolidated funding for capacity building is largely located outside of its ambit. This poses immediate and long-term challenges for the sector and the sector leader. It further poses an institutional challenge to the sector leader in relation to its obligations as enunciated in the SFWS. Further the Masibambane approach is itself a complex programme that necessitates a change in the manner in which DWAF, as the sector leader, has to operate.

The sector leader has a key challenge in relation to its **regulatory** role as outlined in the SFWS and its role as custodian of water resources as outlined in the National Water Act. There exists a body of opinion which point to a potential conflict of interest in relation to these two functions and therefore if proved to be correct, it would fatally flaw DWAF's role as sector leader. The extent to which there needs to be a separation of powers in relation to these two functions needs immediate examination. It is the view of the evaluation team that this issue be examined within the context of the planning frameworks as outlined in the SFWS. On resolution of this issue, it becomes imperative for the sector leader's role in this regard to be universally understood and effectively communicated to the sector partners and the role players within the multi-sectoral environment, including the donor community.

□ *Targeting the Poor*

It ought to be of concern to the sector that while there is progress in the provision of FBS across the country, the levels of FBS provision to the poor is less than the national percentage. This raises the question on the extent to which the ES is being targeted at the poor, thereby effectively implying that the intent of the government's pro poor policy is not translated into action. The fact that not all WSA's have implemented their free basic water policies, and indeed many WSA's have as yet not developed any policy relating to free basic services is indicative of the potential risk of government's pro poor policy.

Further, the absence of a single, reliable source of information regarding backlogs is considered a hindrance in terms of planning for service delivery (including financial planning).

At the point of writing this report the indications show at the current rate of delivery the bucket eradication target as reflected in the SFWS would not be met, notwithstanding the evaluation found bucket eradication programme enjoys national priority.

Implications:

Now, the question that ought to be asked: given the findings as outlined in section 3 above what does this mean for the programme, i.e. what are the implications? Should Government and Donors continue to pump in funds to this programme? Should sector partners continue to put efforts in this programme? Is the programme relevant? Is it effective? Is it sustainable?

An attempt has been made to as far as possible provide the audience of this report with answers to some of these pertinent questions where possible:

The Masibambane approach has created an enabling environment for effective coordination of resources, and the SWAP approach in this context can therefore be the optimal vehicle to respond to beneficiaries' needs. This statement presupposes that collaboration and coordination are the means for the realization of effective and efficient service delivery. The "holding of hands" of the



Masibambane approach should be viewed for this goal. This “holding of hands” ought to be the key driving force for all master planning processes within the sector. In this context, the “holding of hands” directly contributes to the transformational environment from “privileged planning” to a “social justice driven planning”. **The philosophical and value-based relevance of the Masibambane approach is therefore universally supported by sector partners and the donor community.**

Is the Masibambane Programme effective? It is not a simple process to evaluate the effectiveness of the Masibambane programme (approach). On the one hand, there is a temptation to look at the effect that the programme has had on service delivery. This approach would however be flawed, as the success of the sector will ultimately not only be measured against service delivery, but also by how successful the transformation process has been. In addition, the MIG has had a significant effect on service delivery in the sector (as in other sectors) and this would certainly skew the service delivery successes. The MIG has also changed relationships and interactions in the sector, particularly relationships and interactions with local government.

With regard to efficiency, there certainly is more work to be done if justice were to be done in answering the question whether the programme is efficient.

The efficiency of the programme can be improved in many instances: Refer to following examples

- ❑ Limpopo Province - two toilets in one household erf.
- ❑ The KZN site visit where a water supply project was unable to be completed due to lack of funds at the end of the project to implement a rising mains.
- ❑ Limpopo Province – Burgersfort area where there is a bulk water supply scheme that was implemented by various Platinum Mines. The aim was for the local communities to also benefit from this scheme but due to the inability (lack of expertise or money perhaps?) of the local municipality to link up with this scheme; this opportunity of supplying local communities with water is not being utilized.

However, it is a fact that Masibambane makes it possible for donors to fund water and sanitation services at lower management costs while strengthening national and local delivery processes. The arrangement of pooled financing through budget support under Masibambane continues to be a good mechanism for coordination of overall donor support to the Government of South Africa. While ensuring government leadership, it also reduces duplication and overhead costs at the same time as it gives the donors the possibility of supporting specific components of MSB that correspond to their priority areas.

There are challenges to the **Sustainability of the Programme**: One of the risks to programme sustainability is over-reliance / dependency on externally sourced capacity through management support vehicles.

A further risk to programme sustainability arise from the current situation with respect to donor funding which makes a contribution to support activities e.g. funding of contracted staff at provincial / local level. It is unclear the extent to which alternatives exist should funding from this source be threatened or worse still cease.



5. RECOMMENDATIONS

After careful examination of the objectives of the study the evaluation team arrived a range of recommendations straddled across the broad issues that were covered in this evaluation. Specific recommendations relating to the above issues are contained more fully in the attached work stream reports. The evaluation team further deemed it necessary to draw out broad overarching recommendations which require strategic detailed consideration. In order to fully understand these broad overarching recommendations, these must be read in conjunction with the work stream reports.

❑ *Integrated Planning Process*

All sector partners have a challenge to respond to raising the bar of community participation and integrated planning within the planning cycle.

Civil society organisations, both NGOs and CBOs need to define a clear strategy to engage the ward committee process, the WSDP process and the IDP process in order for the voice of the consumer to be heard and listed to at local government level. CSOs need to take the lead in lobbying the sector to create conditions for participation.

Local government structures hold the key for effective participation of communities in the planning process. These structures need to be effectively empowered in engaging communities within the demand driven planning process. It is worthy of consideration for local government structures to develop succinct public participation strategies in relation to planning goals. Such a strategy should consider amongst others, the following:

- ✓ Accurate local level stakeholder analysis
- ✓ Accurate assessment of the capacities of the different organisations that should participate and create an enabling environment for participation
- ✓ Accurate understanding of needs and fears of various stakeholders and role players
- ✓ Appropriate engagement strategies to deal with needs and fears
- ✓ Effective communication and reporting of the institutional and the legislative environment of the planning process
- ✓ Periodic review of the entire participation strategy

The *Sector Leader* needs to review its current support programmes and activities in relation to effective community participation within the planning process. This review should straddle across the entire organisation of the Sector Leader. Support to community participation ought to be a strategic imperative for the Sector Leader. The internal planning and programme management processes of the Sector Leader therefore needs to accordingly respond to this strategic objective. Here, the Sector Leader needs to review its skills matrix, budgetary alignment and systems in relation to this strategic objective.

For the Sector Leader to be successful in supporting the goal of community participation within the planning process it will further need to consolidate its engagement strategies with key institutional role players, namely Treasury, **dplg** and SALGA. This consideration has specific relevance to the changed fiscal environment within which the Sector Leader has to operate. This necessitates the need for the Sector Leader to position and align its strategy to all major capacity building grants operating in the multi-sectoral environment.

In terms of its legislative mandate **dplg** is best placed in creating an enabling environment for local government structures to effectively communicate and engage local communities, including CSOs. This enabling environment should reflect appropriate regulations and oversight mechanisms to this end. Further, it would be prudent for **dplg** to increase its levels of collaboration and coordination with the sector leader to this end.



❑ *Role of Sector Leader*

The current institutional arrangement, where largely funding is outside of the ambit of the sector leader, mitigates in favour of the sector leader developing a clearly defined collaborative strategy to engage the appropriate consolidated funding in **dplg**, Treasury and other institutional partners in order to be effective in its support functions.

The structural conditions in which the sector leader finds itself necessitates it to engage inter-governmental coordination (within the framework of the Inter-Governmental Co-ordination Act) from the basis of interest-based interactions with its institutional partners. This interest-based interaction requires high levels of information sharing and collective problem-solving on an ongoing basis. Project Consolidate can lay a firm foundation for interest-based interactions between institutional players, which has long term direct benefits for the sector leader. The sector leader therefore should consider playing an active role within Project Consolidate for this end. The sector leader should be equally mindful of the risks of positional-based "inter-governmental bargaining" as it positions itself within the new multi-sectoral environment. The sector leader should be acutely aware that positional-based negotiations are adversarial in nature, short-term based and tend to favour the stronger financial partner.

The current fiscal environment requires the sector leader to directly align its support strategy with key local government capacity building funding instruments. In this regard it would be worthy to mention its specific alignment with the objects of MSIG. While the sector leader has contributed positively to the MIG process it would be prudent for the sector leader to consider its support function in a broader context and therefore the need for alignment with key capacity building strategies.

In relation to the sector leader's regulatory function, the view of the evaluation team is that further investigation should be commissioned in order to clarify the sector leader's role in relation to its other constitutional mandate, viz; custodian of water resources.

As the sector wide approach migrates into its third phase, specific attention should be given to understanding and effectively communicating the impending regulatory role of the sector leader.

❑ *Targeting the Poor*

It is clear that much still needs to be done to give effect to Free Basic Services. It is important that a concerted effort be made to ensure that FBS are effectively and efficiently implemented. DWAF may therefore, as part of the Sector Support Programmes, look to provide further support to WSA's in order to assist in ensuring that FBS policies are developed AND implemented which adequately address the objectives of FBS and that ensure effective and efficient expenditure to this end. In these efforts particular attention should be given to sanitation services in order to ensure that the provision of FBSan remains sustainable and is not a later liability to the end user.

It is imperative that the impending integrated M&E system should adequately report on the implementation of these free basic services. In order to ensure that the reporting is indeed effective, the sector leader should take the initiative and promote KPI's that provide an indication of how effective the implementation has been, and in particular how effectively FBS implementation has been in target groups (i.e. the poor).

It is also crucial that the extent to which the equitable share targets the poor be reported on, to determine if indeed the government's pro poor policy is been taken on board.

❑ *SFWS Revisions*

The SFWS appears to have a high degree of credibility, support and buy-in from across the sector. The collaborative process that was followed in developing the framework was the key driver for such support. This has a direct bearing on the universal understanding and support for the sector vision, goals and targets. SALGA's role in championing the roll-out of the SFWS to all municipalities is instructive of the buy-in and commitment from key sectoral partners.



Notwithstanding the universal acceptance of framework as the guiding document for crafting strategies and implementation for the sector it would be advisable for the framework document itself to undergo periodic reviews.

❑ *Asset Management*

The introduction of MIG has made it possible to augment the asset base at local government level. It is also known that local governments already lack the capacity to manage their current assets. This puts a further strain on the capacity on local governments to manage these assets.

In addition, the race to eradicate backlogs accentuates the capacity constraints of local authorities.

This environment therefore may have an unintended detrimental effect on service delivery if an appropriate O&M strategy is not factored into the MIG planning process. It is worthy of consideration for the sector to explore the creation of an appropriate O&M budgetary framework.

❑ *Change Management*

In any organisation undergoing the significant redefinition of role (that DWAF has undergone) the management of the personnel uncertainties and fears is an important part of ensuring eventual success. Such uncertainties and fears have an impact on the ability with which the department is able to effectively lead the implementation of programmes like MSB II.

The evaluation strongly recommends that an appropriate overarching and comprehensive change management programme be designed and implemented for the sector as a whole as well as for the sector leader. It would be advisable for the key players, namely **dplg**, DWAF and SALGA to work in a collaborative manner in relation to this recommendation.

6. PROPOSED ACTIONS

The sector needs to consider its critical path which will enable it to respond to the changed environment in which it now operates. After careful consideration of the key findings in this evaluation the evaluation team has reached its definitive conclusions as to strategic considerations in this regard:

- ❑ *How the sector partners and the sector leader optimally position itself within a multi sectoral environment vis-à-vis an increasingly consolidating funding institutional environment and the broader country's macro-economic framework as a whole?*
- ❑ *How the sector and sector leader needs to optimise the current collaborative structures at the three spheres of governance in relation to creating an enabling environment for a demand driven planning process*
- ❑ *How to structure and appropriately resource a change management programme for the sector and sector leader within the current institutional reform environment*
- ❑ *How to ensure that the impending integrated M&E functions will (at a minimum) report on the extent to which FBW/ FBS is targeting the poor*
- ❑ *How to create an optimal "lessons learnt" environment which can inform the form content and shape of Masibambane*



ANNEXURE 1: TERMS OF REFERENCE



ANNEXURE 2: LITERATURE AND DOCUMENTATION CONSULTED

- ✓ Department of Provincial and Local Government; 2004. The Municipal Infrastructure Grant MIG 2004-2007 – From programme to projects to sustainable services.
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- ✓ Gender Mainstreaming Strategy – North West Province and Western Cape
- ✓ Business Plan – Western Cape 2005-2006
- ✓ Constitution of the Republic of South Africa May 1996 Amended October 1996
- ✓ The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), adopted in 1979 – United Nations General assembly



ANNEXURE 3: LIST OF PERSONS/ORGANISATIONS CONSULTED

National Stakeholders

Official	Responsibility	Tel / Cell / Fax	Comments
Louise Colvin	Director: Masibambane Support	012-460 9071 084 549 7789	Interviewed
Patrick Flusk	DPLG-DDG: Free Basic Services	012-334 0935 012-334 0892(F)	Interviewed
Charles Reeve	Project Officer: European Union	012-452 5248 082 974 4055	Interviewed
Malcolm White	Head: Water & Sanitation-Development Cooperation of Ireland	012-342 5062 083 378 4141	Interviewed
Elroy Africa	DDG: Capacity Building-DPLG	012-334 0830 012-334 0612(F)	Referred to Patrick Flusk
Jeff Shaw	Consultant: BRIM Consulting	012-440 9723/4 012-440 8137(F)	Interviewed
Andre Greyling & Beate Schafetter	Bigen Africa: Programme Management Unit	012-842 8700 012-842 8853(F)	Interviewed
Molatelo Montwedi	Chief Director: MIG-DPLG	012-334 4993 012-443 4862(F)	Interviewed
Gilberto Martins	Director: Physical Planning-DOE	012-312 6084 012-312 5907(F)	Interviewed
Schalk Meintjie	Director: Physical Planning-DOE	012-312 5950	Replaced by Edith Mamathuba who is the new incumbent
Sanet Puhl & Johan Wallis	Director: Special Pogrammes Support-DOH	012-421 1632 012-421 1491(F)	Interviewed
T.V Pillay	Chief Director: Local Government-National Treasury	012-315 5154 012-315 5230(F)	Referred to Malcolm Booyesen
Malcolm Booyesen	Director: Inter-Governmental Relations- National Treasury	012-315 5352 012-315 5045(F)	Interviewed
Eileen Meyer	Chief Director: Technical Assistance Unit-National Treasury	012-315 5110 012-315 5786(F)	Referred to Sharmala Naidoo
Sharmala Naidoo	Director: Project Planning & Institutional Development-National Treasury	012-315 5935 012-315 5786(F)	Interviewed
Richard Kruger	Senior Manager: MIG- DPLG	012-334 4995 012-334 0540(F)	Interviewed
Yusuf Patel	Executive Manager: Development Planning-DPLG	012-334 0824 012-334 0904(F)	Indicated that he would not be able to give any useful info as he was involved initially in MSB I for a short period of time
Sam Kgatle	Director: Municipal Finance		Unable to contact
William Moraka	Manager: Water Services-SALGA	012-369 8056 012-369 8001(F)	Interviewed
Adv. Graham Richards	Executive Director: Inter-Governmental Relation-SALGA	012-369 8024 012-369 8001(F)	Interviewed
Dr. Makhosi Khoza	CEO: SALGA	012-369 8000 012-369 8001(F)	Referred to Adv Graham Richards
Martin Rall	Mvula Trust – WSS financial viability, CBO schemes	011-403 3425 011-403 1260(F)	Interviewed



Official	Responsibility	Tel / Cell / Fax	Comments
Richard Thomas	Senior Governance Advisor-DFID	012-431 2131	Unable to contact
Thuli Khambule	Consultant: DFID	012-336 6502 082 804 9976	Interviewed
Ayanda Nabe	SALGA		Interviewed
Richard Marwood	DBSA: MIIF Planning		Interviewed
Bev Pretorius	WIN	082 909 1899	Interviewed
Vinnie Naidoo	Mvula Trust	011 403 3425	Interviewed
Rev. Bafana Khumalo	Commission on Gender Equality	011 4037182 0829057587	Interviewed
Victor Thoko	SANGOCO: Rural Development Services Network	011 403 7324 083 440 9867	Interviewed
Nonhlanhla Dube	Energy Seta		
Luck Leseane	DPLG		

DWAF National List

Official	Responsibility	Tel / Cell / Fax	Comments
Kalinga Pelpola	Director: WSS & PM	012-336 8798 082 807 4344	Interviewed
Thoko Sigwaza	Director: Sector Collaboration	012-336 7049 082 908 4375	Interviewed
Elma Scheepers	Deputy Director: Water Sector Support: Monitoring & Evaluation	012-336 8720	Interviewed
Alan Davis	Snr Specialist Eng-W/S Support	012-336 8603 082 804 9975	Interviewed
Sugandree Muruvan	Manager: W/S Regulations	012-336 6508	Interviewed
Ale stair Wensley	Senior Specialist Eng. W/S: Planning & Information	012-336 8767 082 808 5642	Referred to Witek
George Tsibane	Deputy Director: Sanitation	012-336 6545 082 809 2162	Unable to schedule
Witek Jezewski	Deputy Chief Engineer: W/S-Planning & Information	012-336 8160	Interviewed
Mandu Mallane	NGO/Civil Society Coordinator		No longer in office
Rosetta Simelane	Director: Special Programmes	012-336 8662 082 809 5303	Interviewed
Abrie Vermulem	Deputy Manager: W/S-Policy & Strategy	012-336 6546 082 808 5631	Interviewed
Helgard Muller	CD: DWAF	012-336 6567 082 807 4332	Interviewed
Hugh Sussens	Senior Specialist Eng. Water Services	012-336 6504 082 808 5638	Declined the interview
Trevor Balzer	Manager-DWAF: Transfers	012-336 8744 082 807 3544	Interviewed
Cyprian Mazubane	Deputy Director: Sanitation	012-336 6522 082 806 7735	Interviewed
Dirk Van der Boon	Deputy Director: Regional Coordination	012-336 8357 082 809 6093	Interviewed
Norman Nokeri	Deputy Director: W/S: Sector Development	012-336 8194 082 807 4347	Interviewed
Sibusiso Mthembu	Deputy Director: W/S: Support	082 4890 711 012-336 6501(F)	Unable to schedule interview
Barbara Schreiner	DDG: Policy & Regulation	012-336 8731 082 807 4342	Interviewed



Official	Responsibility	Tel / Cell / Fax	Comments
Jabulani Sindane	DDG: Regions	012-336 8723 082 883 7263	Unable to schedule
Jenny Evans	Deputy Director: W/S Support	012-336 8796 082 806 3897	Interviewed
Marie Brisley	Director: W/S Sector Development	012-336 6565 082 884 9516	Unable to schedule
William Ramphele	Deputy Director(W/SI Development) W/S: Sector Development	012-336 6673	Unable to schedule
Fred van Zyl	Director: Planning	012-336 8812 082 806 5307 012-336 6657(F)	Interviewed
Boniface Aleobua	Deputy Director: Information Programmes	012-336 8262 082 807 5719 012-328 6397(F)	Unable to schedule. Telephonic discussions held.
Thandeka Mbassa	DWAF: Central Cluster Manager	012-392 1477	Interviewed
Vusi Kubheka	DWAF: Eastern Cluster Manager	013-759 7300	Unable to schedule
Alson Matukane	DWAF: Northern Cluster Manager	015-290 1215	Unable to schedule
R. Hank van Vliet	DWAF: Southern Cluster Manager	043-604 5406	Unable to schedule
Nicho Rabie & Charlie Crawford	DWAF		Interviewed
Johan Steyn	BRIM	012-440 9723	Interviewed
Debbie Prinsloo & Jeanine Breytenbach	DWAF	012-336 8355 082 806 3902	Interviewed
David Mahlobo	DWAF: Director Transformation	0828059429	Interviewed
Valerie du Plessis of	DWAF-Directorate: Water Resources: Sub-directorate Recreation & Environment		Interviewed

NORTH WEST

Name	Organisation
Mr T Pheho	DPLG & H
Mr A Wilson	DWAF – Central Cluster
Mr van Rensberg	Botshelo Water
Mr Ben Nel	Moedi Engineering Consultants
Mr A Du Preez	Moedi Engineering Consultants
Ms Michelle McDonalds	CEENEX
Mr Bill Bosman	Begin Africa Engineering Consultants
Mr Cawood	Bophirima District Municipality
Ms Kgomo	DPLG & H (Project Consolidate)
Mr R Mokate	Dep of Health
Mr A B Ntoane	DPLG & H
Mr J C Mokhele	Central District Municipality
Mr O G Moremedi	Moses Kotane Local Municipality
Mr N Molefe	Madibeng Local Municipality
Ms M Komape	Madibeng Local Municipality
Mr O S Lebese	Rand Water
MR J Voster	Kgetleng Local Municipality
Mr Takalani	SALGA (NW)
Mr B Msimang	DWAF Central Cluster
Mr M Leu	EPWP
Mr G Zweni	EPWP



NORTH WEST	
Name	Organisation
Mr G Ramosime	Mvula Trust
Mrs Chishimba	SANGOCO
Mr J F Kleinhans	Potchefstroom Local Municipality
Mr A C Esterhuysen	Klerksdorp Local Municipality
Mr L Bogopa	DWAF: Sanitation Manager
Mr R Piyasena	DWAF: Water Services
Mr I Khumoeng	DWAF: Chief Industrial technician
Ms T Moche	DWAF: Senior Community Development Officer
Mr P van der Merwe	DWAF: Principal Engineer
Mr P Nthutang	DWAF: Chief Industrial Technician
Mr M Lekgetho	DWAF: Chief Industrial Technician
Ms T. Moche	DWAF: ISD Co-ordinator

LIMPOPO	
Name	Organisation
Mr. Musetsho Mr Matukane Mr. R. Masibigiri Dr. Hoohlo Mr. B. Badenhorst Mr. J. Ndhalammbi Mr. C.Nemutudi Mr. E. Khoza Mr.E.Nkuna Ms. Lucy Kobe	DWAF
Mariam Molala	DWAF -TAC
Modiba MJ Mashaba Cecilia Mphahlele MD Oberholzer Piet Hlomela Robert Maluleke Molly Thoko Sigwaza	DWAF DISTRICTS
Mr. P.Lekoana Mr. M.J.Makobe Mr. E.B. Khoza MR. T.Ramovha	DLG&H
Mr. P. Maloka Mrs. A Monyepao	SALGA LIMPOPO
Mr. Bruce Corbett	CDS: Masibambane Support
Mr. Dimpho Klu	Mvula Trust
Mr.Francois Fouche	DBSA
Mr. W.B Hlabangwane	DBSA Development Fund
Malcolm White	DCI
Mr. L. Denge Mr.S.Makondo	PSU- FBW
Mr.S. Mpamonyane	Lepelle Northern Water
Mr. K. Mosoenyane	NCWSTI
Mr. P. Ramonyai	Health
Mr. M.T. Baloi	Education
Mr. S. Manele	Waterberg DM



LIMPOPO	
Name	Organisation
Mr. E Leballo Mr. B. Thobela Clr.D.Mkhondo	Capricorn DM
Mr.P.Phasha Mr J. Nkadimeng Clr. J.Maseko	Sekhukhune DM
Mr. N. Ramathoka Clr. G. Mushwana	Mopani DM
Mr. T. Masakona Mr. M.T. Makumula Clr. Mdaka	Vhembe DM
Mr. G. Deysil Mr.I.G.J.Makaukau Clr. A.Shai	Bohlabela DM
Adv. J. Thubakgale Clr. N.Ntsewa Mr.Nkuna Mr.A.Mananga	Polokwane LM
Mr. T. Hlabela Clr. T.E. Moagi	Modimolle LM
Mr. JBL van Zyl Clr. P.Thubela	BelaBela LM
Mr. S.A. Khumalo Clr. MC.Dumbisa	Thabazimbi LM
Mr. B. Law Clr. T .Booyesen	Mookgopong LM
Mr. S. Mathunyane Clr.M.Mabusela	Mogalakwena LM
Mr. S. van Wyk Clr.M.E.Selokela	Lephalale LM
Greekson Zweni	DPW

WESTERN CAPE	
Name	Organisation
Alvin Lagardien	CPUT
Danie Lambrecht	Overberg D
Daniel Reinecke	DPLG
Elwat Bonzet	PGWC
Gerrit Ras	DPLG
Gerrit Van Zyl	Karoo central
Harold Basson	George DM
Heinrich Mostert	CCT
Henk Mathee	Overberg DM
Hennie Du Plessis	PAWC



WESTERN CAPE	
Name	Organisation
Izanne van Tonder	DWAF
Jan Hoffman	West Coast
Jo Barnes	US
Johan Kock	CES
Kalinga Pelpola	DWAF PTA
Kobus du Plessis	US
Leander van Oordt	CCT
Marie- Louise Roux	CSO
Matseliso Semmelink	CED
Mbambisa Galelo Mike Mgajo	Boland DM
Monde Bikitsha	DWAF
Nick Faasen	West Coast
Noahmaan Hendricks	CCT
Nozuko Zamxaka	DWAF
Shawn Moorgas	WECLOGO
Simphiwe Mashicila	DWAF
Tex Dlodla	CSO
Thabang Ngozela	DWAF
Thoko Sigwaza	DWAF PTA
Toni Arendts	Boland DM
Willie Fourie	Eden DM
Willie Terblanche	Karoo Central
Zolile Basholo	DWAF
Rashid khan	DWAF

EASTERN CAPE	
Name	Organisation
Clr M Nkqayi	Alfred Nzo District Municipality
Mr B Bunyonyo	Alfred Nzo District Municipality
Mr Z Gulwa	Alfred Nzo District Municipality
Clr W Mzozoyana	Amathole District Municipality
Ms C Minkley	Amathole District Municipality
Mr W Nel	Amathole District Municipality
Clr D de Vos	Cacadu District Municipality



EASTERN CAPE	
Name	Organisation
Mr P Snyman	Cacadu District Municipality
Mr M Mbambisa	Chris Hani District Municipality
Mr M Dungu	Chris Hani District Municipality
Mr T Mayosi	OR Tambo District Municipality
Clr S Nduku	OR Tambo District Municipality
Mr S Maqoko	O R Tambo District Municipality
Mr R Brittnell	Ukhahlamba District Municipality
Mr M Kau	Ukhahlamba District Municipality
Clr A Mpela	Ukhahlamba District Municipality
Mr R Gillmer	Buffalo City Municipality
Mr Z Mvandaba	Baviaans Municipality
Mr D Klaasin	Blue Crane Route Municipality
Mr M Langwe	Camdeboo Municipality
Mr Z Hanabe	Ikwezi Municipality
Mr M Ndokweni	Kouga Municipality
Mr de Lange	Kou-kamma Municipality
Mr T Naidoo	Makana Municipality
Mr G Ngesi	Ndlambe Municipality
Mr N Faku	Nelson Mandela Metropolitan
Mr N Singanto	Sundays River Valley Municipality
Mr D Bezana	DoH
Mr S Sokupa	DEAET
Mr L Hechter	DoE
Mr H Scott	DHLGTA – Project Consolidate
Ms M Nyembezi	DHLGTA
Mr T Zakade	DHLGTA
Mr M Muckle	DHLGTA
Mr T Majavu	DHLGTA - MIG Unit
Mr M Tshangana	DPLG
Dr H van Vliet	DWAF – KWT
Mr A Vermeulen	DWAF – PTA
Mr H Muller	DWAF – PTA
Ms J Evans	DWAF – PTA
Mr K Pelpola	DWAF – PTA
Mr T Balzer	DWAF – PTA



EASTERN CAPE	
Name	Organisation
Mr S Mthembu	DWAF – PTA
Mr S Marais	DWAF – PTA
Ms T Sigwaza	DWAF – PTA
Ms L Mokoena	DWAF – PTA
Mr N Nokeri	DWAF – PTA
Ms I Lebepe	DWAF – PTA
Mr N Muthumuni	DWAF – KWT
Mr M Mpendu	DWAF – KWT
Mr Z Seti	DWAF – KWT
Mr G Mbambisa	DWAF – KWT
Mr R Jack	DWAF – KWT
Ms P Makhanya	DWAF – KWT
Mr J Majiba	DWAF – KWT
Mr T Dlulane	DWAF – KWT
Mr B Swayena	DWAF – KWT
Mr B Matomela	DWAF – KWT
Ms F Mila	DWAF – KWT
Ms Z Ganca	DWAF – UTA
Mr A Lucas	DWAF – EL
Mr U Glatz	SPMSC
Mr C Thompson	Amatola Water
Mr M White	Development Co-operation (Ireland)
Mr E Spring	ECMSS/PSU Joint Venture
Ms L Steele	EC NGO Coalition
Dr C Reeve	European Union
Mr D Slabbert	MMP
Ms B Pretorius	WIN South Africa
Mr K Nkantsu	SALGA
Mr A Wilson	WAI
Ms P Titus	RDA – Masibambane Support
Mr P Pratt	Siyaphambili

KWA ZULU NATAL	
Name	Organisation
Danny Govender	Ugu DM
Mthandeni Dlungwa	uMgungundlovu DM



KWA ZULU NATAL	
Name	Organisation
Pier Neethling	uThukela DM
Thami Malunga	Umzinyathi DM
Rowen Clarke	Amajuba DM
Johan Jordaan	Zululand DM
Bheka Zondi	Umkhanyakude DM
S. Makhanya	uThungulu DM
Dumisane Khoza	ILembe DM
Nomonde Mnukwa	Sisonke DM
Speedy Moodliar	eThekwini Metro
RJ Mallinson	Newcastle DM
F Bosman/Francois	uMhlathuze DM
Mike Greatwood	Msunduzi DM
Busisane Mathebula	SALGA KZN
Andre Evetts	DTLGA
Robin Husband	Thuthuka CED/Civil Society Programme
Pradeep Ramlal	Thehani Consulting/Masibambane Support
Mfundo Rode	Thehani Consulting/Masibambane Support
David Rimmer	M & E Support
Viv Naidoo	DWAF - Sanitation
Thys Badenhorst	DWAF
Angela Masefield	DWAF
Nishal Harribarran	DWAF



FREE STATE	
Name	Organisation
LB Mabaso	DWAF FS Masibambane Co-ordinator
P Mohapi	DWAF FS ASD
Bongani Msimang	DWAF Central Cluster Support
Zwelibanzi Thuthani	Water Services Councillor of Matjhabeng Municipality
Peter Moleko	SALGA FS Water Services Official
Tumi Ntsele	Corporate Services Manager of BloemWater
Elna Francke	DWAF FS PSU
Modiehi Khuele	DWAF FS PSU
Phillip Nkomo	Water Services Councillor of Nketoana Municipality
Mxolisi Pali	Water Services Official of Ngwathe Municipality
George Mohlakoana	Executive Director; Infrastructure, Mangaung Municipality
M P Moloji	Water Services Manager of Thabo Mofutsanyana District Municipality
Thabo Khotle	Director of Tswelopele Rural Network (CSO)
M S Seate	Ass Manager Dept of Health
T A Motshoikha	Technical Manager of Naledi Municipality
Mpho Mabena	Sedibeng Water
LL Khiba	Deputy Director: Municipal Performance, Local Government & Housing
Grant McIntosh	CSIR
Mr Tladi	Technical Manager of Mantsopa Municipality
Khunjulwa Hlengwa	IDT
Shephard Gadzikwa	Director (MIG) Local Government & Housing
FJN Viljoen Manager	Engineering Solutions, Sanitation



ANNEXURE 4: BRIEF CURRICULUM VITAE OF THE EVALUATORS



ANNEXURE 5: DETAILED WORK STREAM REPORTS



ANNEXURE 5.1: TRANSFERS, LOCAL LEVEL STRENGTHENING, WATER SERVICES INSTITUTIONAL DEVELOPMENT AND POLICY AND REGULATIONS

1 Introduction

Increasingly, integrated and coordinated development is becoming an important subject and yet continues to be a major challenge at national as well international levels. Integrated and coordinated development is difficult especially when coordination involves work done by a number of departments, development agents and the public sector.²¹ Despite well-written policies, there is a natural tendency for departments/ programmes to work in isolation as such various fora have been established to promote collaboration. An unprecedented declaration of solidarity, the UN Millennium Declaration to rid the world of poverty was adopted in 2000. This declaration is encapsulated in the Millennium Development Goal (MDG)²² Heads of states agreed in 2000 to use the MDG's to work together to reduce poverty by 2015 or earlier. The sector has in turn internalized the commitments coherently through the Strategic Framework for Water Services (SFWS).

The Intergovernmental Relations Act, 2005²³(IGRA) creates opportunities for collaboration to take place within the spirit of cooperative governance. National and provincial structures headed by Ministers and Premiers respectively can be established through the act. These structures will be responsible for policy, coordination, alignment of priorities and monitoring sector performance.

Masibambane II takes place within a rapidly changing environment that of decentralising water service and other functions to local municipalities as well as the scaling up of the programme to all nine provinces. These changes especially decentralisation through Municipal Infrastructure Grant (MIG) changed the dynamics in resources allocation. DWAF, as a result of the decentralisation is no longer responsible for the infrastructure programme therefore no longer responsible for allocating water services infrastructure resources to local government. There are perceptions created that MIG might reverse sector gains as the programme has its roots in Consolidated Municipal Infrastructure Programme (CMIP) which is pro-hard ware and very weak on institutional and social development component of the programme.

A need to move from water service to municipal focus collaboration has been expressed. In response to this need, DPLG is setting up own structures within the multi-sector environment. Although other sectors are not at the same level as the water sector, there seems to be an urgency to create multi sector structures to support local government. New collaborative structures have been established through MIG. These structures are aimed at rationalising collaboration and at preventing duplication at municipal levels. These structures cut across sectors and have according to the sector collaboration review report added a new dimension to the water sector collaboration. DWAF is already coordinated by DPLG through Project Consolidate.

The relationship between DWAF and DPLG is therefore critical for ensuring that gains made thus far are sustainable. Lessons learnt from sector collaboration should be exported to the multi-sector environment.

2 Background

Redistributive policies and programme implementation is hampered by a lack or limited coordination and integration of programmes. The commitment of government to reduce poverty and to respond to the needs for integration and cooperation is reflected in the Constitution and in the Intergovernmental Relations Act, 2005. The Bill espouses for a collaborative network to promote cooperative governance. The Sector Wide approach, though not legislated, is paving the way for the implementation of the Bill and the multi-sector wide collaboration.

²¹ Views expressed at the national budget committee: www.businessreport.co.za, November 3, 2004

²² One hundred and eighty nine countries adopted the Millennium Development Goals. The challenge to implement commitment remains.

²³ Inter-Governmental Relations Act, October 2005



Key challenges for sector collaboration have been identified in the Strategic Framework for Water Services, simultaneously; the framework has identified the decentralisation process, institutional reform and transformation as key collaboration drivers.

Masibambane II is implemented in an environment that is going through rapid change. During the conceptualisation and build up towards Masibambane II, unexpected rapid implementation of the Municipal Infrastructure Grant (MIG). MIG is *aimed at providing all South Africans with at least a basic level of service by the year 2013, through the provision of grant finance aimed at covering the cost of basic infrastructure for the poor*²⁴. The rapid implementation of MIG forced DWAF to make quick decisions with regards to the allocation of funds. The quick move disregarded the democratic process of the sector, but was subsequently accepted as important for advancing the cause of the sector within the changing environment. Dissenting voices from SALGA and DPLG in particular facilitated the resolution of tension arising from the unilateral decision making process.

The decentralisation through MIG was rapid and unexpected, but the sector made great strides in working together towards a seamless transition for local government. MIG was supposed to kick in 2006, but was brought forward as result of lessons from the sector. DWAF as the sector leader made significant contribution to MIG to ensure continuity of the programme

Local Government (LG) through the decentralization process is placed at the center of development. In other words LG is expected to provide sustainable rural and urban development through integrated development planning (IDP). According to the Municipal Systems Act, 2000 this plan has a legal status and surpasses all other developmental plans. These plans enable municipalities to manage the process of development. Furthermore, the use of IDP strengthens democracy and promotes inter-governmental coordination.

Local Government experienced a number of changes prior to MIG. These changes have resulted in the rationalisation of services, defined powers and functions and jurisdiction of municipalities.

An enabling environment has been created for sector collaboration within a multi-sector environment. The President through Imbizo's is moving the sector towards a holistic perspective. There is no master plan as yet for multi-sector wide approach as such the sector needs to further advance the approach to generate lessons for multi sector collaboration. Although there is general consensus on the importance of the sector wide approach, the sector needs to understand the role of municipalities and that of DPLG in the multi-sector environment.

The Masibambane approach has been accepted in general as a mechanism for working together. Through the approach, sector partners have been able to raise their voices and contribute to the strategic development of the sector. The sector players are however not homogenous and do not share the same capacity. Important partners such as the Department of Education and Health have not actively participated in the sector fora. The Department of Health has lost a number of key senior staff members (through resignations) who were previously driving collaboration especially through their involvement in the National Sanitation Task Team (NSTT). Various attempts are made to bring all-important parties together through strengthening and building capacities as well as placement of individuals in strategic positions within institutions to facilitate and integrate the sector wide approach.

The de facto role played by the donor in brokering sector collaboration has been useful. Although the contribution from the donor has been helpful it is an interim measure that is not sustainable in the long term. There is an urgent need therefore for the sector to consider and agree on who should play the broker role.

A number of structures at both national and provincial level have been created to support sector coordination and collaboration. These structures are not homogenous in nature and are to some extent a reflection of provincial difference. Some of the structures are still in formative stages while some are at advanced stages. This could be expected in an environment with different provincial dynamics. It is however clear that the success of the programme will be achieved through:

²⁴ MIG, Policy Framework



- ✓ Coordination and integration
- ✓ Leadership and strategic direction
- ✓ Cooperation between all spheres of government;
- ✓ Participation of all sectors including organs of civil society
- ✓ Institutional capacity (efficient and effective local government);
- ✓ Beneficiary participation;
- ✓ Sustainable economic growth;
- ✓ Environmental Management;
- ✓ Gender Mainstreaming;
- ✓ Appropriate, affordable, sustainable choices and
- ✓ Best practice promotion and lessons learning

3 Findings

3.1 Sector Collaboration

An enabling environment has been created by the sector for the institutionalisation of the approach. Sector collaboration has made some strides and has proved to be able to bring the sector partners together. Sector shared goals have been agreed to and coherently documented in the Strategic Framework for Water Services. At the same time there is clarity on roles to be played as summarized in table 2 below:

Table 2: Masibambane Institutional Arrangements

National (Strategic)	Provincial (Tactical)	Local Government (Operational)
Strategic direction Funding Overall monitoring of the programme	Project planning and programming Programme integration across sector cross spheres Implementation (provincial components)	Implementation of projects Funding (municipal components Social Facilitation Co-ordinating public and private investments Local level planning through IDP.

The role of institutional stakeholders

Sector collaboration is the overarching objective of the Masibambane II programme/approach. The approach is not legislated but compliments policies and legislation of government through encouraging active participation of government departments, organs of civil society and communities. The roles of each sector partner are clearly defined in the SFWS.

National government has the constitutional responsibility to regulate and ensure effective performance of duties and to support and strengthen the capacity of local government in the fulfillment of its function.

DWAF: future role as the custodian of water resource management and water services is defined in the Strategic Framework for Water Services as providing sector leadership through coherent interpretation of policies and the promotion of good practice. At the same time DWAF as the sector leader sets standards to improve sector performance through the regulatory framework. DWAF'S role as the sector leader is not contested. The role is played by a number of individuals with varying capacities and experiences. As a result there are instances where individuals demonstrate ability to lead and instances where they are unable or perceived to be unwilling to play the leadership role. Although there is general acceptance of the leadership role, the migration of the capital budget is unsettling for the leader. DWAF as the sector leader can no longer dictate terms, but must negotiate on municipal and DPLG terms. 'In the longer term it would be expected that DWAF takes a step back and allow municipalities to drive collaboration' (Review of Sector Collaboration in the Water Sector, South Africa)²⁵

²⁵ Review of Sector Collaboration in the Water Sector, South Africa, June 2005. Although the focus of the review was the Eastern Cape,



DWAF as the sector leader is expected to lead by example. In this regard it is expected that collaboration be demonstrated internally within DWAF for optimal institutionalisation within the sector and more importantly for coordinating support and interaction with municipalities and other sector partners. Attention to intra- collaboration within DWAF is critical. Robust discussions and buy-in within DWAF is important. In roads are made to engage all sections in particular water resources. Masibambane reporting could be strengthened through contributions from all key sections within DWAF.

As the sector leader, DWAF is expected to ensure that WSAs are performing and that best practice is promoted through peer review and lesson sharing. In this regard, it is expected that DWAF establish itself as the regulator. The regulator role must be carefully constructed within the collaborative environment to ensure that municipalities perform. The regulator role is still being defined. DWAF will have to move fast within the rapidly changing environment to effect changes and ensure that WSA are performing.

The composition of the sector is sometimes difficult to understand as a result of DWAF heavy attendance of meetings and the sporadic involvement of key partners in some instances. This raises the question on who or what constitutes the sector?

Department of Provincial and Local Government: The relationship between DPLG and DWAF is critical for sector collaboration. DWAF has to engage DPLG in their own terms in order to build strong and autonomous local authorities. DWAF has made attempts to draw DPLG closer to the sector through core chairing of MSB and the appointment of one individual. Core chairing has been successful in ensuring attendance of MCC meetings and in effective decision-making. The same cannot be said about the placing of one individual in DPLG. Once again this placement raises the need for DWAF to collaborate within DPLG's terms. Dynamics within the process have marginalized the individual without due understanding of the demands placed to the individual. The huge responsibility of coordinating within multi-sector environment cannot be achieved through one individual. There is a need therefore for structured BI-laterals between DWAF and DPLG to resolve the matter.

Municipal service delivery is important for the sector. DWAF has pioneered and championed delivery in the past and has contributed at least 50% input to the MIG. The current perception that MIG is reversing sector gains should be addressed through appropriate channels that would ensure implementation of sector KPI in the implementation as well as reporting on MIG. The relationship should be governed by understanding of leadership roles/ champions and respect for institutional mandates as reflected in the SFWS. The relationship between DWAF and DPLG is therefore important for institutionalizing the sector wide approach. Opportunities are further created in Project Consolidate for the two departments to work in partnership. Project Consolidate unlike Masibambane has a political mandate therefore potential for optimizing benefits of collaboration. Relationship between the two organs of state must be based on cooperative governance, transparency, consultation and joint decision-making. Relationship between the two institutions should therefore not be driven by memorandum of understanding but commitment from both parties to share, learn from each other and contribute to effective service delivery.

Water Services Authorities in general prioritise the sector meetings. Attendance is however affected by huge staff turnover, which results in inconsistencies. Information from fora meetings is not always shared. There is also no handover to new persons. The fluid conditions at local levels results in constant re-orientation and hampers the pace of engagement.

Municipalities operate within a multi- sector environment under the administrative leadership of the Municipal Manager. The Municipal Manager has a lot of responsibility as such there is a tendency to engage the water services manager or environmental health officers for sanitation. A question on whether the appropriate person is engaged often arises. DWAF as suggested in the Review of Sector Collaboration in the Water Sector, South Africa, 2005 needs to assess appropriateness of

the views expressed/ findings cut across a number of provinces/nationally. This evaluation report is therefore not reviewing the report, but augmenting or drawing comparison to the findings.



those engaged.

Municipalities are also at the centre of development. This means that the sector must place municipalities at the centre of collaboration. In this regard, the sector is expected support the building of strong WSA/ municipalities. DWAF and the sector in recognition of the multi-sector environment and the implication of MIG and Project Consolidate must ensure that municipalities are supported to perform their functions across sectors through collaboration, coordination and integration of capacity building and other initiatives.

Community participation as a key component to achieve sector collaboration: The Masibambane structure excludes beneficiaries; as such their voices are not represented in decision-making. As a result of these communities show a lot of apathy are not taking the lead in services provided at household level. Examples during site visits are that people go about their business ignoring the presences of those visiting projects and only engage if asked questions. Communities do not volunteer information and perhaps are silent because they see the projects as donations to which they have limited rights. In one project the community members interviewed explained that they are still sleeping in the shack and using the house for storage because they do not trust the quality of the house. In some, they are not well conversant in using the low flush system provided and always complain that it does not work. The values espoused for in sector collaboration cannot be fully realized unless the community is part of the process.

Government must respond proactively to the needs of the consumers. DWAF t is initiating the one stop shop and the civil society voice. This is aimed at increasing consumer voice and at ensuring that there is a two-way flow of information from government to communities. The conceptualisation and operationalisation of civil society consumer group and the one stop shop prepares the sector towards being more accountable to consumers.

Importance of Political Leadership in strengthening sector collaboration: There are no political champions assigned to the project. A couple of politicians have taken interest and are participating actively in the national and provincial Masibambane meetings. These politicians bridge the gap between technocrats and politicians. They also represent the interest of local government. Their presence in is important for sector performance monitoring, advocacy, education, information and communication. There are able through their presence to influence decisions and to take those decisions to Council meetings.

National Treasury: Treasury's primary role within the decentralisation process is to manage the impact of local government fiscal activities and regulate financial management of all public institutions. Treasury will at the same time provide support on fiscal and financial matters to national department.

Treasury has an important role to play in allocating resources and in ensuring consistency of policy for service delivery. The Review of Sector Collaboration in the Water Sector, South Africa, June 2005 observed that treasury is limiting its engagement thus missing opportunities of ensuring that there is synergies between Policy, MTEF process, strategic and operational planning. Simultaneously, sector partners have demonstrated confidence in the independent role played by Treasury and are advocating that they be tasked with the broker role.

Visibility of Treasury in the sector needs to be encouraged through participation at MCC and at WSSLG. National Treasury may not be able to attend all operational meeting, but key strategic meetings must be identified for their attendance and contributions.

Department of Health: is noticeably absent at MCC, but plays an important role in other sector fora such as the NSTT and PSTT. Bi- lateral collaborations are taking place through the implementation of the clinic sanitation. BI-Lateral arrangements between departments must be taken into account in sector collaboration. The special project, clinic sanitation, which was launched in July 2005, is the focal point of collaboration and coordination between DWAF and the Department of Heath.Both Ministers of Health and DWAF launched this project in July 2005. In addition, issue specific collaboration occurs through disaster management, as is the case in the management/ response to the outbreak of typhoid in Delmas.



The department has lost critical capacity through staff turnover. This could be one of the reasons why it cannot meaningfully participate in MCC and in WSSLG.

Department of Education As is the case in health, education participates actively in NSTT and PSTT fora. Bi-lateral arrangements existing between education and DWAF for an example DWAF in Limpopo is implementing school sanitation on behalf of education.

DWAF is also through Vision 2020 collaborating with Education, Science and Technology and Environmental Affairs in revising the school curriculum. Memorandum of Understanding has been drawn for this process. The curriculum material has been tested and is in a process of being finalised in preparation for a launch in March 2006.

Department of Housing: The housing programme has the potential of enabling the sector to reduce the backlog in urban and informal areas at a rate faster than the current. Although there is collaboration at national levels, the delivery of housing at local levels takes place outside the collaborative framework. The lack of collaboration at local levels results in double funding and raises questions on the credibility of sector information. There is a general assumption/ agreed to principle that every house built is provided with water and sanitation. Examples on the ground are that this is not always the case. There are instances where provided toilet facilities are non-operational resulting in the provision of a second working toilet for one household AND in instances where houses are provided but toilet not provided or bucket system not eradicated.

Collaboration with housing in particular at local levels is important. To this end, it is suggested that this collaboration be strengthened through IDP/WSDP processes, consultations with municipalities. Specific attention must be made to environmental management and appropriate technology in the delivery of housing.

Department of Public Works The department plays an important role in facilitating the contribution to the second economy through the expanded public works programme. The Department is also implementing school sanitation on behalf of the provincial education departments. An important milestone has been achieved through the sanitation job creation project. This project highlights the importance of job creation during implementation and in operating and maintaining facilities. This project has drawn interest of the youth through Umsobomvu Youth Fund (UYF), labour organisation (Job Creation Trust), DBSA and other sector partners. A key lesson for the sector emanating from this project is that of project specific collaboration and coordination.

The Department of Environmental Affairs and Tourism: The department is not participating in MCC and yet has the national oversight role of monitoring the implementation of WSSD programme. Interaction happens between Environment and Recreation Sub-Directorate in DWAF and DEAT regarding the mainstreaming of environmental considerations in water services.

Progress has also been noted during this evaluation with regards to the development of EIMS and other environmental tools. The environmental management tool has been refined and workshopped with stakeholders at provincial and local government levels. DEAT has therefore played an important role in refining the environment management system. Although DEAT is not participating in MCC the important role played in collaboration must be acknowledged. The importance of intra-collaboration and information sharing within DWAF is raised through this example.

Provincial Government together with national departments has the responsibility to support and strengthen local government capacity, regulate and ensure performance of local government.

The future focus of collaboration will be that of ensuring that the public sector is accountable and performing its functions. Provincial local government departments have a pivotal role in performing this function. Participation of the department of provincial and local government varies. The department shows weaknesses and under capacity in some provinces while it is also well capacitated in some provinces. Participation of provincial government in collaborative fora is crucial. The department through collaboration with DWAF is supporting municipalities to complete Section 78 Process. The process is complex and requires capacity and time. Capacity constraints in these departments affects the pace and process of completing section 78.



SALGA's role in the sector is extremely useful especially in policy and strategy development. It has an important role to play in mobilising local government. It has influence and power and needs to protect nation-wide approach. SALGA has made significance contributions to the transfer process and should continue to support the process. SALGA has uneven capacities, therefore does not play the same role in all provinces. Masibambane funding for SALGA's is not appreciated the same way by all. Some individuals are of the opinion that SALGA is too involved with programme details and that it is not paying enough attention to municipal performance management.

Consultation and transparent decision-making are crucial in coordination and collaboration. MSB II was under threat as a result of non- democratic decision-making process by DWAF. The situation has been amicably resolved. DWAF must acknowledge the importance of sector partners.

SALGA also has a gate-keeping role between WSA and DWAF. The relationship between DWAF and WSA is currently positive. The relationship might come under threat once DWAF matures into her role as the sector regulator. SALGA should therefore continue to play its current role and ensure that tensions are brokered.

SALGA's participation at local levels is determined by its own capacity. In Limpopo for an example SALGA's presence is very strong, while the one person in KZN is unable to attend all meetings, with no representation in North West, as the position of coordinator is still vacant.

Organs of civil society has a role in policy development, advocacy and research, building capacity of developing organisations, monitor sector performance, create link between government and communities, manage water services at local levels and mobilise funds where possible for the sector. National and provincial coordinating structures for civil society have been established.

It is somehow difficult for CSO to collaborate when everyone is competing. The flow of funds has forced CSO to look within for survival as such compromises the effectiveness of structures created to facilitate collaboration. CSOs are also experiencing difficulties in that there are not enough resources available for constructive collaboration to take place. Most of the organisations are cash strapped and cannot fund attendance of meetings and as such find it difficult to make meaningful contribution to the development of their own business plans or proposal. In KZN, the CSOs reported that resources do not support the expectation for them to deliver and as such they are perceived to be unwilling or unable to produce required documents. There is a sense created that there is no mutual benefit in collaboration. Collaboration works best when people's own agendas can be met.

A civil society citizen group has been launched in September 2005. This initiative will in the short-term formalize the participation of civil society in developing a regulations strategy and strengthen partnership and credibility in the long term.

The donor community: represented in the collaborative fora. They have an important role to play in mobilising resources to support sector process and for partly brokering collaboration. They have an interest in making sure that all components of the programme are dealt with as such play an important role in keeping cross cutting issues in sector agenda.

Provincial champions operate at different levels. Perhaps these variations are necessary for as long as there is sufficient information sharing and best practice promotion to prevent provinces from making the same mistakes. There is a need however for national level support in instances where champions are new to the sector and where the sector coordination structures are in formation stages.

Strategic Technical Assistance provided to support the process although viewed as important by regions has been seen by some as stifling capacity development through consultants driven processes. The extent in which there is even distribution of resources to facilitate collaboration still needs to be established. In most provinces, the technical assistance contracts were finalised in time while in the Free State for an example, the appointment was only made in August 2005. Technical Support in most provinces has proved to be the pillar of the programme.

Collaboration could therefore be more effective when:



- There is common understanding
- Mutual benefit
- Resources available to facilitate collaboration including the willingness of organizations to use own resources.
- Collaborative projects
- Recognition of contributions by individuals and institutions
- Placing municipalities at the center of collaboration

3.2 Effectiveness of special key development initiatives aligning IDPs and WSDP with the PDGs:

The democratisation takes government to the people and yet the sector role in the IDP process is not optimal. There is a feeling that national and provincial departments are not prioritising the IDP process and yet they complain that the IDPs are weak and lack information. Department of Housing admits that their plans are not aligned especially since most of the housing development is on the outskirts/ greenfields, but recognize the need improve quality of IDP through coordination and collaboration.

WSDP as a chapter of the IDP is important as it enables municipalities to plan appropriately for water services. At the same time through these plans DWAF as the custodian and leader is able to provide appropriate service. The views expressed in Review of Sector Collaboration in the Water Sector, South Africa for reducing WSDP as a technical annex is supported. Municipalities are currently struggling to meet requirement and could perhaps benefit from a reduced and less complicated WSDP. The sanitation component in WSDP still needs to be strengthened especially since the backlog is more than that of water. Consideration in the revised plans should be given to operations and maintenance plans. Municipalities are still highly dependent on consultants for this process. This dependency might be reduced through less complicated plans. At the same time there is a need for agreement on backlog as these are the basis for planning.

The extent to which the sector wide approaches have been successful in influencing planning still needs to be established. A quick analysis of the status with regards to WSDP shows that out of 170 WSA only 40 have adopted their WSDP. The challenge for the sector therefore is how to support municipal planning. This is important for the sector especially with regards to achieving sector goals defined in the Strategic Framework for Water Services.

Example of Progress with regards to the WSDP process: Source DWAF

- Eastern Cape- 17 WSA initiated process, with 4 drafts approved by Council. WSDP teams have been established with full participation of technocrats and politicians
- Free State- 21 WSA started process; all 21 have been assessed and are in the process of being improved. WSDP teams are in place.
- KwaZulu Natal- 12 out of 13 WSA have embarked on WSDP process. All drafts have been assessed with feedback to municipalities. Cooperation from Durban Metro must still be followed up.
- Limpopo- 12 WSA plans, 6 adopted. All 12 are currently being revised.
- North West-12 WSA prepared WSDP, 11 of these have been assessed with feedback provided to WSAs.
- Western Cape- 29 out of 30 WSA have prepared WSDP. 13 drafts are ready for assessment

CSO involvement in planning: CSO complain that their role in IDP process is window dressing. Instances of late invitations to venues that are difficult to access are cited as examples, which make it difficult for CSO to participate.

The lack of support for planning has serious implications for the sector especially at local government levels. The lack of attention and consultation on planning has the potential of reversing gains made on sustainable development. A case in point is the Housing programme in Senekal, Free State where houses were built without replacing the bucket system. Housing is regarded as the major delivery vehicle for sanitation. There is an accepted principle that every house built has a sanitation facility. Realities on the ground prove that this is not always the case. The importance of participation and coordination in planning for the sector is therefore more important now than ever before for sustainable development.



The Strategic Framework for Water Services has been accepted by the sector as the bible from which to quote from. Opinions on whether the sector targets will be achieved differ but in general all sector partners know about and have accepted the framework.

The sector is good in planning but the meaning of planning is not adequately shared or integrated at the levels beneficiaries. The site visit to Motheo District Senekal Municipality attests to this. Provision of housing without sanitation when people are still using the bucket system is a clear indication of loose chains in the collaboration in particular the extent to which it translates into coordinated planning. The concept collaboration cannot be extended or does not have a meaning at local levels when the provision of service is not integrated. Integrated planning does not benefit the end user unless they are part of the process and unless there is a synchronization of implementation by sector partners. There is a general absence of consumer voice to keep the balance.

3.3 Transformation Environment in which collaboration operates

An enabling environment has been created by the sector for the institutionalisation of the approach. Sector collaboration has made some strides and has proved to be able to bring the sector partners together. Sector shared goals have been agreed to and coherently documented in the Strategic Framework for Water Services.

Masibambane II is implemented in an environment that is going through rapid change. During the conceptualisation and build up towards Masibambane II, unexpected rapid implementation of the Municipal Infrastructure Grant (MIG). MIG is aimed at providing all South Africans with at least a basic level of service by the year 2013 through the provision of grant finance aimed at covering the cost of basic infrastructure for the poor. The rapid implementation of MIG forced DWAF to make quick decisions with regards to the allocation of funds. The quick move disregarded the democratic process of the sector, but was subsequently accepted as important for advancing the cause of the sector within the changing environment. Dissenting voices from SALGA and DPLG in particular facilitated the resolution of tension arising from the unilateral decision making process.

The decentralisation through MIG was rapid and unexpected, but the sector made great strides in working together towards a seamless transition for local government. MIG was supposed to kick in 2006, but was brought forward as result of lessons from the sector. DWAF as the sector leader made significant contribution to MIG to ensure continuity of the programme.

Although there is general consensus on the importance of sector wide approach, the sector needs to understand the role of municipality and that of DPLG in the multi-sector environment. The President through Imbizo's is moving the sector towards a multi-sector arena. There is no master plan as yet for multi-sector wide approach as such the sector needs to further advance approach to generate lessons for multi sector collaboration.

3.4 Means of institutionalising sector collaboration

Various strategies including the Strategic Framework for Water Services have been put in place to institutionalise collaboration. The strategy by themselves are not enough as such there are various forum at both provincial and national levels aimed at bringing the sector together. These structures are sustained through donor support out of which resources are made available for the sector to collaborate through joint projects.

The broker role played by the donor is temporary in nature as such there are debates on how this role could be institutionalised for long-term sustainability. Key issues emerging out of the debates are that the donor support has been key in enabling the sector to push through non- financial / institutional and development programme which are otherwise not funded in the main funding stream. The sector has to some extent institutionalised cooperation and could through leadership and well defined roles continue with collaboration. The sense created therefore is that the relationship between partners has been brokered. What is required to sustain momentum is financial support to pursue the objectives of sector collaboration. The role of Treasury in brokering or sustaining collaboration became prominent in most discussions.

Institutions in general manifest themselves in collectives who are made up of a number of people.



There is a perception created that the approach is embedded in a few individuals to such an extent that some view sector as an abstract with a couple of players in a large sector. The reality is that because individuals make up institutions those prepared to take risks and accountability always take the lead. These individuals in turn create energies around the process through their active participation. Problem arises when the energy is not permeating the organisation especially when those key individuals leave organisations. A common understanding of the sector wide approach should be facilitated to complement individual energies and create synergy within organisations.

Institutionalisation of the programme at municipal level is in some instances difficult as a result of staff turnover. Also there is a need for broad communication to ensure understanding at all levels. Collaboration matters cuts across all sections including Human Resources. The sector programme on transfers and gender mainstreaming in particular have a direct impact on human resources, the question therefore is 'a the right people targeted for sector collaboration' The response is that not always. There is an emphasis on municipal manager resulting in over commitments and problems in institutionalising the sector wide approach. At the same time there a push and pull factors to be considered. Municipalities are drawn to the approach because there are financial gains to be made through various initiatives. Some partners are pushed away because of the demands placed on them by their own organization or because there is no monetary gains. Those individuals who are committed to the vision see the benefit of joint planning and to some extent recognize the value of the sector leadership.

Sector collaboration in general is fairly institutionalised and there is sense that this process will take time. Opportunities are created in Project Consolidate, which unlike Masibambane has a political mandate, and will therefore institutionalise collaboration.

Sector partners in general agree on the usefulness of the approach. This therefore suggests that there should be continuity. Continuity cannot be achieved unless the programme is explicitly budgeted for.

3.5 Best practice and lessons learning

The water information network (WIN) has been established during this review period. This initiative has amongst other enabled the sector to carry out a detailed review on collaboration in the Eastern Cape. The review document has been helpful for this process and for the sector in that it raises issues in an objective but constructive manner. In addition to the review, a best practice document on free basic services, billing and tariff setting is in the process of being finalized. WIN is also document lessons and best practice on the sanitation programme.

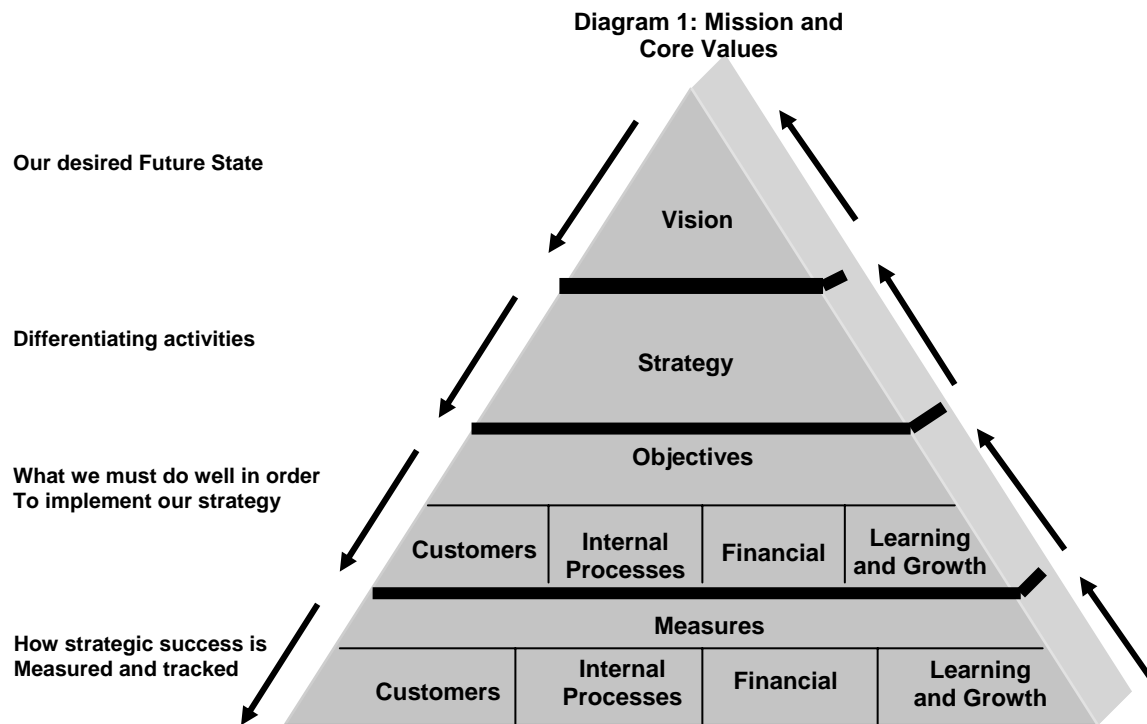
3.6 Collaborative Structures

National and provincial structures for coordination and collaboration have been established. These structures are not homogenous in nature, but have common elements in sector partners, which include DWAF, DPLG, Housing, Education, Health, SALGA, WSAs, Organs of civil society and other sector departments. Participation from partners varies with others being more consistent and visible than others. The role of Health, Education and DEAT at the MCC should be encouraged. At the same time there is a need to recognize the role played by these departments through BI- laterals. Co- chairing of MCC has proved to be successful in pulling in sector partners to MSB. This should be further encouraged and should be extended to other departments besides DPLG.

Structures at a provincial level do not necessarily replicate the national fora but are driven by provincial dynamics. They have according to findings from the Review of Sector Collaboration in the Water Sector, South Africa evolved differently in each province. Such flexibility is important as it encourages provincial innovation. As a result of MIG, provincial MTT are being established. These structures bring together all sectors including water services and therefore DWAF. DWAF is already engaging with these structures. For example the Western Cape Forum has taken the lead to involve academic institution, while KZN has a strong presence of WSA. A common trend is that DWAF takes the lead initially with other role players assuming their role once the structure matures.

As a result of MIG, provincial MTT are being established. These structures bring together all sectors including water services therefore DWAF. DWAF is already engaging with these structures. The

Review of Sector Collaboration in the Water Sector argues that the primary discussion on infrastructure should be ceded to these structures since DWAF no longer has control of the implementation budget. Regional DWAF are proactively engaging with these structures. DWAF national should provide basket of policies and guidelines in a coherent manner for regional implementation. Feedback and reporting on these structures should be provided to MCC on a regular basis. DWAF should, over time, evaluate sector agenda for collaboration to prevent duplication and ensure that municipalities are placed at the centre of collaboration.



3.6 Institutionalisation of the sector wide approach

Institutions in general manifest themselves in collectives who are made up of a number of people. is a perception created that the approach is embedded in a few individuals to such an extent that some view sector as an abstract with a couple of players in a large sector. The reality is that because individuals make up institutions those prepared to take risks and accountability always take the lead. These individuals in turn create energies around the process through their active participation. Problem arises when the energy is not permeating the organisation especially when those key individuals leave organisations. A common understanding of the sector wide approach should be facilitated to complement individual energies and create synergy within organisations.

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Municipal service delivery is important for the sector. DWAF has pioneered and championed delivery in the past and has contributed at least 50% input to the MIG. The relationship between DWAF and DPLG is therefore important for institutionalizing the sector wide approach

Sector collaboration in general is fairly institutionalised and there is sense that this process will take time. Opportunities are created in Project Consolidate, which unlike Masibambane has a political mandate, and will therefore institutionalise collaboration.

Sector partners in general agree on the usefulness of the approach. This therefore suggests that there should be continuity. Continuity cannot be achieved unless the programme is explicitly budgeted for.

The donor is currently brokering the collaboration in the short term. If collaboration is long term other players needs to come on board. Many of those interviewed see National Treasury as well placed to play broker role. Treasury still needs to define its role, as it is not very visible in Masibambane II. Criteria for broker role still need to be defined. Opinions raised through interviews is that the criteria should include:

- ✓ Ability to foster inter- governmental relations.
- ✓ Independence
- ✓ Preparedness/ availability

The name Masibambane has been used to describe the approach. The usefulness of the name extent to which it constitutes a liability needs further explorations.

Placement of individuals in key strategic areas within institutions has proved to be successful. There is a need however for individual specific orientation to deal with knowledge gaps and ensure implementation of the mandate. The Masibambane Coordinators benefited from intense induction/orientation, which enabled them to operate within this rapidly changing environment. The same orientation should be extended to those individuals placed in other institutions to ensure effective integration.

The extent to which the programme can be effectively institutionalized therefore, depends on understanding the environment (stakeholder, administration, political) organizational motivation (incentives rewards), capacity (human resources, finance, skills, inter-institution linkages, leadership) and organisational performance (effectiveness, efficiency, and relevancy). These four key elements as demonstrated in diagram 3 are interdependent.

3.7 DWAF's role as a sector leader

There are mixed opinions on the extent to which this role is understood. In some instance there is an indication that DWAF is clear on it role as the sector leader and that the sector in particular local government is expecting DWAF to play that role. The success of the sector wide approach thus far has been possible through DWAF role as the leader

As a result of a number of people playing that role (leadership) it is sometimes difficult to determine understanding and execution of role to such an extent that there are instances when DWAF through some individuals is unable to play the leadership role. The complex nature of inter-governmental relations also contributes to perceived unwillingness to play leadership role. For an example DWAF as a leader should be able to provide support to local government without permission from other departments but is unable to do so directly as a result of conditions made in the inter-governmental arrangements. DWAF is at the same time grappling with the meaning of leadership role. Some individuals have also not accepted the role as sector leader.

While there is general acceptance that DWAF is the sector leader, DWAF acknowledges that it may not have all the skills required and that it needs to learn new skills. There is also an open mind suggesting that championship could be issue specific. For an example DWAF does not lead in HIV/Aids and accepts role-played by Health as a leader in that field. The municipality lead Western Cape forum is an example of openness and acceptance that DWAF cannot lead in all cases. There



is a general level of maturity in the sector, which acknowledges that the champion for different aspects is not localized but evolves through sector leadership and Constitutional mandate.

DWAF as a sector leader must demonstrate collaborate at intra- institutional levels. There are other sections within the department which do not see the value added by Masibambane sector wide approach. There is a need for interal advocacy to bring everyone on board and to demonstrate intra collaboration as a sector leader. In roads are made to bring water services on board.

3.8 Local Level Strengthening

Local government is faced with a number of challenges, many of these requiring quick efficient and effective responses. These demands are placed on institutions with uneven capacities, with many Water Services Authorities having assumed water services responsibility in 2003. Support to municipalities must be tailor made to suite different needs. Mechanisms for providing support include:

- Capacity building grant
- Knowledge networks
- Advisory services
- Guidelines and tools
- Strategic support initiatives
- Direct hands on support

Municipal System Improvement Grant in relation to sector support

There is recognition that the sector is faced with a number of challenges which may impact on the ability to meet targets set in the Strategic Framework for Water Services. In response to the challenge, DWAF as the sector leader in consultation with sector partners developed a national Sector Support Strategy²⁶. The strategy seeks to give effect to conditions made in the

The Constitution²⁷ and the Municipal System Act, which places an obligation on District Municipalities to build capacities of Municipalities. Sector partners have implemented various capacity building initiatives. Retention of capacity is difficult as a result of turnover as such it is not easy to qualify or measure impact of capacity building support in most cases.

Municipalities cannot perform within expectations unless they are supported through capacity building. Capacity building initiatives run parallel to MIG as such there are different views on the existence of the Capacity Building Grant. In some instances, there are comments that the grant does not exist while in some there is an acknowledgement of the existence of the municipal system improvement grant. The Municipal System Improvement Grant (MSIG) 'is a grant to assist municipalities in building in-house capacity to perform their functions and stabilize institutional and governance systems as required in the Municipal systems Act'²⁸ DPLG recognizes the importance of infrastructure, institutions and service provision in the manner in which the allocations are interpreted and related to one another. The main challenge is the synchronization of the capacity building grant with MIG. These two grants are managed from different sections in DPLG and there is not sense as yet on how they are coordinated to ensure municipal capacity building and the eradication of backlog to meet set targets.

Water Service Sector Development

A draft Sector Support Strategy (SSS) has been completed. According to the draft Sector Support Strategy R800 million has been allocated for capacity building for 2005/06 financial year. There is a perception that the allocation is not sufficient. At the same time there are challenges in using the allocation as a result of:

- Municipalities not ready to receive support or have not identified their own requirements;

²⁶ Draft Sector Support Strategy 2004

²⁷ Section 154(1) and 156(6) makes obligation for all spheres of government to support local government to manage and perform its function.

²⁸ DPLG Booklet- The Municipal Infrastructure Grant from programme to project sustainability 2004-2007



- ❑ Organisational structures required to perform water services function is not in place;
- ❑ Appointed staff not suitably qualified in some instances.

The National Department of Housing has also set aside R30million for 2005/06 capacity building. Housing together with DPLG are working out details focusing on specific housing capabilities and linking with Project Consolidate.

Although there are general comments to the effective that the capacity building allocation is not adequate, expenditure patterns as at the first quarter do not support this notion. Funds allocated are not spent.

Table 4: Quadrant 4 Non Water Services Capacity Building Grants

	2005/06 Sector Budget R'000	2005/06 Water Sector Budget R'000	2005/06 Expenditure R'000	% Expenditure
Local Municipality Financial Management Grant	132 500	13 250	995	7.5%
Local Government Restructuring Grant	350 000	-	-	
Municipal System Improvement Grant/ Programme	200 000	20 000	-	0.0%
Total	682 000	33 250	995	3.0%

Source: Masibambane 2005/06 First Quarter Report

Masibambane is focusing on WSA capacity building. There is a need to extend programme to Water Services Providers.

Skills development still needs to be addressed especially with regards to empowering Water Services Providers to fulfill their roles.

Deployment of Individuals in key institutions

Attempts to improve capacity within various institutions have been made through appointments and placements of individuals including the Masibambane Coordinators. Benefits of these placements vary from institution to institution. These variables are a reflection of individual difference as well that of organizations. Placements have for an example work well when those placed are allocated one specific function, but does not work when individual is multi-tasked with equally demanding tasks. The result is that the individual tends to focus on receiving organization objectives first and not on achieving sector collaboration assignment. Also the placement works well when there is previous sector involvement and experience. The demands placed by a number of meetings on individuals contribute to problems in delivering on expectations.

Consultants support

PSP Appointments: There is a general criticism that the sector is using more consultants than they should. Also questions are raised on whether the consultants know more or less than those who have appointed them? whether they understand the big picture? In most instances the consultants fail to understand the big picture because of their limited terms of reference, which is project specific. Although it is not the responsibility of the sector to build consultants' capacity, some attention to this is required for optimizing the role of service providers. Consultants are also used as a stopgap to increase sector capacity. The sector should however be mindful not to loose that capacity once the consultants exit.



Implementation of Powers and Functions and Section 78 Assessments

Municipalities are expected in terms of Municipal Systems Act²⁹ to decide on mechanisms by which municipal services will be provided. This process referred to, as Section 78 requires of municipalities to:

S78 (1) Define cost implication if water services provision is to be provided by municipalities. Identify skills and capacity required if service is provided internally and assess how it could be re-organised to meet objectives of providing services internally.

S78 (2) Once option 1 has been considered, municipality may decide on appropriate mechanism for providing service or further explore possibilities including that of outsourcing function

S78 (3) In the event that external mechanism is decided upon, municipality will notify the community on its intension, assess different options by determining cost implications, capacity of external source, community views and organised labour views.

S78 (4) Municipal decides on appropriate option based on equitable, sustainable considerations.

S78 (5) Compliance with legislation and regulations with regards to the appointment of an external service provider. This will include performance contracts etc.

There has been significance outcome on Section 78 as a result of the support from the Masibambane Programme. The Masibambane support was used to push process forward in support of provincial DPLG. A Joint Response Team (JRT) was established in January 2004. The JRT This team meets once a month. The provincial department of local government is generally not geared up to provide required support. DWAF has to provide more support to ensure progress on the S78 process.

There is at the same time a dissenting voice from sector partners suggesting that the process ignores multi-sector environment Municipalities will be subjected to the same process when defining service provision in other sector business. The process is perceived as a piecemeal in its approach that undermines intergovernmental coordination.

The process is also highly politicized with municipalities making decisions for which they do not have capacity thereof. Outcomes in some instances are not addressing the technical requirements but satisfy the political concerns. Decisions made through section 78 processes have far reaching implications for the sector in particular the relationship between Water Services Authorities and the Water Boards. Potential threat to Water Boards existence where there is no credibility or difficult relations is eminent. It is expected therefore that the JRT provide support and guidance to WSAs. JRT plays an important role in facilitating coherent technical and political decision-making. The potential threat to Water Boards might be averted through intervention, support and guidance from the JRT. Water Boards should at the same time be proactive through improved service delivery, improved relations with WSA and through active participation in collaborative structures especially at provincial and local levels. Flexibility and benefits for all should be encouraged through sector support.

Consumer involvement is provided for in the legislation. This is important for accountability and for building consumer power. Lessons through S78 in particular the involvement of consumers in decision-making must be shared through municipal peer review and best practice promotion. Integration of citizen voice and one stop shop in the community / consumer consultation must be explored further. The citizen voice is however still in the process of being conceptualized. The call center envisaged will only be operational in 2006

The sector should also pay attention to the critical role played by community-based organization in service provision. Opportunities for small schemes management in for example rural sparsely

²⁹ Municipal System Act, 2000 provides core principles, mechanisms and processes necessary for service provision. Through a democratic process aimed at social development. The Act promotes effective and efficient local public administration. The Act defines powers and functions of municipalities, encourages community participation and integrated development planning.

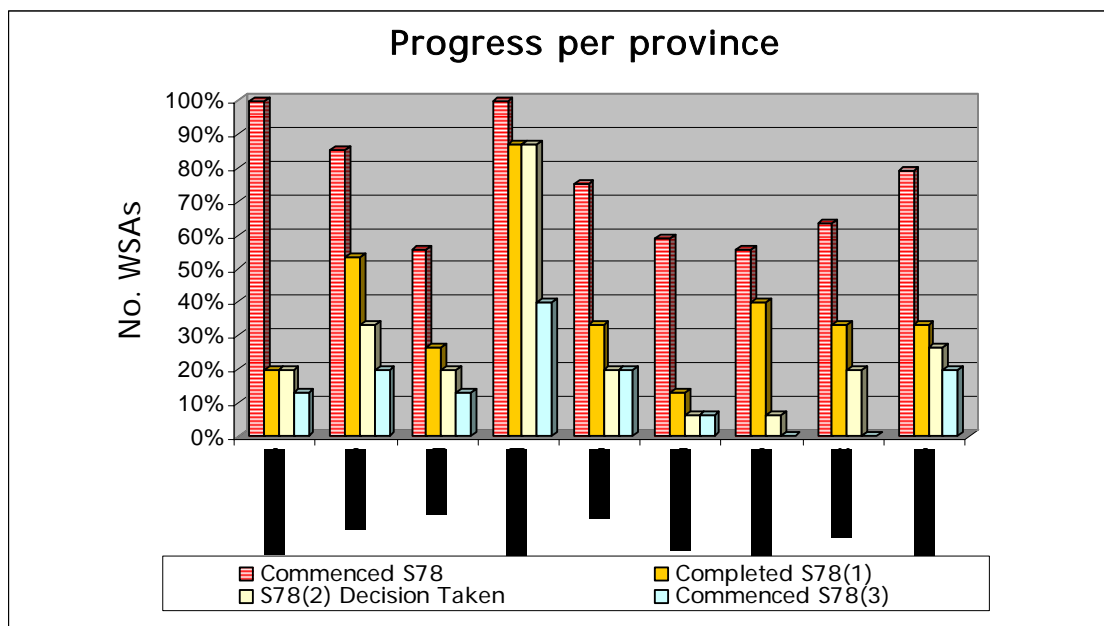
populated communities should be explored.

Powers and function legislation is in itself complex and subject to various interpretations. The support through JRT has benefited municipalities.

The process of completing Section 78 is slow. Time and dedicated focus is required to complete process as such:

- ❑ 74% of the WSA have started with S78 assessment (planning and Macro scoping)
- ❑ 34% have completed their S78 (1) assessments. All WSA in KZN have completed their S78 (1) assessments. KZN model of support, which was triggered, by Powers and Function exercise should be looked at for possible replication in all provinces.
- ❑ 24% have completed their final decision on S78 (2) assessments.
- ❑ 14% have commenced with S78 (3) assessments.

Progress with S78 Assessments per Province



Source: DWAF, October 2005

In all the visits it became clear that operations and maintenance will or is the current threat to sustainability. In most instances municipality admit that they do not have plans or that their plans are reactive in nature. This issue needs to be addressed during the section 78 processes. The institutional component of the programme is increasingly becoming important. Proactive plans are required to sustain sector assets and to ensure that services provided are of the best quality, reliable and cost effective. There is a need therefore for municipalities to look at optimal level to define what they need and how much it will cost.

Institutional Reform and the role of the sector leader

The authorization of Water Services Authorities was completed in 2003. Most of the municipalities who are now WSA are relatively new and still grappling with the understanding of their roles. At the same time, there is a transfer process in progress. Transfer seeks to decentralize the responsibility of ownership, operating and maintenance in local government. Some of the schemes to be transferred are operated by Water Boards (state owned regional bulk and retail water service providers). Some Water Boards (Water Service Providers) are currently experiencing financial difficulties therefore not financial viable. Simultaneously local government through Section 78 process is defining it own capacity and making decisions on water services provision. The institutional reform process therefore, is aimed at improving economies of scales through attracting additional resources for municipalities. Some municipalities have taken the initiative and are already



in advanced stages of negotiations to secure soft loans, bonds and so forth to expand and sustain water services, improving capacity and militating against the impact of HIV/AIDS on the workforce. Local government is at the same time struggling to generate revenue as a result of non- payment for service, late and poor rates of payment. The reform process will therefore ensure service provision; improve performance and financial viability of WSAs.

A draft national sector reform strategy has been formulated through the participation of DWAF, DPLG, National Treasury, SALGA and SAAWU. The strategy is in its draft form; therefore it is not possible during this Mid Term Evaluation to comment on its implementation. Concerns have been raised about this process having the potential of undermining Water Boards who are experienced in the field and placing the responsibilities of bulk and retail in the hands of new WSA some of whom are still struggling to understand the new role. Municipalities are struggling with cost recovery especially in areas where the majority of households are poor. The extent to which institutional reform will be able to resolve the financial crisis still needs to be assessed. Institutional reform is also run parallel to transfer and implementation of section 78. There is a need for a consolidated approach for effective decision making at local levels. Some municipalities have reported during the evaluation that they are unable to take on transfer because schemes to be transferred are regional in nature or straddle across a number of municipal boundaries. In this case it would make sense for institutional reform to drive process/ partner with transfer for holistic solution.

Water Services Checklist

DWAF has developed a water services checklist. The checklist's main objective is to assist municipalities in establishing a baseline for performance against legislative requirements.

There a number of other processes, including the completion of S78 which provide almost the same results for municipalities. The process is therefore slow and not yielding envisaged results. Out of 170 WSA, 116 have completed the checklist and 8 have adopted the checklist. Where completed, municipalities require support to analyse results of the checklist. Some partners perceive the process as a duplication of legislative processes. The checklist will however assist municipalities in identify support and in developing plans in line with project consolidate.

Transfers

DWAF, DPLG, SALGA and the National Treasury have formulated a joint policy on transfer. The policy gives effect to Constitution and legislation and sets out principles to guide the transfer process. The transfer process includes all schemes inherited from the previous homelands and those that were implemented after 1994. The status of the assets is illustrated in table below:

Indicator:	DWAF schemes transferred	
Sub classification	Organisation producing data	Unit of measure (number or percentage)
Total number of schemes transferred	DWAF	128 schemes
Total number of schemes to be transferred	DWAF	28 Transfer Agreement still to be signed
Total value of Transferred schemes	DWAF	R2,233 billion
Total staff transferred and / or seconded	DWAF	1231

Source: DWAF

The original target for completing the transfer process was 2005 and has since been revised to 2008. The process to transfer schemes commenced in 2002. 52% of the schemes were transferred as at 31 August 2005. 19% are in the process of being transferred. Progress to date has been influenced by provincial arrangements. In KZN most of the schemes are transferred on completion, while in Limpopo inherited schemes and those implemented after 1994 have been operated by DWAF, resulting in a situation where a huge number of schemes are yet to be transferred.



The process is time consuming and requires perseverance. The challenge for DWAF is to ensure that municipalities make the right decision on water service provision and that conditions of transfer is agreed to. Different capacities at local levels affect the process. This is further complicated by the fact that there are different labour organisations to be consulted and negotiated with. At a national level, the programme deals with NEHAWU and PSA while at local levels negotiations are between IMATU and SAAWU. For an example NEHAWU agreements cannot be implemented at local levels since they have no presence. This is reflected in the reluctance by Water Services Authorities to take over DWAF staff. A memorandum of understanding between DWAF and SALGA to set parameters for staff transfer will be signed.

The transfer process raises concerns for staff especially when municipalities are reluctant to take them as part of schemes transferred. There are concerns that jobs might be lost in the process and that some might be made redundant through the process. DWAF developed a social plan to address uncertainties in staff and to ensure a smooth transaction between DWAF and the receiving municipalities.

Most schemes were designed as regional schemes and are therefore not aligned to municipal boundaries. Concurrent decision-making is therefore problematic where schemes to be transferred are cross boundary in nature. Institutional reform process, which is parallel to transfer, could broker the current impasse on regional schemes. The process is however at inception phase while transfer has advanced. The fears that transferred schemes will bankrupt municipalities could be resolved through regional arrangements out of which economies of scales will be realized.

Section 78 processes have not yet been completed. Municipalities are still in the process of making decisions on Water Service Provision. Potential tension exists between municipalities who chose to provide service themselves and Water Board who have played the WSP role.

Conflicting views on transfers have been expressed. In some instances transfers are seen as dumping responsibility to local government. The transfer of 2004/05 funds to local government for an example is perceived as fiscal dumping and there is an expectation for DWAF to take responsibility to ensure that municipalities can spend. Municipalities in some instances are still battling to spend on 2004/05 allocations and have not yet touched their MIG allocations.

At some levels, transfer makes sense for as long as the transferred scheme is refurbished and there are funds allocated for municipalities for operations and maintenance. Most schemes were designed as regional schemes and are therefore not aligned to municipal boundaries. There are fears that transferred schemes will bankrupt municipalities.

Municipalities especially those that are still grappling with the understanding of water sector business reported during the evaluation that the schemes do not match their skills base and capacity. In this instances their cited inappropriate or high technologies used in some schemes that are not consummate with local skills and capacity.

Cost recovery in some areas is generally low or not in place. Additional funding is required from National Treasury to sustain especially when there is no cost recovery.

There are concerns raised by the MSB quarterly report October 2005, that Transfer Agreements are not focused on establishing the real refurbishment costs. In most instances the value was calculated in 2002. Municipalities are also of opinion that transfers will bankrupt them.

It is suggested that the processes within DWAF be synchronised in particular section 78, Institutional reform. This could resolve problems experienced with regional schemes, address capacity constraints and ensure that municipalities make appropriate decisions for operating and maintenance of transferred schemes.

Training and Development

The turnover of staff in government creates a huge capacity gap and skills shortage for the sector. Various attempts are made to develop skills with very little returns as a result of:



- People staying less than a year in one job or in one sector.
- Training provided is therefore not applied
- Low levels of operations and maintenance skills were inherited from previous dispensation.
- Inadequate financial management skills at local levels.
- Lack of or shortage of technical skills at local levels.

Deployment of skills at municipalities is biased towards well-developed urban institutions resulting in huge gaps in rural areas.

Training for water plant operators has been completed in Limpopo and the Eastern Cape.

The water chamber has played a significant role in building sector capacity. The chamber registered a number of qualifications through the LGWSETA. The chamber has migrated to Energy SETA and there are expectations for the SETA to provide more support as funding becomes available.

WSAs are taking full advantage of the SETA and have therefore benefited from skills levy contributed by the sector. Water Services Providers in particular Water and Irrigation Boards should also make use of the SETA.

Attention in the sector has been given to develop WSA with very little attention to Water Service Providers.

Project Consolidate

Project consolidate is a targeted hands on support programme aimed at building the capacity of municipalities to enable them to perform on their mandate. All spheres of government are expected to provide support to those municipalities identified under project consolidate. Key programme focus is on:

- Improving municipal capacity
- Supporting municipalities to increase access to basic services
- Enhance local economic development
- Improve and encourage good governance
- Poverty reduction
- Performance monitoring and evaluation
- Integrated spatial planning

Support to municipalities is provided through structured assessments by DPLG, Treasury and through the checklist used in water services. Assessment results are therefore used to identify gaps, determine resources required in particular identifying suitable partner for intervention and consolidate support at all levels.

There is a perception that some municipalities are using project consolidate as a fundraiser without real need for support. This perception is not factual since a rigorous process was used to identify those in need for hands on support.

Project Consolidate has enabled the sector to review its own capacity. Warm bodies to support municipalities in planning, financial management, operations and maintenance, installation of water borne sewerage systems, support bucket eradication and so forth are needed There is a growing realisation that with the current skills base and human capacity it may not be possible to draw required resources from government spheres alone, but that other resources will have to be explored. The sector is therefore exploring possibilities of recalling retired engineers, drawing capacity from the private sector, using internship programme to complement existing experience.

Project Consolidate creates opportunities for sectors to work together in ensuring that support is demand driven/ needs based. It focuses on municipal delivery and should not be regarded as a crisis intervention but as a further attempt by government to pull together all resources in a consolidated approach. Project Consolidate therefore is a reflection of government as a whole and not on one sphere. It forces government to work together in a multi-sector environment. The sector is still formulating strategies for providing hands on support to local government. This includes skills and



capacity audits. The sector through DPLG driven processes is working together to develop sector strategy and to identify resources required to support those municipalities identified/ prioritised in project consolidate

3.9 Regulatory role

The Water Services Act places an obligation for DWAF to regulate matters related to water services. Regulating the water sector is both challenging and complex. DWAF's role as sector regulator is still in a process of being defined. The role of DWAF as a regulator is unquestionable in provinces where DWAF has credibility and is seen as having expertise and good understanding of the water sector business. Stakeholders do not share the same view on the independent role of the regulator. Debates on referee/player are no longer relevant as a result of the MIG transfers. There is to some extent a clear role for DWAF to regulate, but first DWAF needs to understand what needs to be regulated. Also there is a need for DWAF as a sector leader to provide support to the sector. Case by case judgment must be made to understand and define role of support and that of regulator.

Sector Benchmarks: There is a general agreement on the need for sector norms and standards. At the same time there are doubts on whether this has been achieved. For an example, the sector recognizes the role of community in planning and project implementation and yet there are inconsistencies on the extent to which communities are involved. Although there is a direct social impact from community involvement the perceived delay through technically driven approaches undermines the gains to be made.

4. Recommendations:

- ✓ Definition of sector leadership role
- ✓ Broker role to be defined by the sector
- ✓ Resources for sector wide collaboration to be streamlined.
- ✓ Capacity building initiatives to extend to Water Services Provider
- ✓ Community voices to be raised through civil society participation



ANNEXURE 5.2: NGO AND CIVIL SOCIETY PARTICIPATION

1. Introduction

Civil society play a role in strengthening communities and in promoting democracy as such operates at different levels as registered and unregistered entities. Section 152 (1) (e) of the Constitution gives prominence to public participation in the affairs of government. NGO as part of civil society are specifically mentioned in the Municipal Systems Act as one of the vehicles for service delivery. There is a need therefore for the sector to recognise that beyond the formal institutions, there are more temporary organisation such as those formed by women around the water source who play a pivotal role in the water sector. Civil society's role has changed over time from anti- government activism to water service provision. Funding arrangement as well sociopolitical changes has precipitated the shift in roles. Civil Society are no longer involved in civil matters, but in service provision as a means to survive leaving a huge gap between government and communities. The Masibambane Programme is hoping to close this gap by engaging civil society organisations in creating a link between government and local communities. The programme has thus far managed to assist civil society organisation to develop a framework for their participation and establish a forum within which they can participate actively. Strong and robust civil society participation is required to deepen democracy.

The purpose of the Mid- Term Evaluation³⁰ is to establish the extent to which:

- ✓ Civil society has been empowered to fulfill its role in the sector.
- ✓ Awareness on CSO capabilities has been raised at municipal level in particular with Water Services Authorities (WSA).
- ✓ CSO is able to play meaningful roles through collaboration.
- ✓ The institutionalisation of Masibambane (its approach, objectives and modus operandi) and the effectiveness and strategic impact of Masibambane as a whole.
- ✓ The capacity building initiatives of DWAF and the sector have been successful.

2. Defining Civil Society

Conflicting definitions and understanding of civil society exist to a point where some individuals regard non-governmental cooperatives including business as civil society. In an attempt to create synergy a common definition for the programme was developed for the sector. This approach defines civil society as 'that part of society that is not part of the state or the private/ business sector'.³¹ The approach further makes a distinction between Community Based Organisation (from and within community and run by the community) and Non- Governmental Organisations (not for gain, independent and Value-based) types of civil society organization. CBO operate independently from each other and have short life span, as they are issue based. NGO on the other hand are value based, coherent in their approach and have a long-term objective of community development.

The London School of Economics (definition below) recognises the complex nature of the boundaries between civil society and the state by indicating that these could be blurred or negotiated. There is also recognition in the definition for autonomous organisation both formal (registered) and informal (unregistered). The definition is broad-based recognising community groups, faith based organisations, social movements, coalition and advocacy groups. There is a need therefore within the context of South Africa for a broad based definition which will take into account community based initiatives thus creating opportunities for raising the community voices.

Civil society in broad terms refers to voluntary collective shared action around interests values and purposes. Civil society refers to the arena of uncoerced collective action around shared interests, purposes and values. In theory, its institutional forms are distinct from those of the state, family and market, though in practice, the boundaries between state, civil society, family and market are often complex, blurred and negotiated. Civil society commonly embraces a diversity of spaces, actors and

³⁰ Mid –Term Evaluation Terms of Reference

³¹ Masibambane Civil Society Strategy- September 2004- page 1



institutional forms, varying in their degree of formality, autonomy and power. Civil societies are often populated by organisations such as registered charities, development non-governmental organisations, community groups, women's organisations, faith-based organisations, professional associations, trades unions, self-help groups, social movements, business associations, coalitions and advocacy group.³²

3. Background

The rights to civil society participation are enshrined in the constitution and are promoted in the Strategic Framework for Water Services³³. Communities, through mechanisms and procedures provided through policies and strategies, have a right to contribute to decision-making and to information. These rights although protected by and articulated in various documents are not always granted such that decision making is limited to project implementation resulting in lack or inadequate information post implementation. Civil society can play an important role in raising community voices when this role is recognised and their efforts compensated as part of advocacy, information, education and communication.

The Masibambane 1 evaluation report identified a number of challenges for civil society including:

- ✓ The decreasing number of organisation participating in the sector;
- ✓ The lack of common understanding on the important role of civil society at local levels,
- ✓ Concentration on project work as a result of lack of funding for non –project specific activities,
- ✓ Inadequate skills in some resulting in difficulties to compete for tenders,
- ✓ Declining role at project levels as a result of the replacement of community based approach by infrastructure/ CMIP type approach.

The report recommended that the above challenges be turned around through structured and intense advocacy programme to promote civil society in the sector, simultaneously encouraging civil society to develop a strategy for participation. The report (Masibambane 1) further suggested that the inadequate capacity and skills in tendering be addressed through preferential procurement processes at municipal levels.

In an attempt to deal with deficits identified in the previous evaluation, civil society in consultation with key sector partners developed a programme to deal with recommendations. The programme³⁴ includes activities on communication, community involvement, NGO capacity building, developing alternative procurement procedures, non- programme specific activities and civil society coordination. The Masibambane II Evaluation seeks to establish the extent to which the programme has been implemented as well as generate lessons learnt.

4. Findings

Defining civil society: The Masibambane Civil Society Strategy has a narrow definition of civil society in that it excludes Ward Committees from its definition of Community Based Organisation (CBO). The rationale provided is that Ward Committees are official municipal structures and thus not independent as other organs of civil society. The strategy suggests that CBO work in partnership or through Ward Committees to organise communities. There is also, no mention of Ward Committees in defining role for Non- Governmental Organisation. Although there is a recognized place for ward committees, CSO are of the opinion that government's view of ward committees and Community Development Officers (CDO) is misplaced in that these structures are set up by government and not independent and are accountable to government. The manner in which civil society is defined creates conflict in an environment that is already hostile towards civil society. There is a perception created that the reluctance to recognise ward committees is also linked to the fact that Gauteng based NGO want to create dependence without transferring skills to CBO in communities with most needs. The lack of recognition for Ward Committees undermines the legislative framework; also it has the potential of undermining innovative contribution by philanthropic organizations as observed in the Western Cape for example. A good innovative programme involving locals in water leak

³² London School of Economics- March 2004- definition of civil society

³³ Strategic Framework for Water Service- September 2003- page 25

³⁴ Masibambane Civil Society Strategy- September 2004- page 15



detection and prevention has been met with hostility by the local CBO in the Western Cape. The CBO is part of the Ward Committee and yet were not consulted. Civil society is expected to champion the rights of the poor and the marginalised, but cannot achieve objectives unless engaged in processes that recognize other structures set up to raise community voices. Without the voice of the local community any good intentions stands to fail.

Developing alternative procurement procedures for civil society: In an attempt to justify recommendation from previous evaluation, the need for preferred procurement was tested. There are different views in the sector on how this should be implemented. Firstly the value to be added by CSO is not appreciated by all. There is a general feeling that CSO are not organized, that they are unreliable, have no standards and that some have not moved from activism mode. Another view is that CSO are only interested in high profile meetings and not community based as they do not get prominence through raising local voices. National Housing made provisions for preferential procurement, but these were scrapped as a result of infighting amongst CSO and subsequent delays in project implementation. The general feeling therefore is that CSO still needs to be organised and that perhaps it is premature to design different procurement specification for a sector that is regarded by some as bad in consultancy and the worse contractor. There is also a feeling that preferred procurement might to some extent protect incompetence instead of adding value to the sector.

The relationship that DWAF has/had with Mvula complicates the debate on preferred procurement since it would be expected that lessons from the procurement arrangement be used to influence the process. Mvula is bigger and is the only organisation with preferential status. This arrangement contributes to tension and makes it difficult for CSO to mobilise effectively. Civil society on the other hand dismiss the notion that they are disorganized and feel that this perception is reactionary and legitimizes local government's reluctance to engage them. CSO have at the same time identified their own weaknesses and requested support from the sector. CSO are of the opinion that tender/ procurement requirements are biased towards the private sector thus placing them in direct competition. General opinion on this matter is that CSO charge the same rate as the private sector, yet they do not have guarantees or indemnities. Organs of civil society by definition are not for profit and cannot therefore compete with profit making organization. They are also not able to provide sureties or take up loans and rely on payment for services rendered to survive. A need for setting up funds aside for CSO is there, but CSO have not as yet managed to raise the level of gain. CSO need Masibambane to raise their profile, build and maintain their credential in the sector.

Communication and marketing: Most Water Services Authorities have taken on the role of service provision after authorization in 2003 as such have limited understanding or appreciation of civil society and their role in the sector. The environment is hostile to CSO, despite the fact that most officers in senior government position were previously employed by SCO's. The role played by Mvula previously as a recognized Implementing Agent (IA) created an expectation for sub-contracting arrangements. Mvula continues to be awarded contracts but is not passing on work to others as it is also struggling to survive. Groundwork to create understanding has been developed but there is limited impact. In general civil society accept that they have no profile in local government. The need for marketing themselves is however not shared by all. In KZN for an example the organization interviewed is of the opinion that they are already known and do not need to market themselves. The result of this perceived knowledge is not translated into contracts by municipalities instead there is an expectation/ reliance on Mvula to sub- contract work implemented on behalf of municipalities to others. In an attempt to make themselves known, CSO are developing a database, which will be available in WIN. The database will serve two purposes that is create awareness and create access to organizations. A national communication strategy and brochure has been finalised. Provinces are in the process of developing strategies. CSO proposed that a national indaba be held at least once a year to share best practice and promote their role in the sector. The previous indaba was not well organized as CSO were given short notice to organise.

Role of Non- Governmental Organisations: NGO were established with an objective of promoting policies that pro-poor, monitor development and mobilise communities. The primary role of advocacy, research, policy development, monitoring and evaluation is no longer possible, as this is not funded. NGO's were previously able to play this role through donor funding. Civil society' involvement in policy development and management in the sector is to a large extent limited to Mvula Trust. Mvula is also the only organization of those interviewed that reported involvement in policy roll out, tools and guideline development and capacity building. Advocacy role is also limited to



Mvula as there is a perception created at a national level that Mvula has a mandate to speak on behalf of civil society. The inability to contribute to advocacy creates a gap between policy and communities. Attempts to close gaps through booklets, website information, Imbizo's are useful but could be strengthened to make more impact through CSO contributions. CSO see themselves, as partners while local government perceive contributions through advocacy and monitoring and evaluation as policing. CSO are able to reach communities and can close the gap in communication by keeping communities informed about development while at the same time noting concerns for local government's proactive attention. CSO in particular NGO have been forced into implementation roles in order to survive. The focus on civil society has been largely around service provision as such it would be difficult for those in current player role to also play an adjudication role. There is a need therefore for the sector to encourage Community Based Organisations to play that role. Important decisions must be must on who should broker that role and on how the involvement will be funded.

CSO Coordinating Structures CSO coordinating structure at the national level has not been replicated in provinces. Provinces do not share the same understanding as such there are different interpretations and arrangements for engaging civil society. In some provinces for an example the Western Cape and Free State CSO are engaged on individual basis and not as organized structures. CSO are also expected to organise/ mobilise themselves in a coordinated manner without funding/ support. In KZN for an example CSO are unable to develop Business Plan/ Proposal since the process to do so is not funded. Tension and delays in implementing projects is experienced as a result of lack of support. Funds for capacity building are also not readily available. Unrealistic expectations and demands are made through short notice to attend meetings, demands for 5-year plans and so forth and yet these activities are not funded. There is a perception created that CSO must always work on a shoestring budget while government department spend the money through conferences and meetings that are held in expensive venues. Much more still needs to be done to expedite coordination amongst CSO's.

25% allocation for Civil Society in Masibambane: Clarity on the allocation is still required, as there is some vague understanding, which is not commonly shared on what this allocation means. In addition the extension of beneficiaries to include emerging contractors creates a level of discomfort for CSOs. CSOs are at the same time engaged in similar type consultancy work, which makes it difficult to distinguish their roles from others. (A detailed breakdown on how allocation has been spread is still awaited). CSOs have made presentation to MIT3 advocating for 1%-3% allocations within MIG. DWAF will not be in a position to monitor and track implementation unless the sector can first prove commitment through the 25% allocation.

Are CSO closing down? Approach has contributed to civil society development in particular the promotion of non-governmental organisations in an environment that is anti-civil society. The contribution of the approach has however not sustained organisations. Various individuals interviewed indicated that a number of organizations have closed down as a result of their inability to secure work within MIG and in government as a whole. The Bi- lateral agreements between government and donor organizations have also contributed to the collapse of civil society. These agreements prevents CSO from direct access to funding therefore forces them to abandon key responsibilities in research, advocacy, monitoring and evaluation and policy work. The majority of NGO's previously based in Auckland House in Gauteng for an example, have closed down. These include primary health organization that are most needed to deal with the scourge of HIV/Aids. Sangoco has moved to smaller offices as the staff establishment has reduced in numbers. There are also fears that Sangoco might close down if funding continues to be reduced. Networks that played key role in advocacy and policy have closed down. Sangoco is weakening and does not have a presence in all provinces. In North West for an example Sangoco has been commissioned by Mvula to carry out an audit of CSO. The arrangement could have been the other way around if Sangoco was strong.

NGO capacity has been eroded. The sector has also lost leadership, capacity and skills as people move to private and government sector. Important units such as policy and research wings of the organizations have been closed down. The numbers of civil society organization involvement in the sector is decreasing. The decreasing numbers has not been quantified but is reported as a general observation by sector partners. It was reported that NGO are closing down on a monthly basis. The contribution to civil society development is therefore not fully realized if they are not supported to



continue to exist. NGO contribute to employment in their own right and if the current situation continues, more jobs will be lost.

CSO as cross cutting issues: Cross cutting issues are often treated as add on or back burners in the sectors. CSO are major stakeholders in their own right and should be treated as such. The sector needs to be open minded in dealing with civil society recognizing the important but different role that they play.

Profile of CSO: In general, CSOs are not homogenous and yet there is an emerging pattern of domination by males in NGO. This is reflected in the representation at national fora and to some extent at local levels. Black males are replacing white males. The CSO sector is conscious about gender mainstream, as such has advocated for quota system to bridge the gap. A policy to mainstream gender has been adopted. Although the sector is mindful about the need to balance gender, changes haven't yet been effected.

Institutionalisation of Masibambane within CSO: Sector collaboration is regarded as an important concept that must be pursued. It is however difficult for CSO to collaborate when everyone is competing for the same resources. The flow of funds through MIG and delays in the Masibambane forces CSO to operate in a survival mode as such compromises the effectiveness of structures created to facilitate collaboration. Understanding of Masibambane (its objectives and approach) is high at national levels and low at local levels where CSO are just begging to organise themselves. New organisations looking for opportunities to survive are interested in how they could access funds first and collaborate with others as a secondary benefit. There is a sense created that there is no mutual benefit in collaboration or that this still needs to be realised.

5. Implications

The manner in which CSO defines itself has a negative implication at local levels in particular where politicians view ward committees as appropriate links to communities. NGO should also work through ward committees to legitimize their roles and prevent the potential tension observed in the Western Cape. There must be a realization that the struggle is no longer about apartheid but poverty and HIV/Aids therefore important for partnership and cooperative relations without CSO losing independence.

The sector still needs to debate the need for preferred procurement. Firstly the needs to be clarity on the 25% donor allocation. Attempts to influence sliding scale of 1%-3% allocation within MIG cannot be achieved without best practice from the sector. The absence of a charter does however further marginalize CSO. At the same time there is a need to define actual niche that will separate these organization from others.

The reluctance to market themselves further marginalizes organizations, especially when database are still in a process of being developed. CSO must be supported to complete database and communication strategies at provincial levels.

The current role in service provision has left a void in advocacy, policy work and in research and development and these are areas where SCO are competent in. The scramble for resources, which are ring, fenced in project implementation dilutes the role of civil society especially since not all are competent or established to play service provision role.

Although there is recognition that provinces are not homogenous, the gaps created by lack of coordinating structures in provinces undermine the role of CSO. These structures cannot however be mobilized without support.

NGO are important role players- if they close down jobs will be lost. . Also this has direct implication for the sector, as the community-based approach championed by CSO with proven sustainability will be relegated reducing community participation and resulting in inappropriate choices.

CSO cannot talk about gender mainstreaming if their organizations are not gender sensitive or if representation at national and provincial fora does not reflect their ownership of process.



The weakness in SANGOCO and shrinking networks has a serious impact on CSO voice in the sector and within multi –sector environment. Without strong coordination, the weaker organization will continue to close down and the sector would eventually be left with cooperatised non-governmental organization.

Community Based Organisations have not been nurtured, as such there is a huge gap between the community and service delivery. As a result of this gap communities are beginning to mobilize themselves in a manner that threatens sustainability as demonstrated in vandalism of facilities. The implication therefore of not growing Community Based Organisations is serious for the sector.

6. Recommendations

Sector understanding and relationship with CSO must reflect the range of expertise available to prevent further erosion and dominance by one organisation. The sector must create avenues to support advocacy, policy and research role of CSO. This must be preceded by capacity audit to facilitate understanding of strengths in CSO.

The current procurement procedure enjoyed by Mvula through the signed agreement must be extended to benefit other organisation if not should be discontinued as it perpetuates mistrust in the sector. Lessons from this arrangement must be shared with the sector for the development of CSO Charter at local levels. A detailed investigation on how others sectors have progressed on this issue is required.

Clarity and access to the 25% EU allocation must be provided

Support to CSO must be reviewed to encourage them to participate meaningfully as well as enable them to meet requirements. Innovative approaches on how the sector can contribute to CSO mobilisation must be explored further.

CSO could benefit from the institutional reform process where they are strong and able to manage water services projects on behalf of municipalities. CSO arrangements with the institutional reform must be explored.

There is an apparent weakness on how CSO are engaged in Masibambane as their interest is about surviving and not how they could play a role in raising community voices. Masibambane needs to review CSO role and encourage community participation.



ANNEXURE 5.3: FINANCE ANALYSIS

1. Introduction

There have been dramatic changes to the institutional and financial environment in which basic services are delivered in South Africa since the democratic elections in 1994, especially water and sanitation. Over the past few years, there has been a shift away from centralized service delivery towards decentralization and involvement of local government. To facilitate service delivery at local government level, the conditional Municipal Infrastructure Grant (MIG) has been introduced to ensure adequacy of funds and speedy roll out of investments. The Equitable Share (ES) has been introduced to provide unconditional subsidies to local governments for operations and maintenance. In the water sector the ES share is important to finance Free Basic Water (FBW), especially in local and district municipalities with large rural populations.

The changes have necessitated ever-increasing cooperation between and among key sector stakeholders and one result of this has been the development of the Masibambane program which is a national government initiative with support from donor partners – most notably the European Union (EU) and Ireland Aid.

The program started out in three provinces with had the biggest backlogs – the Eastern Cape, Kwazulu Natal and Limpopo. The program has since been extended to all provinces under phase two of Masibambane. It has been a critical force in facilitating and ensuring collaboration in the sector at national, provincial and local level.

Masimabane is Africa's largest water supply and sanitation program (mainly rural) with a current annual budget of R8bn. It is also one of the first ever water and sanitation sector-wide approaches (SWAs) where donors provide budget support within a framework for inter-departmental and governmental collaboration to deliver services more effectively to the poor.

The Program is notable not only for its scale of vision, but for the forceful way the program has been conceived and implemented, the achievement of decentralized budget management at scale, and its ability to disburse and the scale of the outputs which expands improved services to more than 1m South Africans a year.³⁵

The characteristics of (the sector in) South Africa are in many ways unique. For instance, the per capita income is relatively high compared to the other countries in Sub-Saharan Africa. In spite of this, the success of Masibambane provides valuable lessons to other countries in the region, especially when it comes to collaborative processes for planning, budgeting, implementation and monitoring. The only other parallel processes in Sub-Saharan Africa are the mainly rural water sector-wide approaches/ programs in Benin and Uganda.

This report provides inputs for the financial analysis of the overall Masibambane II Mid-Term Evaluation. It has been prepared on the basis of interaction with key sector stakeholders at national level; visits to two provinces – North West and Eastern Cape – and a review of selected documents.³⁶ The review strived to take into account the experiences and viewpoints of the various stakeholders while maintaining objectivity.

The challenge is how to ensure sustainable delivery of services while scaling up services under the MIG. There are some emerging messages coming out of the mid-term evaluation with regard to the financial performance of MSB II for achieving this. This report is organized around these key messages as expounded below.

- **Financial reports and utilization of funds.** There is continued high utilization of funds under MSB, but some stakeholders are concerned that some local governments and water service authorities (WSAs) do not have sufficient capacity to absorb more funds. There are

³⁵ This trend was there even before MSB was conceived.

³⁶ See annex I and the list of references.



signs of low utilization especially under the MIG and Capacity Building Grants (CBG) and funds tend to roll over from one fiscal year to another. More capacity building in the sector is needed and the transferring departments of CBG need to take a lead in coordinating this effort. This does not, however, impede the Department of Water Affairs and Forestry (DWAFF) and other sector institutions from playing a key role as DWAFF has done under the MIG.

- **Budget process and program allocations.** There has been a push for alignment of the sectoral planning process with the overall budget process at national, provincial and local levels. But the new fiscal and multi-sectoral environment necessitates even better integration of sectoral planning processes with national, provincial and municipal planning and budgeting processes to ensure (continued) strategic allocation of funds. Efforts are needed from all sector-players including DPLG, National Treasury as well as DWAFF to ensure this.
- **Monitoring and financial reporting.** Compared to other countries in the region, the monitoring and financial reporting system is well developed. It could however benefit from simplification as well as a greater focus on feeding back processed data to planning units at lower levels. It also needs to be better integrated into the overall government M&E system(s) – several departments with significant water and sanitation expenditure are not reported for under MSB. Action is needed both from within and from the outside of the sector such as from DPLG and other institutions implementing national information and monitoring systems to rationalize monitoring and financial reporting.
- **Cost effectiveness.** The cost benchmark framework of 2003 for the sector is currently being revised to become more user-friendly and relevant at project and implementation level. Cost-effectiveness and unit costs are also receiving greater attention under MSB II in the quarterly reports and were identified as key issues to address during the mid-term evaluation workshop. More attention should focus on better understanding the variation in implementation costs as well as on soft issues such as institutional development costs and capacity building and program management costs so that it can feed into strategic and tactical planning at national and provincial level as well as at local government level. Capacity needs to be built within the sector to do this.
- **Financial sustainability of service provision.** The evaluation of MSB I pointed out the need to better understand the financial sustainability of local governments and WSAs, and in turn, respond to the variation in financial sustainability potential. The National Treasury is carrying out work in that regard, but the findings from the studies were not yet available at the time of the review. It is clear, however, that the ability of WSAs to secure adequate funds for operations and maintenance, whether through user charges or through the ES, is still a concern to be better understood and addressed.

2. Financial reports and utilization of funds

Under Masibambane (II) the water and sanitation sector has been very successful in attracting public money to the sector and rolling out infrastructure.³⁷ As a result, there has been continued high utilization of funds in the sector. The shift however to more demand-responsive implementation by WSAs and local government and increasing public expenditure in the sector dictates the need to build local capacity to absorb available funds.

The Work Plan Tool with the quadrant approach developed under MSB to help senior management track the use of funds is intended for sector-wide budget and expenditure analysis. It includes water services specific and non-water services specific expenditure by DWAFF and other relevant institutions such as the MIG under the Department of Provincial and Local Government in the sector. The Work Plan Tool also makes it possible to carry out analysis of capital and recurrent expenditure.

³⁷ It needs to be noted that this trend was the trend before MSB was conceived.



Though the expenditure in the water sector is increasing, it is still short of the target set out in the Strategic Framework for Water Services (SFWS) (GSA 2003), but not all public water and sanitation expenditure is reported on. The trend seems to be that the budget is increasing in the water sector. Figure 1 provides the actual expenditure for FY04/05 and the budget for FY05/06 and 06/07. In FY05/06 the budget is equal to R8,024bn which in terms of GDP amounts to the equivalent of 0.53 of gross domestic product (GDP), 0.22% below the target of 0.75% as set out in the SFWS.

The total budget reported in the Work Plan DWAF the budget indicated in the proposal for MSB II mainly because the proposal only referred to the budget under quadrant 1 which is DWAF water services specific expenditure. The actual budget in the sector is likely to be higher though, because there are a lot of public resources spent in the sector that are not reported on in the Work Plan. Expenditure by the Department of Education, Health and Housing is one example.³⁸

It is difficult to assess whether the resources in the sector are adequate. Given the time constraints, the focus of this report is mainly on expenditure analysis, not so much on requirement details. The 'Municipal Services Model' developed under the Municipal Infrastructure Investment Framework (MIIF) sheds some light on this however as it is intended to demonstrate the feasibility of removing infrastructure backlogs by the year 2013. Final results were not available at the time of this review, and it is important for the sector to see how the results and the model can feed into strategic and technical management and resource allocation in the sector.

The budget outturn continues to be high though, but there are signs that local government and WSAs have difficulties in spending the money they are allocated. In FY04/05, the grand total expenditure in the sector was R5,729bn, which corresponds to a budget outturn – actual spending versus planned – of 76%.³⁹

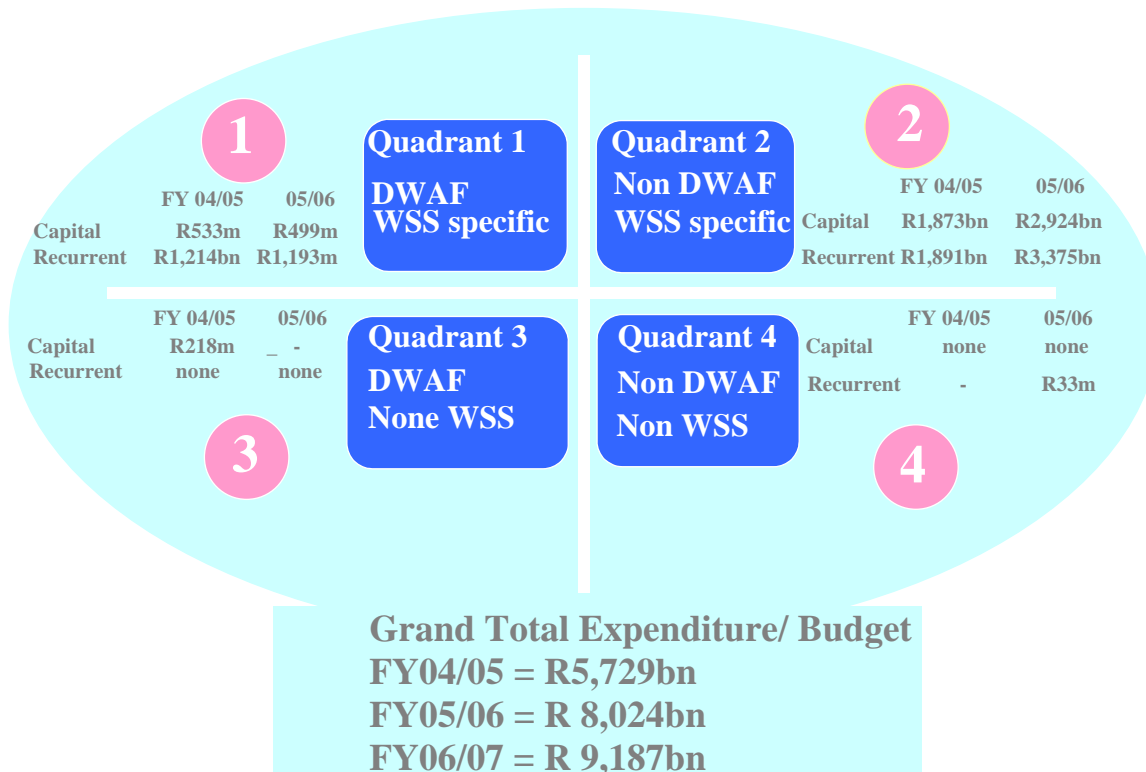
Public expenditure on recurrent activities seems high, but given the large infrastructure stock and the policy of FBW, operations and maintenance costs are probably high. In other Sub-Saharan African countries with lower coverage, public funds tend to be used for capital investments, and not recurrent expenditure.⁴⁰ 57% of total public spending in FY04/05 was on recurrent activities. The ES which in part is to provide for operations and maintenance costs for WSAs and the operational subsidy transfers to DWAF schemes constitute most of the recurrent expenditure. It is important however to note that this is based on the assumption that 35% of the total ES transferred to municipalities is actually spent on operations and maintenance cost incurred by WSAs and water service providers (WSPs). Very little information is actually available to support this assumption.

³⁸ For details, see section on budget process.

³⁹ It is important to note that the actual expenditure and budget outturn was slightly higher, because transfers during the first quarter of FY04/05 under the Equitable Share (ES) are not included in the Work Plan because of the mismatch in the fiscal years between local level and national levels. See discussion on ES for clarification.

⁴⁰ For details see Chiwele (2004), Metha and Ondari (2004) and WSP-AF (2004).

Figure 1: Expenditure summary for MSB II



Source: All financial information inputs are from Johan Styen, Brim based on the MSB Work Plan and the Quarterly reports for Jan-Apr and Apr-June 2005.

Note: The budget and expenditure information was not final at the time of this review and the changing information may have led to inaccurate reporting. The final evaluation of MSB II needs to review this.

Masibambane makes it possible for donors to fund water and sanitation services at lower management costs while strengthening national and local delivery processes. The donor support to the initiative is important for its success, although due to the increased prioritization in spending on water and sanitation by the Government of South Africa, the relative importance of donor funding is decreasing. In MSB I, donor funds accounted for about 28% of the total expenditure in the sector, whereas in MSB II, donor funds account for less than four percent according to reported expenditure in the Work Plan. Donor funds represent 17% of the overall budget available to DAWF and 57% of the capital expenditure budget though (Mehta 2004).⁴¹

The arrangement of pooled financing through budget support under Masibambane continues to be a good mechanism for coordination of overall donor support to the Government of South Africa. While ensuring government leadership, it also reduces duplication and overhead costs at the same time as it gives the donors the possibility of supporting specific components of MSB that correspond to their priority areas. It is difficult however to quantify the donor cost-effectiveness under Masibambane within the timeframe of this review exercise.

There is concern about low utilization of donor funds. Only 60.5% of donor funds were utilized in FY04/05 (Table 1), mostly because government resource were freed up elsewhere in the DWAF budget (resource management) and were used in lieu of donor funds. The unutilized donor funds rolled over to FY05/ 06. Underutilization of donor funds seems to continue however in FY05/ 06, and Irish Aid is concerned about the low utilization of funds in the Limpopo province. A better understanding of the reasons and implication of this under-utilization is needed.

⁴¹ It must also be noted that the relative decline in spending by donors due to the expanded reporting on expenditure in the sector i.e. funds that are captured in the Work Plan now were not necessarily captured in earlier reviews.

Utilization of DWAF funds continues to be high. To assess the utilization of funds and challenges in financing the sector, it is important to analyze each of the quadrants separately. With regard to quadrant 1 which DWAF water specific spending – utilization of funds still continues to be high, though the capital expenditure seems a bit on the low side so far in FY05/06: only 18% of the budgeted funds for FY05/06 have been committed/ certified as expenditure through September 2005, and unless the spending picks up in the second half of FY05/06, the turnout might be lower than last year which was 91%.

There seems however to be a higher utilization of recurrent DWAF funds, and although only 29% of the departmental baseline recurrent budget has been spent so far in FY05/06 (certified expenditure), the outturn is higher than during the same period last year.⁴² It is important to note that the capital grant to fund bulk, connector and internal infrastructure for water services at a basic level of service and to implement such projects on behalf of municipalities is to be fully incorporated into the MIG in FY06/07. The recurrent operating and transfer subsidy grant for subsidizing water schemes owned and/ or operated by DWAF or by other agencies on behalf of the department is to be phased out by FY11/12 (Government of South Africa 2005).

Table 1: Quadrant 1 – DWAF water specific spending

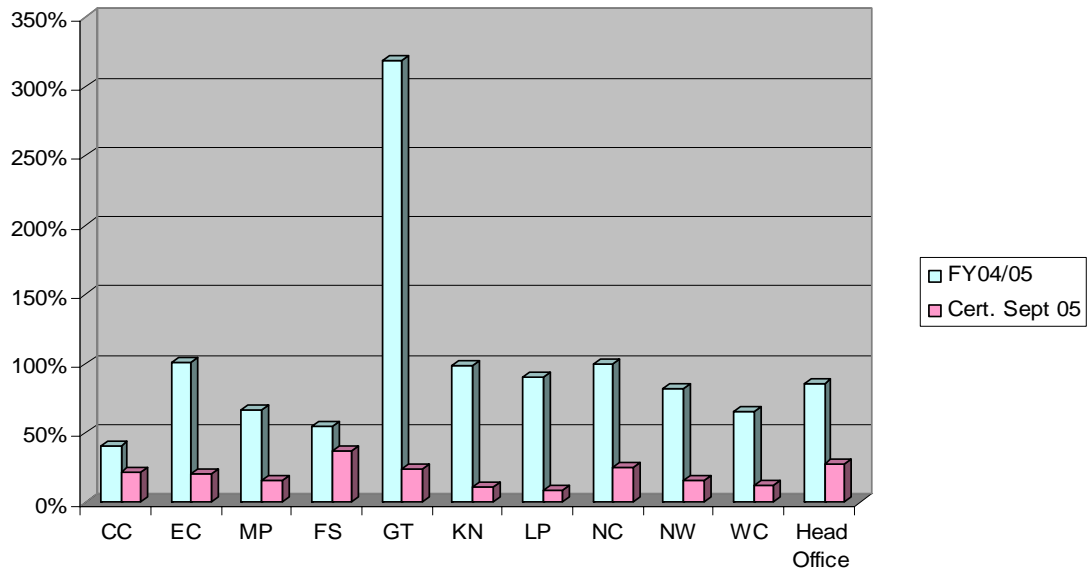
	2004/2005			2005/2006			2006/2007
	Budget	Expenditure	%	Budget	Expenditure	% Expenditure	Budget
	R'000	R'000	Expenditure	R'000	R'000		R'000
Capital							
- Indirect Grant to Capital Projects	217,322	217,322	100.0%	138,679	61,719	44.5%	-
- Management Support Overheads	69,030	133,670	193.6%	70,811	-	0.0%	71,819
- Donor Funding (EU, IDC & Flanders)	300,666	182,046	60.5%	289,564	29,405	10.2%	69,144
	587,018	533,038	90.8%	499,054	91,124	18.3%	140,963
Recurrent							
- Departmental Baseline	262,173	210,883	80.4%	258,115	76,066	29.5%	273,602
- Indirect Grant Water Services Operating Subsidy	951,862	1,003,158	105.4%	934,434	234,360	25.1%	990,500
	1,214,035	1,214,041	100.0%	1,192,549	310,426	26.0%	1,264,102
Total	1,801,053	1,747,079	97.0%	1,691,603	401,550	23.7%	1,405,065

Source: MSB Work Plan as of Nov 04, 2005.

No immediate pattern in capital expenditure is apparent across the provinces, though spending was low in Mpumalanga, Free State and Western Cape in FY04/ 05. Free State was the province with the lowest utilization of funds in FY04/05, but in FY05/06, it is the province that has utilized the most funds. Limpopo is lagging behind the others with only nine percent of the budget committed through September 2005. In Gauteng, the actual expenditure was much higher than the budget in FY04/05, but the absolute expenditure was relatively low compared to other provinces (Figure 2). It is important to note that the utilization of funds on Key Focus Areas (KFAs) that are key to DWAF in its new role as the sector leader. They include: water sector support (KFA 11); institutional support (KFA 12); Africa participation (KFA 14); and capital expenditure on transfers (KFA 13). All are low compared to the KFA for provision of water and sanitation supply (KFA 10) as indicated in Figure 3.

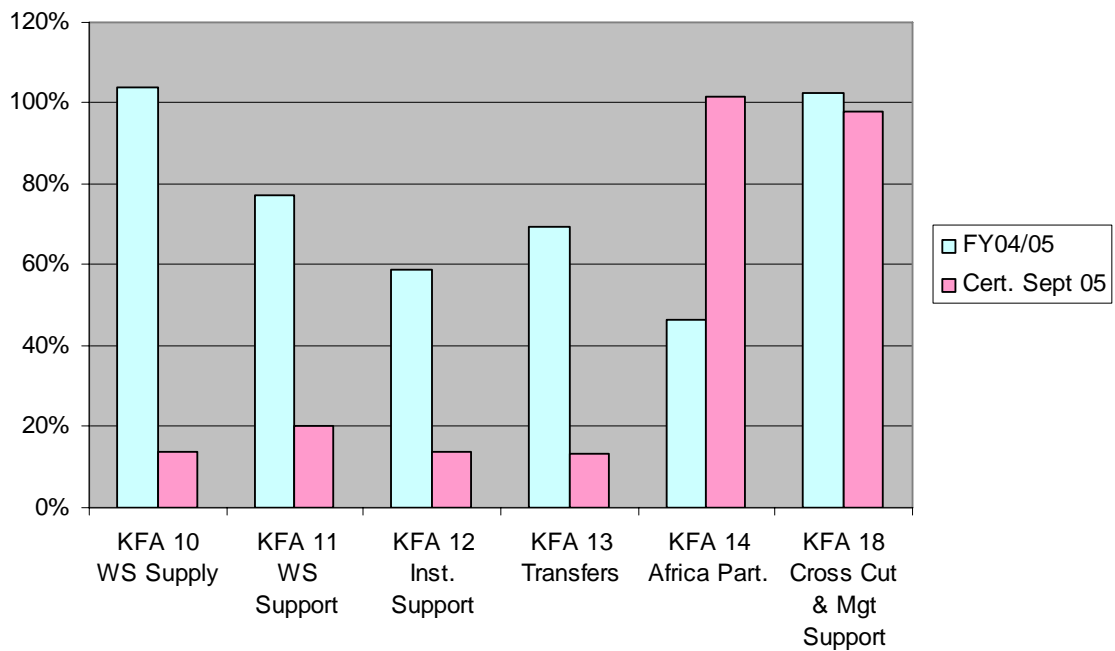
Figure 2: Utilization of DWAF Capital Funds by province

⁴² Refer to Table 1 and Mehta 2004.



Source: MSB Work Plan as of Nov 04, 2005.

Figure 3: Utilization of DWAF Capital Funds by KFA



Source: MSB Work Plan as of Nov 04, 2005.

The utilization of funds under the Municipal Infrastructure Grant (MIG) seems to be lower than for DWAF funds as shown in quadrant 2. This is a worrying sign given the relative share of funds in the sector that is passed through the MIG and the role of the instrument in supporting the roll out of infrastructure to reduce the backlog in services (until 2013).

In FY04/05 total expenditure under MIG on water and sanitation was R1.8bn. This is only 77.9 % of the budget. Similarly, expenditure is slow to pick up in FY05/06 (Table 2). As pointed out in the KPI report of June 2005 (DPLG 2005), the slow expenditure is mostly due to the fact that municipalities and WSAs are still spending their previous allocations. This raises a concern about whether WSAs and municipalities have the capacity to keep spending money and rolling out infrastructure. As many as 70-80 local municipalities are reported to lack staff with the adequate technical skills.

Table 2: Non-DWAF water services specific – Quadrant 2



	2004/2005			2005/2006			2006/2007
	WS Budget	Expenditure/ Transferred	% Expenditure	WS Budget	Expenditure/ Transferred	% Expenditure	WS Budget
	R'000	R'000		R'000	R'000		R'000
Capital							
- Municipal Infrastructure Grant - MIG (52%)	2,204,770	1,872,957	77.9%	2,722,808	1,145,747	21.1%	3,667,869
- Eradication of Bucket Sanitation Programme (100%)	200,000	-	-	200,000	-	-	400,000
- Donor Funding - DFID (52%)	7,488	-	-	1,230	-	-	-
	2,412,258	1,872,957	77.6%	2,924,038	1,145,747	21.1%	4,067,869
Recurrent							
- Equitable Share (35%)	2,687,141	1,890,756	70.4%	3,375,169	1,195,051	35.4%	3,680,229
	2,687,141	1,890,756	70.4%	3,375,169	1,195,051	35.4%	3,680,229
Total	5,099,399	3,763,713	73.8%	6,299,207	2,340,798	37.2%	7,748,098

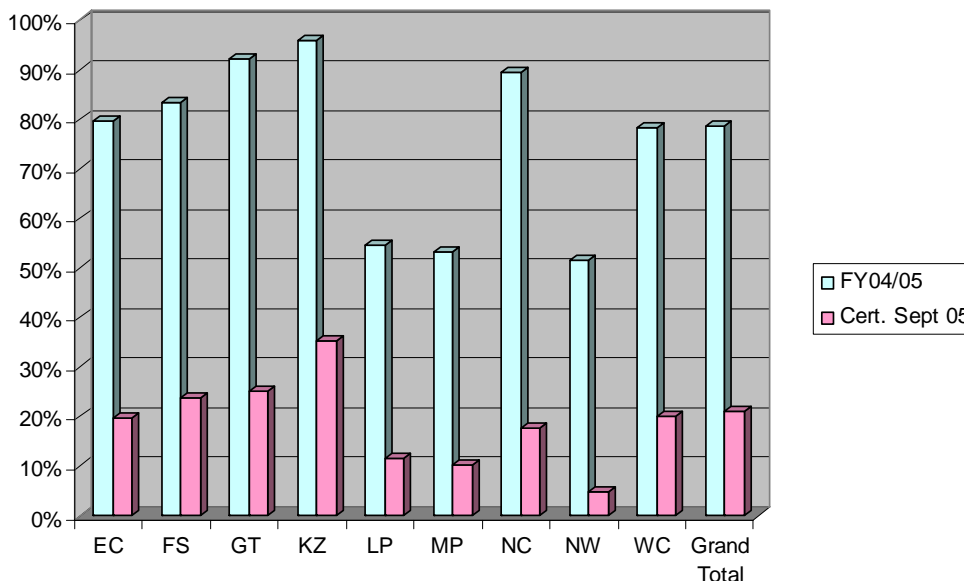
Source: MSB Work Plan as of Nov 04, 2005.

There is also some variation in utilization of funds across provinces. Limpopo, Mpumalanga and North West are the provinces with the lowest utilization rates at below 70% in FY04/05 (Figure 4). Stakeholders consulted in this Mid-Term Evaluation seem to be concerned that the trend of low utilization of funds will continue unless adequate support and time is given to build up the capacity at municipal and WSA level to enable sustainable roll out of infrastructure.

All the funds under the ES are transferred as per the budget. The ES is an unconditional grant from the National Treasury to the local municipalities for the provision of operations and maintenance costs in water and sanitation service delivery as well as other recurrent cost incurred by local governments. The estimated amount transferred for water services is R2.3bn and 2.9bn for FY04/05 and 05/06 respectively. Since the fiscal year for local governments (Jul – Jun) doesn't fully overlap with the national government fiscal year (Apr – Mar), the transfer of the ES only shows up as 70.4% for FY04/05 as per the Work Plan for MSB.

The assumption that 35% of the ES is spent on water and sanitation is rather weak though it is based on a survey carried out by DWAF). Currently, there are no reporting mechanisms in place to inform national (and provincial) decision-makers about the use of the ES. Concerns are raised about whether the ES is enough to cover all required recurrent activities at municipal level, and is therefore used for overall municipal overheads, not for operations and maintenance at WSA and WSP level. Efforts need to be made to see how it is possible to ensure that local governments report on the ES so that it feeds into strategic planning in the sector. For this, support is needed from DPLG and the National Treasury.

Figure 4: Utilization of MIG funds by province





Source: MSB Work Plan as of Nov 04, 2005.

DWAF funds that are non-water service specific are less relevant under MSB. In FY04/05, a drought relief fund was availed to local governments to deal with natural disasters. The program is scheduled to end by FY06/07. Only 45.3% of the funds were spent in FY04/05. Information on expenditure in FY05/06 is currently not available.

Table 3: DWAF – Non Water service specific

	2004/2005	2004/2005	% Expenditure
	Allocation	Expenditure *	
	R'000	R'000	
Capital			
- Drought Relief	481,583	218,105	45.3%
Total	481,583	218,105	45.3%

Source: MSB Work Plan as of Nov 04, 2005.

The utilization of the capacity building grants to enhance the capacity of local government to deliver services seems low. The Government of South Africa has introduced two capacity building grants that are of relevance to the water sector. They are: the Local Government Financial Management Grant under the Treasury which aims 'to promote and support reforms to municipal management and the implementation of the Municipal Finance Management Act (MFMA)'; and the Municipal Systems Improvement Grant (MSIG) under DPLG which aims 'to assist municipalities in building in-house capacity to perform their functions and stabilize institutional and governance system as required in the Local Government Municipal Systems Act of 2002.⁴³ Though it is unclear how the assumption is arrived at, it is assumed that ten percent of the funds will directly benefit the water sector. Disbursements have however been slow under both grants as per information in the Work Plan.

The sector needs to be appropriately aligned with the overall planning and budget process to benefit from these grants. For this to happen, efforts are needed from all partners, especially DPLG, the National Treasury and DWAF. There is an opportunity for the sector to take the lead in ensuring that the capacity is built within local governments and WSAs as it did under the MIG. From a sector point of view, it also needs to be assessed how much is actually going to the water sector – WSAs – and how this can be encouraged (to continue) (Table 4).

Table 4: Non-DWAF water specific – Quadrant 4

	2004/2005	2004/2005	2004/2005	% Expenditure	2005/2006	2005/2006	2005/2006	% Expenditure	2006/2007	2006/2007
	Sector Budget	WS Budget	Expenditure		Sector Budget	WS Budget	Expenditure		Sector Budget	WS Budget
	R'000	R'000	R'000		R'000	R'000	R'000		R'000	R'000
Capital										
- None	-	-	-	-	-	-	-	-	-	-
Recurrent (10%)										
- Local Government Financial Management Grant	137,000	13,700	-	0.0%	132,500	13,250	-	0.0%	145,250	14,525
- Local Government Restructuring Grant	342,900	-	-	-	350,000	-	-	-	350,000	35,000
- Municipal Systems Improvement Programme	182,243	18,224	-	0.0%	200,000	20,000	995	5.0%	200,000	20,000
	662,143	31,924	-	0.0%	682,500	33,250	995	3.0%	695,250	69,525
Total	662,143	31,924	-	0.0%	682,500	33,250	995	3.0%	695,250	69,525

Source: MSB Work Plan as of Nov 04, 2005.

Success factor: Continued high utilization of funds and roll out of infrastructure.

⁴³ National Treasury has indicated that the Local Government Restructuring grant will not be used to build capacity and support in the water services sector. This grant component has therefore been removed from the budget (MSB quarterly report Apr-Jun 2005).

Issue to be addressed; Though utilization of funds continues to be high, there are signs that the demand-responsive approach of greater role of local government and the establishment of WSAs require increased attention on capacity building.

3. Budget process and program allocations

During the evaluation there have been raised concerns about the integration of the planning process(es) in the sector with the budgeting system. As a result of decentralization in service delivery and the changing fiscal environment – primarily through the introduction of MIG under DPLG and the Equitable Share under Treasury – Masibambane (II) and the water sector finds itself in a multi-sectoral environment with a more complex budget process and where the sector has to compete with other sectors for attention in local and provincial planning processes as well as the budget process. Funds are no longer under the direct control of DWAF – the sector leader. The new environment therefore necessitates a need to encourage integration of the planning and budget process to ensure (continued) strategic allocation of funds. For this to happen, integration needs to be encouraged at three levels: national, provincial and at local/ implementation level.

The primary instrument for planning in the water sector is the five year Water Services Development Plan (WSDP), but efforts need to be made to integrate it into cross-sectoral planning processes. The WSDP requires the consideration of the physical, social, economic, financial, environmental and institutional aspects of water service provision in a particular water services authority area. Currently, 44 out of 167 WSAs have adopted a WSDP, while 23 WSAs have not started to develop a WSDP (Table 3). The water services development plan is supported by a Business Plan (BP) developed by water service providers, which show how the WSDP will be achieved on an annual basis. Given the significance of the WSDP, the roll out needs to be speeded up under MSB II, although, attention needs to be given to local capacity in WSAs and municipalities to develop the plans because there are concerns that often the WSDPs remain consultant-driven.

Table 5: WSA WSDP Status

Interim Working Document	55	33%
Draft (pre public comment)	20	12%
Draft (post public comment)	27	16%
Adopted	42	25%
No WSDP	23	14%
Total number of WSAs	167	100%

Source: DWAF as of September 2005.

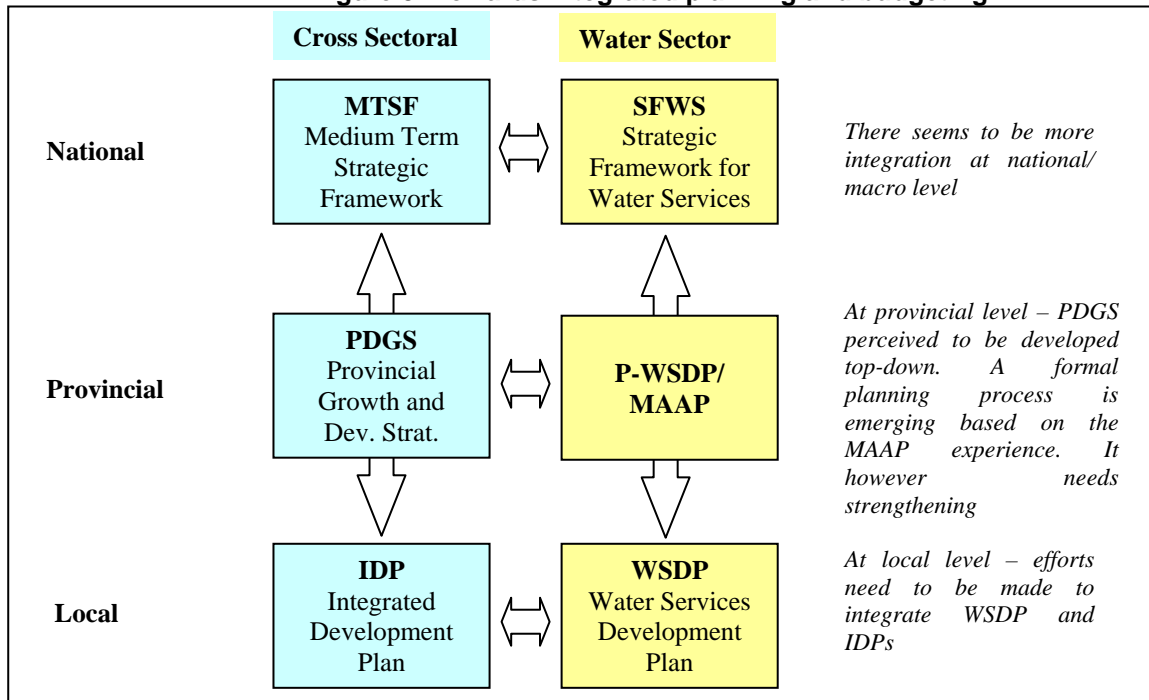
Under the new fiscal arrangements however, at municipal level, the Integrated Development Plan (IDP) is a process through which municipalities prepare a strategic development plan which in turn informs the budget, including the MIG as well as the ES. The IDP is envisioned, as it should be, as the overarching planning and budget allocation tool for the municipal government. The WSDP plan, therefore, needs to be appropriately integrated into the IDP. This seems however to be a key challenge facing many WSAs and municipal governments. The sector needs to explore how to better integrate WSDP into the IDP. There seems to be various opinions among stakeholders over how independent the WSDP exercise is/ should be, but the sector might want to consider focusing less on the brand “WSDP” and rather rolling the WSDP in (as an annex) under the IDP instead.

The planning and budget process is a political decision-making process, though the WSDP and IDPs tend to become technical processes. It is therefore important that choices are presented in a manner that enables council members to make informed budget decisions for the sector. It is also important to involve council members and other relevant players such as the IDP manager in the planning process to encourage integration. An example of an advocacy campaign to involve key stakeholders in the development process of the WSDP by Mmabatho district in the North West province is attached in annex 2.

Towards an integrated planning and budgeting. Provincial governments have also a role to play to ensure that water is appropriately catered for in the IDP process as well as DPLG which approves the IDPs and control the finances as well as National Treasury (and DWAF). Figure 5 suggests an emerging

framework for aligning the water services sector with national and municipal planning and budget systems. The emphasis on provincial planning process can also facilitate better provincial and local needs assessment in terms of identifying the support required at various levels.

Figure 5: Towards integrated planning and budgeting



Success factor: The five year WSDP is being implemented as the primary instrument for planning in the water sector and there is a push for alignment of the planning process with the budget process.

Issue to be addressed: Efforts are needed to make the WSDPs plans less consultant-driven. The new fiscal and multi-sectoral environment necessitates even better integration of sectoral planning processes with national, provincial and municipal planning and budgeting processes to ensure (continued) strategic allocation of funds. Efforts are needed from all sector-players: DPLG, National Treasury as well as DWAF and possibly SALGA to realize this.

4. Monitoring and financial reporting

In response to the changes in the institutional, financial framework for service delivery, a sector-wide M&E framework is (being) developed to align the functions and information needs of the water sector-players at strategic level with the detailed information generated at an operational level. This framework will hopefully consolidate the strategic information management in the sector and make relevant information available to appropriate planning units and institutions. There are two key reasons for the development:

- *‘The changing of structure and roles within DWAF meant that information needs and requests placed on the Directorate Planning and Information would also change. Consequently a process was set in motion to identify probable reporting needs so as to proactively set up the information channels that would be required*
- *The primary source of operational data from which management information is derived was moving out of DWAF’s direct control and thus clear, comprehensive data provision specifications and agreements would need to be formulated⁴⁴*

The M&E system seeks to contribute to the sector process at three levels: at national for policy and strategy; at provincial/ regional for tactical planning; and at local/ WSA for operational delivery.

⁴⁴ Sector-wide M&E framework for water services in discussion document (DWAF 2005).



Several monitoring and reporting tools have been put in place under MSB for strategic planning at national level (Box 1). Key to the financial and strategic budgeting is the Work Plan Tool which helps to link expenditure to outputs and outcomes and facilitates reporting for strategic planning and reports such as the quarterly and annual reports.

Box 1: Key MSB monitoring and reporting tools
Several national reporting tools have been put in place for transparency and facilitating the planning dialogue at a nation level.

PFMA Requirements:

- Annual Report
- Internal & External Audits

EU Finance Agreement Requirements:

- Quarterly Reporting
- Work Plan
- Mid-Term Evaluation
- Final Evaluation

Though the financial reporting for Masimabane II has improved with the introduction of the Work Plan, there still are key constraints in reporting. Reporting can be improved at several levels:

- There has been little reporting on sanitation. Given the urgency and priority given to sanitation in the program, it would be beneficial for overall strategy and planning that sanitation be reported on separately
- Budget and expenditure related information is so far not available in the Work Plan from Department of Housing, Health and Education, which means that significant amounts of public resources are not appropriately tracked according to the SFWS. The challenges here seem to be the misalignment of the reporting cycles of the various departments. Efforts are made to improve this
- Currently there are no reporting mechanisms in place to inform national (and provincial) decision-makers about the use of the ES
- More important, there is no reporting and tracking of municipality resources such as user charges and capital funds raised in the financial market by creditworthy local governments and service providers

The national MIG Management Unit is also concerned about the accuracy and completeness of reports received from municipalities and provinces. It is hoped that the monitoring and reporting will improve with the finalization of the new Management Information System (MIS) at all spheres of government (in which the specified KPI and financial details could be captured and monitored) (DPLG 2005).

The M&E systems could also be simplified. A sector-wide M&E system is appropriate, but there seems to be an information overload in terms of level of details and numbers of indicators suggested in the sector-wide M&E framework. It would be beneficial to explore ways of limiting the number of indicators to identify key areas that need attention to maximize the impact of achieving the goals set out in the SFWS. For example, establishing golden indicators as in the case of Uganda. This would also provide guidance as to which issues the evaluation team/ process of MSB need to give attention. It was clear from this evaluation that it was difficult to identify/ reduce the number of key targets and objectives to review during the mid-term evaluation workshop.

There is also a need to consolidate the information and processing of data in the sector. So far, too many units collect and analyze data without proper mechanisms for sharing the information to the extent that there is different reporting on key information such as backlogs. For this to happen, there is a need for better alignment of the MSB reporting system with the overall municipal reporting mechanisms as well as the engagement and support of DPLG and the National Treasury and in-house capacity building at DWAF.⁴⁵

The capacity at local level is limited. During the provincial visits it was pointed out that the burden on local government and WSAs need to be reduced. It was also pointed out that monitoring and reporting need to

⁴⁵ An initiative for consolidating national information and monitoring under the Office of the President was brought to the attention of the evaluation team during the evaluation workshop. The sector needs to review and engage in this initiative.



feed back into local level planning purposes. MSB has already introduced some mechanisms for feedback such as the letters to the municipal managers with financial and budget analysis. A way forwards could be to build on this and also provide some comparative analysis and benchmarks that would be useful at WSAs and municipal level.

Success factor: Though the development of the sector-wide information and monitoring system started late and implementation is still in progress, the monitoring and financial reporting system is well developed compared to other countries in the region.

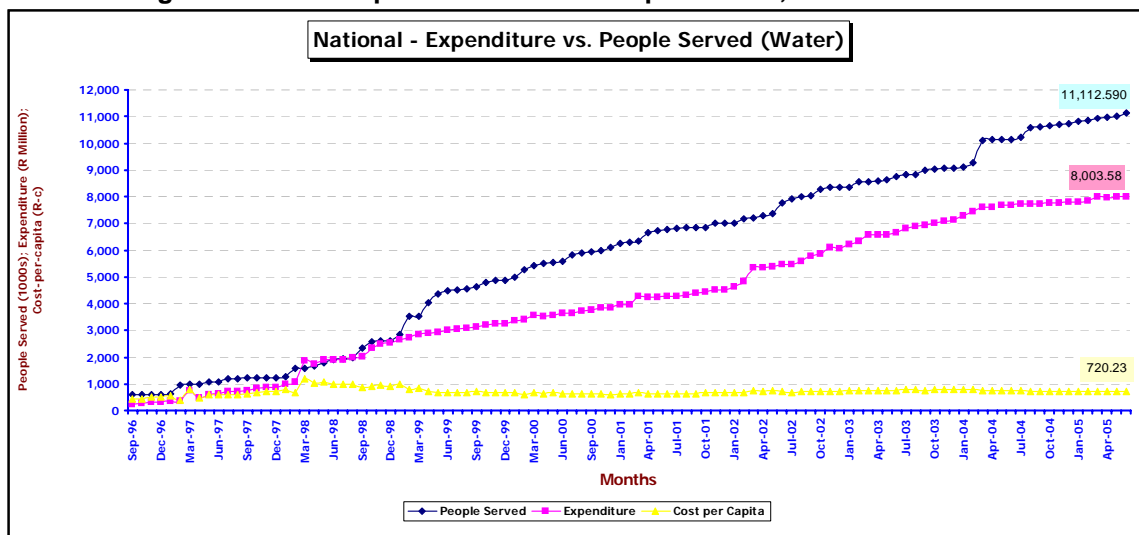
Issue to be addressed: The sector information and monitoring system could however be simplified and more focused on feeding back processed data to planning units at lower levels. It also needs to be better integrated into the overall government M&E system(s). Several departments with significant water and sanitation expenditure are not reported for under MSB. Action is needed from DPLG, National Treasury, DWAF and other institutions implementing national information and monitoring systems.

5. Cost effectiveness

Although attention has been paid to the cost of service delivery, the main focus of the government since 1994 has been to successfully to roll out services to reduce the large backlogs in relation to nationally agreed standards. So far an impressive 11 million people have been give access to water. Some stakeholders have raised concerns about the long-term sustainability and the cost of service delivery, especially as the backlog diminishes and the unit-costs are likely to increase because the government has to reach out to people in more remote areas (Republic of South Africa 2003). The main concern, however, is that there is limited understanding at strategic (national and provincial) level of the cost drivers, especially the cost of institutional development and capacity building as well as soft issues such as hygiene awareness promotions campaigns and why cost vary across and within provinces.

Though some efforts are made in MSB II to report on cost effectiveness, more is needed. As shown in Figure 6, costs per capita for provision of water infrastructure has remained more or less the same as expenditure in the sector has increased significantly to give people access to services to reduce the backlog. As of June 2005, the national per capita cost of providing one person access to water was reported to be R720. This is in fact below the cost benchmarks developed by DWAF except for the Limpopo province (DWAF 2003).⁴⁶

Figure 6: DWAF Expenditure versus People Served, 1996 to June 2005

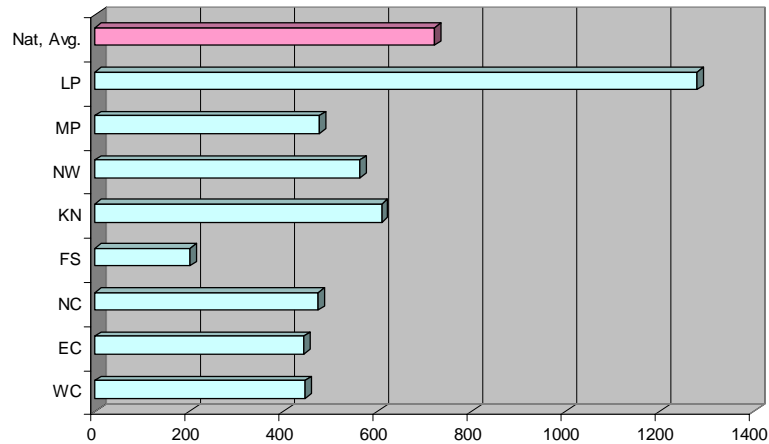


Source: MSB II Quarterly Report Apr-Jun 2005.

⁴⁶ In 2003 DWAF produced a cost study for water and sanitation services as a guide to local authorities. It provides a guide for various technologies and variations by provinces.

The cost of providing services varies greatly across provinces. For instance, the cost of providing one person with water in Free State only costs R201, whereas it costs R1,279 in Limpopo (Figure 7). The reason for the variation in costs is still unclear because most of the costing is carried out at project level. More attention needs to be given at program level and at provincial and municipal level to understand the driving cost factors so as to inform planning and implementation. If it is not possible to give support at the level of each WSAs/ local government, analysis needs to be done at provincial level.

Figure 7: Cost per Capita for Provision of Water Infrastructure by DWAF



Source: MSB II Quarterly Report Apr-Jun 2005.

There are other shortcomings in the reporting and analysis as well, especially with regard to what is reported on and how it feeds into planning and budgeting. They are:

- Reporting on cost-effectiveness includes only DWAF funded programs. It excludes for instance infrastructure funded through the MIG
- It does not give details for sanitation
- These numbers are generated by dividing overall expenditure by the people served. Therefore, the per capita cost is inclusive of all program/ project costs, not just the infrastructure component, but also feasibility studies and business planning etc. To reflect more accurately the cost of providing services, ideally, the cost component such as hardware, capacity building, institutional development and program costs etc need to be reported on separately
- Only cumulative data seems to be available because of the significant time lags between when money is spent and when people are reported to be served on the ground. This means that the unit costs do not reflect the actual cost for a given year

DWAF is currently planning to review the cost benchmark framework that was developed in 2003 to make it more user-friendly for WSAs and WSP. It would be useful in that regard to review how costs can be more easily tracked at a program level and which components are the most useful while focusing on keeping the tracking system simple. How the information can best trickle down from strategic to implementation level also need to be reviewed.

Success factor: The revision of the costs benchmarks from 2003 is in progress to make it more user-friendly. Gaining a better understanding of the cost-drivers was identified as a key issue to address at the mid-term evaluation workshop.

Issue to be addressed: How to track more easily unit costs at a program level and which cost-drivers and components are the most useful to track while focusing on keeping the tracking system simple. To review how the information can trickle down from strategic to implementation. Capacity for doing this needs to be built within the sector.

6. Financial sustainability in service provision

The key challenge while moving forward is to ensure sustainable delivery of services while scaling up expansion of services under the MIG. Key to longer term financial sustainability is to ensure that the



operations and maintenance and refurbishment costs of the infrastructure stock is provided for. The finances either have to be internally generated through user charges or sufficient public resources must be provided in lieu of user charges.

Nevertheless, a concern that came out during the field visits was that more attention has been paid to the costs of the capital investments involved and less to securing the operating and maintenance costs of the systems once implemented. In fact the water sector is not the only sector that is plagued with lack of funds for and neglect of operations and maintenance. The electricity sector also faces similar challenges. As the infrastructure stock grows, O&M as a share of total requirements is also likely to increase in the coming years. The MSB II proposal also highlights the urgency of financial sustainability in service provision as a key success factor to be pursued. As stated in the MSB II proposal:

'with the emphasis on delivery, the need for ensuring sustainability of systems seems to have been lost sight of. More attention has been paid to the costs of the investment expenditures involved and less to securing the operating and maintenance costs of the systems once implemented. Although the costs of Free Basic Water are meant to be covered by the Equitable Share, a number of problems referred to earlier have conspired to make most rural and many peri-urban systems non-viable. Greater attention needs to be paid to this problem'

'Compared to phase one of the programme, budgetary allocations for phase two reflect a greater emphasis on institutional support, programme planning and management in order to ensure the long term sustainability of planned physical investments and to support the ongoing institutional transformation process within the water services sector'.⁴⁷

Little data is available in the sector to assess the operations and maintenance requirements and the adequacy of funds. The 'Municipal Services Model' being developed under the MIIF could provide more insights and efforts are needed to use the results and the model within MSB. Understanding of these issues and action is needed at two levels: at local level – Water Service Provider/ Authority level and at national and provincial level – program level. Several issues of concern regarding financial sustainability emerged in this evaluation:

- **Often, infrastructure that renders the WSA incapable of raising user charges is put in place and there is anecdotal evidence that the ES is often not enough to cover operations and maintenance costs.** Many municipalities, especially those with a significant rural population have few customers that they actually can bill and raise required revenue from for cross-subsidization. WSAs end up putting in place a lot of standposts which are associated with lower unit costs, but at the same time not enabling the WSAs to raise required revenue. The S-component of the ES or cross-subsidies are supposed to cover for the cost of FBS. Though the ES has increased over the past years, it is often not enough to meet the operations and maintenance costs. In both the North West Province and in the Eastern Cape, concerns were raised about how much longer WSAs could roll out infrastructure at the same time as they do not have the funds and capacity to maintain infrastructure. The situation in Amathole WSA illustrates this (Box 2).
- **To what extent is the ES used for the intended purpose?** As pointed out above, the ES is an unconditional grant, and often the ES is used to cover overhead costs at local/ district municipality level and does not trickle down to the WSA and WSPs to provide for their operations and maintenance costs. It is difficult to assess how representative this concern is, because there is little information on the use of the ES. The National Treasury is carrying out studies that could inform MSB and the sector on this crucial issue. The findings from the studies were not available at time of this mid-term evaluation.
- **FBW is not appropriately targeted to reach the poor.** Municipalities tend to provide FBW where they can reach the largest number of people at the lowest cost. It often means targeting people that are more capable of paying for water, and at times, non-poor are not billed. The targeting of the poor is especially difficult where the service providers are not local government, but for example, communities. Ways of discouraging this and improving targeting to reach the poor need to be explored.

⁴⁷ As stated in the MSB II proposal.



- **The ES and other subsidies are not used optimally to leverage the potential of internally generated funds and capital from the domestic financial market.** Overall cost recovery needs to underpin the roll out of FBS. Although there seems to be some improvement in this regard, there is anecdotal evidence that the sector is not realizing the full potential of user charges. The studies currently being carried out by the National Treasury could provide useful insight to decision-makers within the sector.

Although some efforts have been made to prioritize financial sustainability of water services, more needs to be done. Below are some measures which could be further explored as was also indicated in the evaluation of MSB I:

- **Alignment of the WSDPs and IDPs.** To secure adequate funding for operations and maintenance, it is necessary, as discussed in the budget process and program allocation section, to better incorporate the WSDP into the IDP.
- **Responding to variation in financial sustainability potential.** There seems to be a huge variation in the ability of different municipalities to secure finances for operations and maintenance. One possibility could be to add a revenue raising capacity measure to the ES formula as a whole rather than only to the 1 component. This, however, does require a better assessment of service costs and revenue capacity. A major concern expressed in this regard by the National Treasury is the inadequate information available at this stage to adapt the local government equitable share (LES) formula. The MIG formula could also be adjusted for capacity and allocate more capital funds to those WSAs/ local municipalities that are able to raise revenue and expand services. Those that are having difficulties expanding services could rather access capacity building grants.
- **Monitoring financial sustainability and the use of the ES.** Little information is available on municipal revenue and the use of the ES, the current monitoring and evaluation system does not include performance indicators to effectively assess financial sustainability, hence better monitoring and reporting is an urgent issue. The implementation of improved national and municipal information and reporting systems is an excellent opportunity to review how this information can be aggregated at national and provincial level.
- **Incentives/ rewards for performance.** The current transfer system may act as a disincentive for the LMs/ WSAs to improve performance on financial sustainability. It is advisable to explore the possibility of introducing incentives in allocation of intergovernmental transfers through ES and MIG. For instance, those WSAs that manage to raise their own revenues and resources from the capital market can be rewarded, especially municipalities with larger urban populations. Any such proposals would need to ensure that the formula is still kept simple, does not become too data intensive and does not lead to unintended consequences.

Success factor: Though the results are not yet available, National Treasury and DPLG are making efforts to better understand operations and maintenance requirements in the sector.

Issue to be addressed: To ensure financial sustainability the sector needs to explore how to improve monitoring of financial sustainability and to respond to the variation in financial sustainability and the benefits of incentives/ rewards for performance.

Box 2: Amathole District Municipality, Eastern Cape

Amathole District Municipality (ADM) is located in the Eastern Cape Province. It has a population of about 1.7 million. ADM includes Buffalo City Municipality (BCM) and seven other local municipalities covering small towns and rural settlements. ADM and BCM were both accorded Water Service Authority (WSA) status in 2003. ADM's jurisdiction as a WSA includes the other 7 local municipalities. Unemployment in ADM is at 61% and BCM's status as a WSA effectively removes the only significant urban centre from ADM. With this, its only meaningful source of income generation from levies/rates (90% of levies for the ADM came from the Buffalo City area). The abolishment of the Regional Services Council (RSC) Levies from 1 July, 2006 will have a mayor impact on the income generating potential of ADM. The ADM is to serve on a task team established within organized local government to explore the effects of this and to formulate a joint response for consideration. This will be with due consideration to the independence and fiscal requirements of local government. The main issues which arise within ADM regarding water services include the following:

- **Grant dependency:** The high level of poverty in ADM means that the majority of water services schemes require subsidization via the ES to remain viable. This is especially the case as the opportunities for cross-subsidization are limited unless the economic climate in the district improves (ADM IDP 2005). In addition to this, there is also limited cost recovery taking place at present (ADM WSDP 2005).
- **Rapidly increasing financial requirements for water services provision:** ADM has high levels of backlog in service provision – especially in rural areas where income generation opportunities are few. This, with the on-going transfer of schemes from DWAF to the WSA and the high need for FBW, will mean that the financial obligations for the ADM for water services will double over the next five years (PDG 2003) and ADM will need an ES allocation in the order of R100m per year for water services (PDG 2004).
- **Operation and Maintenance (O&M):** The O&M of water services requires urgent attention in the WSA area (ADM WSDP 2005). Currently a review of water services provision in the district is being carried out in line with Section 78 of the Municipal Systems Act. The findings of this assessment will guide the long term water provision within ADM. Until the review is completed, local municipalities will continue to undertake provider functions and agreements with them have been put in place to this effect. However, until the review is completed, little information is available on the costs of O&M activities or how these will be funded. It is, however, acknowledged by the WSA as an area of concern, to such an extent that the question has been raised whether ADM should continue to invest in infrastructure, if the funds are not available for its maintenance and upkeep.
- **Inaccurate information:** Information as to the numbers of households actually serviced by existing WSPs in the area is inaccurate and currently there are currently two initiatives underway to address this. The Indigent Database registering and a Water Management Information System.
- **Local Municipalities as WSPs:** Several of the WSPs are not functioning effectively (financially and technically). ADM is in the process of contracting with an Organ of State to act as a Support Services Agent SSA) in two of these local municipalities that requires assistance. Public tenders will be called for two other LMs to render the same assistance.
- **Lack of policies and tariff structures:** A Consolidated Financial Policy has been prepared and adopted by ADM Council and Water Services Bylaws have been promulgated. ADM is in the process of centralizing all the accounting functions of all the LMs is expected to be completed by end June 2006. There is still no overarching tariff structure for the WSA, with LMs and therefore they continue to use the tariffs that were in place in their areas before the establishment of the WSA.

ADM has prepared a WSDP (ADM 2005) and has integrated its key findings and requirements into the recent review of its IDP (ADM 2005). Thus the above issues have been highlighted, even if strategies to resolve some of the greater problems such as the large looming funding crisis for water services have not been identified. A BP for capacity building in the WSA has also been developed to assist in the development of policies, tariff structures and to generally increase the capacity of the WSA. Much of this planning work has been supported by the Masibambane Program.

Sources: Mehta 2004 with an update by Wilhelm Nel (ADM, WSA) drawing on the ADM Integrated Development Plan (Review) 2005 and Water Services Development Plan 2005.

Annex 1: List of people interviewed



National interviews

1. Allan Davis, Development Budget, DWAF
2. Barry Jackson, DBSA
3. Charles Reeve, EC
4. Dirk Van Boon, Regional Coordinator, DWAF
5. Elma Scheepers, M&E, DWAF
6. Fred Van Zyl, Planning and Information, DWAF
7. Ian Palmer, PDG (on the phone)
8. Jeff Shaw, Divisional Director EOH KPMG Consulting
9. Kalinga Pelpola, Director: WSS & PM, DWAF
10. Malcolm Boyseen, Treasury
11. Malcolm White, DCI
12. Marwood, DBSA
13. Patrick Flusk, DPLG
14. Adv. Graham Richards, Director, SALGA
15. Richard Kruger, DPLG
16. Trevor Balzer, Transfers, DWAF
17. Wendy Fanoë, Treasury (on the phone)

18. Johan Styen, Brim. Special thanks for providing the financial information in this report.

Provincial visits

1. North West Province – Special Thanks to André du Preez of Moedi Consulting Engineers for providing WSDP awareness raising campaign posters for Mmabatho.
2. Eastern Cape Province – Special thanks to Wilhelm Nel of Amathole WSA for providing inputs.

Annex 2: WSDP awareness raising campaign posters for Mmabatho

Water Services Development Planning

Our WSDP is our management tool to service our community

Our Water Services Management Team

Team Treasurer
Municipal Financial Officer
Provides financial information

Name:.....
Sign:.....

Team Owner
Executive Mayor/Mayor
Responsible for winning team performance

Name:.....
Sign:.....

Team Coach
Municipal Manager
Responsible for game plan

Name:.....
Sign:.....

Team Advisor
IDP Manager
Supports, advises, assesses performance against game plan

Name:.....
Sign:.....

Team Doctor
WSDP Co-ordinator
Supports, monitors, advises facilitates relationships

Name:.....

Team Captain : Portfolio Councillor
Leads, plays, motivates, makes decisions

Name:.....
Sign:.....

Team Vice Captain : WSDP Manager
Leads, plays, supports decision maker, coordinates team players

Name:.....
Sign:.....

Team Physio
SALGA Water Services Co-ordinator
Supports, monitors, facilitates learning

Name:.....

Team Players

- Sanitation
- Water Supply
- Water Resource Management
- Water Quality Management
- Disaster Management

Team Players

- Ward Councillors
- Traditional Authorities
- WSA Officials
- Local Municipalities (where DM authorised)

Team Players

- CBO's
- WSDP Consultant
- Service Providers
- NGO's

MY PLEDGE

I commit myself fully to playing my role in the WSDP to ensure that all our people have access to adequate, safe, appropriate and affordable water and sanitation services, use water wisely and practise safe sanitation.

Team Players

- Demand and Conservation
- Monitoring and Evaluation
- Institutional Management
- Catchment Management
- Customer Care

Department of Water Affairs & Forestry

BEATING THE BACKLOG

Produced with PRISA - Directorate Water Services Planning and Information

SALGA

Get in the WSDP Game!

Prepare, maintain, apply and ensure successful outcomes.

THE GAME IS...
To ensure sustainable and viable performance through effective water services development planning and implementation.

The Rules Are...

1. **Ownership:** The WSDP must belong to the WSA. It must have a political champion and a technical driver.
2. **Champion:** The WSDP must be led by political stakeholders.
3. **Working together:** Councillors, officials and technical assistants need to collaborate to prepare, improve and implement the WSDP.
4. **IDP alignment:** The IDP process in a municipality is the primary route for WSDP political stakeholder involvement. Therefore, IDP/WSDP alignment is essential.
5. **Preparation:** Coordinated IDP and WSDP preparation on an annual basis is essential for alignment. A WSDP preparation plan must be aligned with the IDP process plan.
6. **Ongoing application and use as management tool.**

The Purpose of playing the game is:

- Beating the backlog to address the millenium goals
- Ensuring effective and sustainable services, viable financial management and customer care
- Promoting quality of life and economic growth through sustainable management and quality of water services

Taking corrective action where necessary & monitoring and reporting on successful achievement of goals

Undertaking actions and implementing projects on an ongoing basis

Ensuring political leadership of water services planning and implementation

Creating a culture of knowledge and understanding about water services

Strategising about how to deal with water services

Water services development planning, your management tool, is your aid to integration.

Planning and reviewing actions for achieving water services goals

BE THE WINNING TEAM!

Department: Water Affairs & Forestry

Produced with Profs. Christiaan Water Services Planning and Information. Conceptual design by Development Points & Phyllis 2001.



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ANNEXURE 5.4: WATER AND SANITATION PROGRAMME

1. Introduction

Water and Sanitation service delivery is at the heart of the Masibambane Programme. In this regard it is understood that the Masibambane II Programme aims to assist in strengthening the sector and in so-doing create an enabling environment in which the objectives of the Strategic Framework for Water Services (SFWS) as well as the Millennium Development Goals (in so far as they relate to the Water Services Sector) can be met or exceeded.

This evaluation has considered the Sector vision, goals and targets as set out in Section 2 of the Strategic Framework for Water Services.

2. Objectives:

The following objectives (from the terms of reference) have been addressed in this work stream:

- ✓ Achievement of outputs and progress in meeting strategic objectives as outlined in the Strategic Framework for Water Services, including the extent to which cross cutting issues have been considered
- ✓ Appropriateness of approach and strategies including the appropriateness of the approach and strategies taken for the above points
- ✓ Review of the effectiveness of special development initiatives aligning IDP's and WSDP's with the PGDS
- ✓ An assessment of the extent to which program results been entrenched on a sustainable basis
- ✓ A review of the situation with regard to the support from MIG and CBG to the water services sector and re-orient the programme procedures if required
- ✓ A review of the situation with regard to the impact of Project Consolidate on the Masibambane approach, objectives and modus operandi

3. Issue studied:

In addressing objectives from the terms of reference, the following key issues have been studied:

- ✓ Planning frameworks (including the WSDP)
- ✓ Appropriate technology and the choice of technology
- ✓ Current market cost and the quality of end products
- ✓ Incorporation of cross-cutting issues
- ✓ Reduction of water service backlogs
- ✓ Reduction of sanitation backlogs
- ✓ Outreach education campaigns

4. Strategic Framework for Water Services Target

The SFWS provides the following clear targets in terms of water and sanitation services:

- ✓ **All people in South Africa have access to a functioning basic water supply facility by 2008**
- ✓ **All people in South Africa have access to a functioning basic sanitation facility by 2010**
- ✓ All schools have adequate and safe water supply and sanitation services by 2005
- ✓ All clinics have adequate and safe water supply and sanitation services by 2007
- ✓ **All bucket toilets are eradicated by 2006**
- ✓ Investment in water services infrastructure in the sector totals at least 0,75% of GDP
- ✓ Hygiene education and the wise use of water are taught in all schools by 2005
- ✓ **70% of households with access to at least a basic sanitation facility know how to practice safe sanitation by 2005 (and 100% by 2010)**
- ✓ Free basic water policy implemented in all WSA's by 2005
- ✓ Free basic sanitation policy implemented in all WSA's by 2010

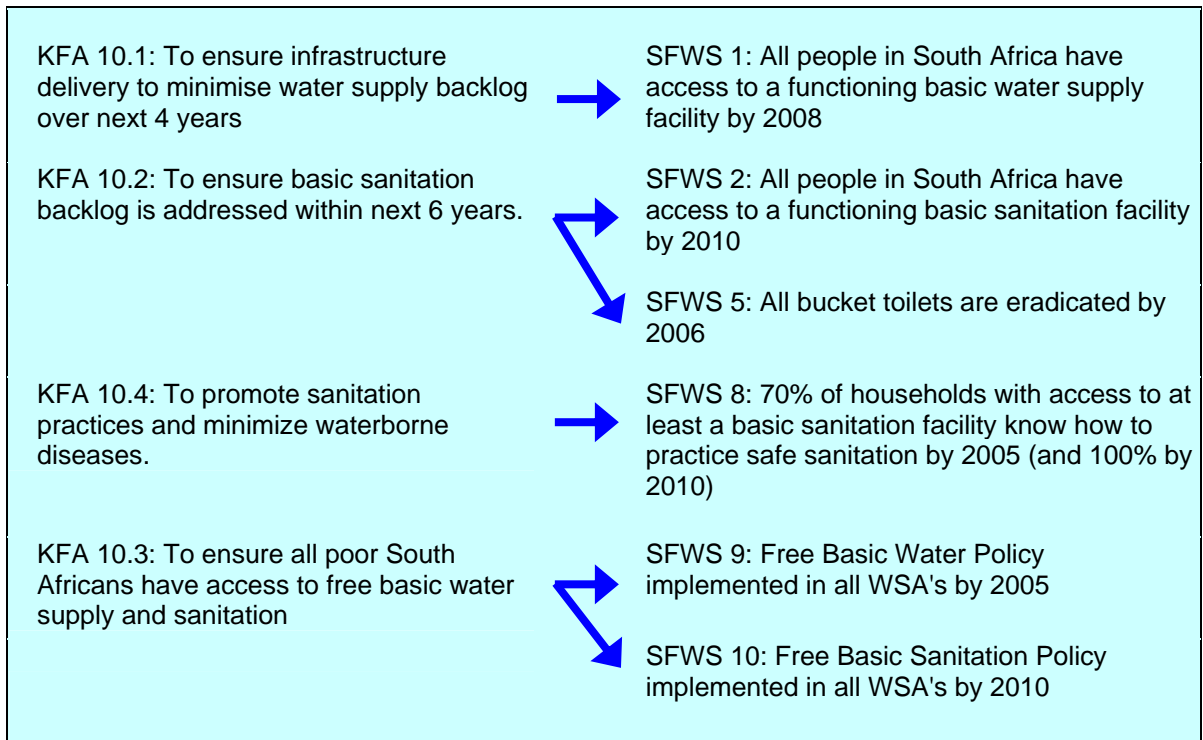


The SFWS has tasked the Department of Water Affairs and Forestry with the responsibility to provide support to the sector (and in particular to Water Service Authorities) in achieving the water supply, sanitation, bucket eradication and safe sanitation awareness targets (items 1, 2, 5 and 8 above).

As part of the Masibambane approach, DWAF has set about effecting support to the sector through a Water Services Support Workplan, which addresses support against 6 Key Focus Areas (KFA's). KFA10 is intended to "Ensure provision of sustainable basic Water Supply and Sanitation for improved quality of life and poverty alleviation" and responds to the responsibility for support in terms of Water Supply and Sanitation Service Delivery as set out in the SFWS through the following strategic objectives:

- ✓ 10.1: To ensure infrastructure delivery to minimise water supply backlog over next 4 years
- ✓ 10.2: To ensure basic sanitation backlog is addressed within next 6 years.
- ✓ 10.3: To ensure all poor South Africans have access to free basic water supply and sanitation
- ✓ 10.4: To promote sanitation practices and minimize waterborne diseases.

The following "diagram" is provided for the benefit of those not yet familiar with the DWAF KFA's and how they relate to the SFWS targets (in terms of water and sanitation services):



POLICY, LEGISLATION AND STRATEGY

The following documentation provides policy, legislation and strategy frameworks to the water services sector and has been considered in this evaluation:

Policy:	Strategic Framework for Water Services (SFWS)
Legislation:	Water Services Act
Strategy:	National Water Services Strategy
	National Sanitation Strategy(Framework for a National Sanitation Strategy - Bringing Sanitation up to Speed)
	Free Basic Services Strategy



5. EVALUATION CONSTRAINTS

The following constraints are considered to have had a negative effect on the outcomes of this evaluation and may effectively affect the validity of some findings:

- ❑ Attendance of provincial interviews by WSA and other municipal representatives was less than satisfactory.
- ❑ In a number of instances copies of project business plans were requested, but these have never been submitted. Efforts will be made to contact the municipal representatives in order to rectify this situation. It must however be noted that to date no project business plans have been reviewed. A generic copy of the “standard” MIG project business plan has however been reviewed.
- ❑ It should furthermore be noted that site visits were limited, and it was not possible to make an evaluation of all technology (including appropriate technology) options that have been implemented. The evaluations in this regard are therefore based on the limited “on-site” interactions and anecdotal evidence provided by municipal representatives.
- ❑ DPLG were also not adequately represented at provincial interviews and the evaluation is therefore dependant on information provided by national DPLG representatives.

6. Findings:

6.1 PLANNING FRAMEWORKS (INCL. PROJECT BUSINESS PLANS, WSDP AND IDP)

The SFWS provides clear policy regarding the WSDP (as part of the “Planning Framework”). The roles and responsibilities of DWAF, WSA’s and the various other sector partners are also clearly defined, and the targets and principles of the SFWS are considered unambiguous in this regard. In addition, the SFWS, in stating its vision and key principles for the planning framework makes provision for integrated planning and therefore alignment between the WSDP and the IDP etc.

The PGDS, which is drafted provincially, is often seen by local government (and WSA’s) as being prescriptive. The WSA’s feel that the IDP’s (and therefore indirectly the WSDP) should form the basis for the PDGS and not vice-versa. There is however general recognition for the fact that these processes are all iterative and that alignment and commonality will occur through the iterations.

There is adequate recognition in the MIG “guidelines” (as provided in the MIG “booklet”) for sound planning principles. There is however little recognition in the MIG booklet for the WSDP process, and references are limited to the support role to be played by DWAF (to municipalities) in preparing and implementing the WSDP’s.

The WSDP is a valuable and effective tool for addressing water and sanitation services backlogs. In terms of recognition for the WSDP, the MIG “booklet” provides ample references to the IDP, whilst very little reference is made to the WSDP in the booklet. This fact detracts from the importance of the WSDP as a planning resource for WSA’s. It is however also acknowledged that MIG does not give any greater prominence to other sector plans, and that water and sanitation services do enjoy the lions share of the MIG expenditure (approximately 64%).

The advances made in the water and sanitation services sector can provide a valuable platform for lesson sharing with other sectors. Other sector leaders also have much to gain from the relationships that have been developed between DWAF and DPLG. The role that the WSDP has played in informing the IDP is important, and any improvements in the WSDP process will be a benefit to the IDP, the MIG and to other sectors who will in future follow where the water and sanitation sector is now pioneering.

The following table provides statistics compiled by DWAF from their Project Consolidate matrix. The statistics have been updated for September 2005:

Interim Working Document	55	33%
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Draft (pre public comment)	20	12%
Draft (post public comment)	27	16%
Adopted	42	25%
No WSDP	23	14%
Total WSA's	167	100%

It is noted that these statistics do not correspond with the number of WSA's reported in the DWAF quarterly report (where a total of 170 WSA's is reported) or with the number of WSA's that has been reported anecdotally throughout the provincial site visits (174 WSA's). None the less, the fact that a total of 23 WSA's have not yet engaged the WSDP process and that only 25% of WSDP's have been adopted is considered problematic. Recognition should however be given for the fact that the powers and functions of many of these WSA's were only finalized during July 2003, and these WSA's have therefore had a late start. It is worth noting that, of the 155 WSA's a total of 69 have been identified under Project Consolidate.

The MIG booklet states that "... if a municipality is unable to adequately prepare its IDP, it will not be able to identify and prioritise MIG projects. This is a serious capacity constraint which must receive urgent attention."⁴⁸

What does this statement say about WSA's that have not yet commenced the IDP process? What weight should be given to the water and sanitation portion of an IDP in the absence of an adopted WSDP?

It is not known how many local municipalities had completed and adopted their IDP's by the end of this evaluation period.

Where WSA's are not local municipalities, problems have been encountered in aligning the IDP's with WSDP's. Although these documents will eventually align through their iterative development processes, better acknowledgement of the WSDP in the MIG could only benefit both planning processes.

Both local municipalities and WSA's have commented on the lack of alignment between the IDP and WSDP documents when compared to the PGDS. This PGDS process is not considered by LG to be appropriately demand driven, and is therefore very much "top down" orientated.

Zululand District Municipality (KZN) have undertaken what is considered to be a meaningful and productive WSDP process. This DM has undertaken feasibility studies for all projects identified. The feasibility studies have addressed issues relating to bulk sources of water, populations and options for levels of service and has provided a well constructed budget for each of the projects and initiatives identified. The result is a well informed, realistically budgeted WSDP that provides the DM with a link between their responsibility for the provision of water and sanitation services and the implementation resource that is available in the MIG. They are now well informed as the actual extent of backlogs, the cost of implementing various options to eradicate these and the effect that this will have on their water resources.

The manner in which Zululand DM has undertaken their WSDP process is considered exemplary for all other WSA's. It was acknowledged by Zululand DM that this process was considerably more costly than the norm, but that the planning cost was considered justifiable as it had provided the WSA with a vital planning tool. If all WSDP's were undertaken in this productive manner, would there be any problem in aligning WSDP's with IDP's?

It is worth noting that a MIG planning project can be registered (as opposed to a MIG implementation Project). This was an issue in all Provinces (i.e. provision in MIG for planning and/or feasibility), but it was noted in by DWAF KZN that it had confirmed with MIG that a "Planning Project" could indeed be registered.

⁴⁸ MIG Booklet p28



The MIG generic project business plan does address socio economic issues, including creation of employment, training needs, health and hygiene awareness and environmental implications. There is however little evidence by way of direct reporting on these issues.

THE WATER SERVICES DEVELOPMENT PLAN AS A TOOL FOR ADDRESSING SERVICES BACKLOGS

Is the WSDP an effective tool for addressing backlogs?

Based on what has been found in the course of this evaluation, it is believed that the WSDP is indeed an effective tool. It has however been noted not all WSA's have engaged the WSDP to achieve maximum benefit. Yes, the water services backlog will in all likelihood be eradicated by 2008. This does not however mean that there is no longer a need for the WSDP. In the future, addressing sanitation services backlogs as well as making adequate provision for operations, maintenance and rehabilitation will in all likelihood be the focus of the WSDP.

Is the WSDP relevant within the context of the broader sector goals, including the transformation goals?

The relevance of the WSDP cannot be questioned. This is a planning tool that is compiled at the very level of government where service delivery must take place – local government. The plan directly addresses water and sanitation service delivery, and the existence of the MIG as a single funding stream for municipal infrastructure service delivery further enhances the relevance of the WSDP. In that regard, it is again only relevant that the MIG is directed at local government. The WSDP process is therefore clearly aligned with the greater transformation process, and clearly represents the efforts to decentralize service delivery to local government. Again, this is only relevant, as local government are at a position where they, more than any other sphere of government, are capable of carrying out the will of their constituents.

If the WSDP is indeed an effective and relevant tool, how should the process be taken forward to ensure that all WSA's realise the maximum benefit from this planning tool?

The support that has been provided by DWAF to date has been valuable and relevant. This support should remain unchanged, and if anything greater focus should be provided where WSA's are weakest (e.g. WSA's identified by Project Consolidate). The success of the WSDP is however not only determined by the quality of support provided by DWAF. It is important that the WSA's accept and positively engage this document, and that the document and the process not be viewed as "paper obstacles". It is therefore imperative that, in terms of content, the WSDP should represent what WSA's require in terms of beneficial planning. It cannot be doubted that if the content requirement is considered by WSA's to be onerous (as in many cases it is) or even irrelevant, then the current tendency by WSA's to engage consultants (PSP's) on a largely "unmanaged" basis (as evidenced at the Masibambane provincial visits) can only be expected to continue.

It is also important that collaboration and co-operation between DWAF and DPLG be maintained and built on where necessary. The goals that are set out in the SFWS are common goals, and these are represented in the WSDP. The need for effective planning and sharing of data between DWAF and DPLG is self evident. The recently highlighted discrepancies in backlog reporting between these departments should adequately serve to highlight the need for effective and beneficial collaboration.

6.2 APPROPRIATE TECHNOLOGY AND THE CHOICE OF TECHNOLOGY

DWAF have provided a Water and Sanitation guideline document (publicly available through their TGIDS Website). This document, together with other "appropriate technology" related documents, is considered a positive input to the sector. In particular, an information booklet has been made available by the department highlighting technology options available for sanitation. The content of this document provide valuable information in terms of benefits, constraints, capital costs and



operating requirements. A series of guideline documents compiled with the assistance of NORAD has also been made available electronically.

Despite the wealth of information and support available, technology choices appear to be largely guided by financial constraints.

During the site visits undertaken as part of this evaluation, one particular project gained “notoriety” with most, if not all, of the evaluators.

This was a project where housing had been provided, complete with sanitation facilities in the form of flush toilets served by septic tanks. There was, however, at the time of construction, no water supply to this area. The result was that the sanitation facilities were never put into use.

The District Municipality (a WSA) identified the problem (which was initially a housing issue) and set out to address it. The result is that a project has recently been completed where a VIP sanitation facility has been constructed at each of these houses.

What struck the evaluators was however that, within 250m of this housing development, an older housing development already had a water supply service. If there was a water supply network this close, why had an attempt not been made to provide water to the housing project. In this way, the water supply service would be extended to a hitherto unserved area and an existing sanitation facility would be provided with the infrastructure required to operate. Instead, funding had been used to duplicate a service that had already been provided, but was simply not operational.

The purpose of this illustration is not to meet out criticism against the WSA in question. Besides being unfair (given that there are mitigating circumstances), this would be counter-productive. There are however a number of points to be made:

Once collaboration within the sector has fully matured, the likelihood of these occurrences will diminish. Ask the question “Where did the problem originate?”. Is it a WSA problem, having not properly considered all options? Or is it a housing problem? Surely, if there had been adequate communication between the WSA and Department of Housing to start with, then the original problem would not have emerged.

To what extent should alternative solutions be investigated as part of the “Feasibility Study” stage of a project? If all options had been considered and a cost attached to each, there is no doubt that the outcome would have been different.

What support can be provided to WSA’s in order to ensure that services are appropriately targeted and that the project options selected offer the most appropriate solutions? Project Consolidate has shown us that not all WSA’s are equal in their ability to address service delivery, and it would therefore be irresponsible and naïve to assume that all WSA’s possessed the same capacity and capabilities.

6.3 CURRENT MARKET COST AND THE QUALITY OF END PRODUCTS

The quality of “end products” has been evaluated (to a limited extent only) on site. Attempts were made to obtain a consumer or beneficiary opinion related to the quality of the end product. It was found that reactions to and acceptance of various levels of service and technology options were mixed. It is beyond the scope of this evaluation to determine the reason for the mixed reactions. It was however noted that where there had been a high level of community involvement in the planning and implementation of services (as evidenced in the Eastern Cape, where “ArchLoo” VIP’s were constructed), the level of acceptance was considerably higher than where there was very little community involvement in the implementation (as in the Free State, where a low-flush on-site system was employed). This was despite the perceived higher level of service provided by the latter.

Operation and maintenance or “Asset Management” has been identified as a shortcoming in all Provincial Visits and the problem was evident in all WSA’s interviewed. Provision for O&M has a direct bearing on the quality of the end product delivered by municipalities. In the case of water and



sanitation services, this product is the water that is provided (as opposed to the tap) and the sanitation facility (including the removal or conveyance of the related waste).

Awareness of water quality in particular has recently been raised through high profile “water quality failures”. These failures already appear to have heightened awareness with regards to water quality monitoring.

It is positive to note that in at least two of the provinces visited (Western Cape and Free State Provinces), water quality monitoring programmes are already under way, and have preceded the recent high profile afforded to water quality monitoring. In one instance the local municipality is being assisted by the CSIR, and the process has already helped highlight key water quality issues.

6.4 INCORPORATION OF CROSS-CUTTING ISSUES

It has been noted in all provincial interviews that service delivery is seen to be a function of the “Hardware” only. This is especially evident with the sanitation programme, in which the “Basic Level of Service” should include “... an ongoing programme of easy to understand information about correct hygiene practices”.

In this regard, there is a general lack of appreciation and resistance (at Municipalities) to the “soft issues” which should be considered (from a sustainability point of view) as important as putting the hardware in place.

6.5 REDUCTION OF WATER SERVICE AND SANITATION BACKLOGS

The targets set out under this KFA are considered to be direct and appropriate response to the strategic targets and policy that has been set out in the SFWS. In addition to providing this planning response to the SFWS policy, funding has also been put in place to ensure that the support programme can be implemented. Funding amounting to R 300 924 000 was allocated to KFA 10 for the 2004/05 financial year and funding amounting to R 262 503 000 has been allocated for the 2005/06 financial year. This funding has in both cases included a component of donor funding provided by the EU.

It is worth noting that, in certain instances, there is limited awareness of the support that is available from DWAF through Masibambane (both in terms of technical and institutional issues). Masibambane is also widely perceived to be a “funding programme”.

In terms of financial provisions, the MIG programme is considered a suitable and adequate vehicle for the eradication of water and sanitation backlogs. The process has found wide acceptance at local government level, and the level of access by local government to the MIG funding is considered appropriate given the constitutional responsibility for service delivery by local government.

A large amount of MIG funding has been applied to implementation of water services (as highlighted in the MIG KPI report of June 2005). MIG have indicated in their June 2005 KPI report that total disbursements of R 5 165 million and R 2 564 million have been made towards water and sanitation services respectively since the inception of the MIG programme (April 2004). Whilst no findings can be made as to the actual effect of this expenditure, the fact that these levels of expenditure have taken place may be considered a credit to the sector.

The backlog figures being used by DWAF and DPLG differ, and it would appear as though there is also a lack of alignment with the figures being used by WSA's. In terms of reduction of service backlogs (both water and sanitation), the absence of a single, reliable source of information regarding backlogs is considered a hindrance in terms of planning for service delivery (including financial planning). This was reported at the MIT3 briefing in June 2005 and has also recently emerged at the KZN Water Summit.

It is also evident that some clarity is required as to what constitutes a backlog. Further to this issue is the status of older projects, some of which are no longer operational, thereby affecting the effective “backlog”.



It is worth noting that many WSA's (particularly in Limpopo Province) are pessimistic about achieving WSDP targets for eradication of sanitation backlogs. Linked to this finding is the fact that sanitation does not enjoy universal priority throughout the sector. This was also reported by DWAF staff, and it is quite evident that sanitation does not yet enjoy the priority that water service provision has enjoyed for the last ten years.

The capacity at and capability of local government has been questioned on numerous occasions and at numerous levels. Opinions at municipal level differ as to whether or not there is sufficient capacity and capability to effect service delivery

The lack of clarity, direction and planning in terms of the CBG (or MSIG) is considered problematic. This stream of grant funding provides an opportunity to strengthen the local government in order to more effectively provide services.

What can DWAF do, as sector leader, to ensure that the MSIG is appropriately and effectively utilised?

DWAF have the opportunity, given the general prominence of the water and sanitation sector, to emerge as a pioneer for the successful implementation of the MSIG. In order to take the lead, DWAF will not only have to identify WSA's with shortcomings, but also identify what "systems" are in need of improvement at these WSA's.

The shortcomings at WSA's will already have been identified during DWAF interactions with these institutions. Project Consolidate has also pointed out a number of WSA's that are struggling to provide water and sanitation services and WSAs that have not yet commenced their WSDP process will provide a further linkage. Given the hands-on dealings that DWAF has had with many of these WSA's, they are in a position to provide inputs as to what actions are required.

Once a clear strategy for improving municipal systems" has been developed, DWAF will be in a position to lobby DPLG (as the "custodian" of the grant) for appropriate financial support from the MSIG.

6.6 FREE BASIC SERVICES

The vast majority of WSA's have adopted a "blanket" approach to free basic services and there is little evidence of actual policy and implementation plans. There is also little or no indication available relating to how free basic sanitation will be implemented, particularly where a higher level of service (as opposed to the commonly accepted basic level of service, being VIP's) is involved.

A total of 11 WSA's have rolled out Free Basic Water (FBW) to all (i.e. 100%) indigent population. Only 6 WSA's have however to date implemented no FBW to their indigent population. No reporting is currently available regarding free basic sanitation.

6.7 OUTREACH EDUCATION CAMPAIGNS

Sanitation is seen as an "infrastructure" issue rather than a holistic programme combining infrastructure and awareness. There also does not appear to be consistency between implementation of infrastructure (especially sanitation) and health awareness campaigns. Where health and hygiene awareness is undertaken, there is also little or no follow-up or monitoring undertaken. From site visits undertaken during provincial interviews it is clear that the health and hygiene awareness is not on-going, and the effect of the programmes is not generally evident. This was evident from the fact that unhygienic conditions were witnessed at a number of water and sanitation facilities, this despite the fact that health and hygiene awareness had been implemented.



7. Conclusion:

7.1 PLANNING FRAMEWORKS (INCL. PROJECT BUSINESS PLANS, WSDP AND IDP)

The water services sector possesses strong policy and legislation as well as a powerful strategy document in the SFWS. The targets of the SFWS are clear and well defined, as are the roles of DWAF (as sector leader), WSA's and other key sector partners. In terms of implementation, the MIG now also provides the essential funding tool to achieve the targets. It therefore remains for WSA's, with the proper support from all other sector partners, to provide the planning to align strategy and implementation. Here too, the SFWS has provided for the WSDP as a planning framework for use by WSA's

It has been noted that the WSA's generally use consultants (PSP's) to draft their WSDP. In addition, the WSDP is often undertaken only in order to comply with legislation. If the WSDP document and process are engaged positively, these will provide a valuable planning opportunity and a tool to align strategies with the SFWS. The reality is however that ownership is often not taken of the document, and the process is therefore flawed. It should be noted that in cases where the WSA is not a local municipality, they will not be responsible for drafting the IDP, and issues can then arise around alignment between IDP and WSDP.

Where WSA's have reported population figures and backlogs in their WSDP's (or even their IDP's), how do these relate to the figures currently being used by DWAF and DPLG? If the figures being used differ from those reported, then the WSA's may also ask what value is actually attached to the planning documents. This can only further detract from the value of the document.

Zululand DM (KZN) appear to provide a good example of how the WSDP process should be undertaken. The WSDP drafted by this District Municipality is a useful and meaningful document that has provided the DM with the necessary planning and budgeting tool required to effectively utilize their MIG allocations. It was however noted that the cost of drafting this document was considerably higher than the norm. In this regard it is worth noting that a MIG planning project can be registered (as opposed to a MIG implementation Project). This was an issue in all Provinces (i.e. provision in MIG for planning and/or feasibility).

With the advent of the MIG, the DWAF role with regard to implementation of services is being phased out. The function that was previously performed by DWAF with regard to appraisal and approval of projects is therefore also now in question, and was raised directly during the KZN provincial interviews. There are serious implications involved in omitting DWAF from the approval process, and the various roles in this regard, particularly the regulatory function, need to be clarified.

7.2 APPROPRIATE TECHNOLOGY AND THE CHOICE OF TECHNOLOGY

The fact that choice of technology is often reactive is considered to be a function of the lack of adequate planning, including adequate consideration of options and financial planning at feasibility stage. In this regard, it appears as though long term planning has been undertaken based on project cost as a function of estimated backlog per beneficiary area and the ruling unit cost.

It has also been noted in the findings that project planning is often reactive and based on approved MIG allocations. This practice has a direct bearing on the technical approach to a project. No amount of good "engineering" can rectify a badly planned project. Here the MIG business plan process may also be faulted, in that the feasibility section of this plan, while considering important issues such as backlogs, population and cost recovery, does not consider alternative solutions or alternative technologies. There is also very little by way of consideration for and confirmation of bulk sources.

7.3 CURRENT MARKET COST AND THE QUALITY OF END PRODUCTS

Planning in terms of "Project Lifecycle Costs" to include implementation of capital infrastructure, operations, maintenance and refurbishment would appear to be lacking at most of the smaller WSA's. There was a large degree of recognition in KZN for this problem; however the funding would remain problematic.



7.4 REDUCTION OF WATER SERVICE AND SANITATION BACKLOGS

In light of the substantial capital expenditure currently taking place under the MIG, acknowledgement is required for the fact that this expenditure has similarly substantial cost implications in terms of O&M. The eradication of backlogs should not be allowed to entirely overshadow sustainability issues.

Ensuring adequate reporting on MIG achievements (quantitative and qualitative) is considered a key challenge. Similarly, ensuring that MIG guidelines are appropriate to the needs of municipalities, particularly with regard to provision for planning, should be made a priority. Initiatives in this regard should be championed by the Sector Leader.

This evaluation is not in a position to establish the capacity of local government. The fact that Project Consolidate exists is however an indicator that there are problems in terms of service delivery. The fact that 69 of 167 WSA's have been identified as requiring assistance in terms of Project Consolidate, and many of these have been identified as having shortcomings related to water and sanitation services. Given the levels of MIG grant funding available and the clear targets in the SFWS, the lack of service delivery in these municipalities can only be attributed to a lack of adequate planning. It is worth noting that only 42 WSDP's (for 167 WSA's) have so far been adopted. There are admittedly a large number of WSDP's in various draft stages, but 23 WSA's have as yet not provided an interim or working document.

7.5 FREE BASIC SERVICES

It is apparent that not all WSA's have implemented their free basic water policies, and indeed many WSA's have as yet not developed any policy relating to free basic services. This is not in keeping with the targets set out in the SFWS.

It is also not certain how WSA's and municipalities intend implementing free basic sanitation, to the extent that many municipalities have adopted a "no charge" approach where basic levels of service are involved.

The current state of FBW implementation is considered wholly inappropriate. FBS, which are intended to provide basic services at no cost to indigent households, are not currently reaching the target beneficiaries. In a perversion of the intended purpose, those communities who have no need of this form of subsidization appear to be overwhelmingly in receipt of the benefits. This is borne out by statistical evidence which indicates that, whilst 69% of the population receive FBW, only 60% of poor households receive FBW.

Unfortunately, many of the most vulnerable communities have not yet been provided with water or sanitation service infrastructure, and FBS can therefore not yet be implemented. In this regard, the overall backlog in service provision is still estimated at approximately 9,1 million people. It is therefore clear that much still needs to be done to give effect to Free Basic Services.

8. Implications:

8.1 PLANNING FRAMEWORKS (INCL. PROJECT BUSINESS PLANS, WSDP AND IDP)

The water services sector possesses strong policy and legislation as well as a powerful strategy document in the SFWS. The targets of the SFWS are clear and well defined, as are the roles of DWAF (as sector leader), WSA's and other key sector partners. In terms of implementation, the MIG now also provides the essential funding tool to achieve the targets.

It therefore remains for WSA's, with the proper support from all other sector partners, to provide the planning to align strategy and implementation. Here too, the SFWS has provided for the WSDP as a planning framework for use by WSA's.



The fact that planning frameworks exist at all levels and these frameworks are accorded prominence is indicative of how important proper and appropriate planning is to service delivery. Both the MIG and the WSDP are liberal in their references to planning. There is however always a risk that the multitude of planning efforts become too much of a burden (in this case to local government) and that the individual processes then lose value. This would certainly be highly undesirable considering the effort and expense that have been invested by the sector to ensure that the WSDP is successful.

Given the limited relevance of the WSDP in the MIG process, this document and therefore also the WSDP process do run some risk of being marginalized, and the multi-sectoral nature of the IDP can also not be ignored within this context.. This is especially relevant given the multi-sectoral nature of municipal service delivery and the burden on municipalities in terms of executing their service delivery responsibilities.

The potential for the registration of MIG planning projects has far-reaching implications in terms of the ability of WSA's to effectively plan for service delivery. The likelihood of aligning the WSDP and IDP is considerably better where the WSDP is perceived to add value.

Given the considerable grant allocations available through MIG, there is a real risk of inefficiencies if services are not properly planned for. Accurate data relating to backlogs, existing levels of service and existing infrastructure are not always available, and this has a direct bearing on the ability of WSA's to plan adequately and productively. In addition, population and backlog figures affect grant funding allocation, including equitable share and MIG allocations.

8.2 CURRENT MARKET COST AND THE QUALITY OF END PRODUCTS

Awareness at WSA's in terms of project lifecycle costs is a key issue, and one which will have an ever increasing effect on the quality of products and services delivered by WSA's. This is particularly evident given the enormity of capital expenditure currently taking place and planned under MIG.

Failures in terms of "end product" in the water service sector have potentially far-reaching implications. The implications for interruption are self evident, and the failures in terms of water quality have recently been critically highlighted.

It has been generally acknowledged (at Masibambane Provincial interviews) that the unit cost of providing water services will rise as the backlog decreases. In many cases, the areas that have hitherto remained without services, will be those that are most difficult to serve. Typically, obstacles such as adverse topography, ill suited water resources and lack of basic infrastructure and resources, will have an adverse effect on cost.

8.3 REDUCTION OF WATER SERVICE AND SANITATION BACKLOGS

The emphasis of the MIG is currently on the speedy implementation of basic services. In the "rush" to implement services, and given the financially biased reporting by MIG, there is a real risk that sustainability will be compromised and that the "indirect" benefits (e.g. local economic development, social development and hygiene awareness) of the service delivery programmes will be lost.

The "financially driven" targets for the MIG are also largely considered counter-productive, and shortcomings in terms of their KPI's have been identified. There is no doubt that the MIG has had a profound effect on service delivery since its inception in April 2004 (R 4,8 billion spent between April '04 and end June '05). How effective this massive expenditure has been is however questionable, particularly in the light of what is often reactive planning (i.e. real planning only takes place after MIG has allocated funds, and then only to see what can be fitted into the budget).

In most WSA's, the sanitation implementation programmes have not yet enjoyed adequate priority. The sanitation backlogs (which include bucket eradication backlogs) are in many cases immense, as are the financial implications. Despite the sanitation backlogs, sanitation still does not receive the priority that is accorded to water services. If this is not addressed, there is a real risk that the target set in the SFWS for the eradication of sanitation backlogs will not be met.



8.4 OUTREACH EDUCATION CAMPAIGNS

Whilst the responsibility for health and hygiene education lies with WSA's (supported by DWAF), these programmes cannot be effectively implemented without assistance from the Department of Health. The value of monitoring and follow-up in vulnerable communities can also not be under-emphasised. Acknowledgement is also required for the effect of HIV/Aids in the most vulnerable communities, and in particular those communities where basic services have as yet not been implemented.

9. Recommendations:

9.1 PLANNING FRAMEWORKS (INCL. PROJECT BUSINESS PLANS, WSDP AND IDP)

Support provided by DWAF to WSA's in drafting and updating their WSDP's should be re-aligned to ensure that WSA's utilise this planning framework adequately. DWAF should also initiate an awareness campaign with WSA's regarding the potential benefits to be achieved through positive engagement of the WSDP process. The current scenario where the WSDP is seen as a "paper hurdle" should be turned around to a position where WSA's recognise the document for what it was intended to be. A WSDP that has a more holistic approach (given the multi sectoral environment in which service delivery takes place) and which is communicative of the planning requirements expressed by WSA's will almost certainly find greater appeal and be more readily accepted as a planning framework.

In order to meet the cost of providing meaningful planning, the purpose and extent of MIG planning projects should be clarified and, if necessary, extended to include beneficial planning towards compilation of WSDP's.

Furthermore, in order to use the generous MIG allocations to best effect, support should be given for an effort to establish the actual extent of backlogs in both water and sanitation services and to furthermore provide information for use by WSA's regarding current levels of service. The backlogs and current level of service have a direct bearing on the cost of service delivery, and therefore also on the MIG process. The role that can be played by DWAF in the planning process as well as registration of MIG planning projects is worthy of further comment. This role will be most critical around planning for water resources (in terms of utilization and protection).

9.2 CURRENT MARKET COST AND THE QUALITY OF END PRODUCTS

In order to achieve and maintain acceptable levels and standards of service, municipalities must be in a position to ensure that operation and maintenance costs are adequately catered for. As important however are consumers who are aware of their own as well as their service provider's rights and responsibilities.

Services, and therefore service delivery, should be demand driven in order to ensure that the end products are aligned with the needs of the beneficiary communities. The WSDP is a suitable planning tool to ensure that the needs of beneficiaries are taken into account. Equally important is the opportunity to balance these needs with other factors including environmental, technical and social issues that may affect the ability to deliver a particular service.

9.3 INCORPORATION OF CROSS-CUTTING ISSUES

More effort needs to be invested into developing an informed, active and vocal Civil Society (Community Based Organisations). CBO's should be the national barometer as to the acceptability of the end products delivered by the Water Services Sector.

9.4 REDUCTION OF WATER SERVICE AND SANITATION BACKLOGS

Support should be given for an effort to establish the actual extent of backlogs in both water and sanitation services and to furthermore provide information for use by WSA's regarding current levels



of service. The backlogs and current level of service have a direct bearing on the cost of service delivery, and therefore also on the MIG process.

Given the pessimism on the part of some WSA's, the SFWS targets for eradication of sanitation backlogs should be re-assessed once the actual extent of backlogs is known. It is essential that the targets reflected in the SFWS are realistic and achievable.

9.5 OUTREACH EDUCATION CAMPAIGNS

Health and hygiene awareness campaigns MUST be "stepped up" in all areas, but most specifically in areas where the sanitation backlog is the greatest. These are the areas where the greatest risk of waterborne disease exists. The campaigns should also focus on bringing about a prioritisation of sanitation at all levels, from household to provincial and even national government.

DWAF should intervene as sector leader (and in terms of their support role as identified in the SFWS) to ensure that the health and hygiene awareness programmes gain the momentum required to achieve and exceed SFWS targets and that these programmes are furthermore focused in the correct areas. (With recognition for the fact that this is not a DWAF responsibility defined in the SFWS).

9.6 FREE BASIC SERVICES

It is clear that much still needs to be done to give effect to Free Basic Services. It is important that a concerted effort be made to ensure that FBS are effectively and efficiently implemented. While the system of implementation may theoretically be considered equitable, the results most certainly are not. The question may therefore ultimately be asked whether or not equity in this context is even appropriate, considering result in this context. The financial benefit to poor households (a benefit which would generally be achieved through the application of the equitable share to FBS) is ultimately diluted.

DWAF may therefore, as part of the Sector Support Programmes, look to provide further support to WSA's in order to assist in ensuring that FBS policies are developed AND implemented which adequately address the objectives of FBS and that ensure effective and efficient expenditure to this end. In these efforts particular attention should be given to sanitation services in order to ensure that the provision of FBSan remains sustainable and is not a later liability to the end user.



MEETING THE 19 TARGETS OF THE SFWS										
TARGET	DATE	INTERIM OR ANNUAL TARGET	ACHIEVEMENTS	TARGETS MET	WEAKNESSES	STRENGTHS	FINANCIAL PROVISIONS	FINDINGS	RECOMMENDATIONS & COMMENT	
ACCESS TO SERVICES										
1	Access to basic water supply	2008	At least 1 million people to be provided with at least basic water supply service annually (Sector target is to reduce the number of households without basic water by 20% each year)	Approx. 3,8 million people have received basic water supply services since April 2004. This includes services provided by DWAF, DPLG and Dept. of Housing	Based largely on the progress reported by MIG, the annual target has already been exceeded. (June '05 MIG KPI report: approx. 198 500 households provided with water since April '04)	Clarity required regarding services provided to below RDP level of service and how this impacts on backlog.	National policy for basic water supply infrastructure is available to WSA's	Funding for service delivery is provided for under the MIG (approx. 64% on water and sanitation services)	This period of evaluation has coincided with the introduction of the MIG and a substantial portion of the MIG expenditure is towards water and sanitation service delivery. According to DWAF (WSIS) the total backlog in 2005 is ±9,1 million people	-
2	Access to basic sanitation	2010	At least 300 000 households to be provided with at least basic sanitation services annually	Approximately 904 000 people have been provided with at least a basic sanitation service since April 2004. This includes services provided by DWAF and DPLG, however no data is available for the services provided by Dept. of Housing	Based on progress in the first quarter of the current financial year, the annual sector target should be achieved. (June '05 MIG KPI report: approx. 80 617 households provided with sanitation since April '04)	Impact of services below RDP level to be clarified Certain provinces have voiced concern over their ability to achieve the 2010 target. The target of 300 000 households per year is inadequate to meet the 2010 target (based on backlog of ±4 mil households)	Progress has been positive during the current financial year and by June 2005 nearly half of the annual target had been reached.	Funding for service delivery is provided for under the MIG (approx. 64% on water and sanitation services)	Success has been experienced on DWAF implemented schemes where increased impetus from Regional Directors and Sanitation Managers was realized According to DWAF (WSIS) the total backlog in 2005 is ±16 million people	Sanitation should enjoy greater priority if targets are to be met.



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4	Clinics have water & sanitation	2007	Approximately 540 clinics (or blocks) must be provided with water and/or sanitation annually	By June 2005 a total of 413 toilet blocks (1817 seats) had been constructed with an additional 126 blocks (474 seats) still under construction. More current information is not yet available.	As the extent of the backlog is not currently certain, progress in eradicating the backlog cannot be measured.	The actual extent of the backlog is uncertain and reporting on progress is inconsistent	The original budget allocations were reduced from R 40 million to R 35 million (during October 2003). Business plans have been prepared and approved in Eastern Cape, KZN, Limpopo, Northwest and Mpumalanga.	Not directly provided for in the DoRA. Indirect provision through Vote 16 (Hospital Revitalisation)	The extent of the water and sanitation backlog at clinics is uncertain	The extent of backlogs must be confirmed in order to formulate a structures response and meet the target
5	Bucket toilets eradicated	2006 (Rev. to 2008)	Interim eradication targets (buckets): 2005/06 – 35 000 2006/07 – 79 000 2007/08 – 110 000	5 907 buckets replaced by March 2005 By end September '5 this figure was approximately 11 000	Final progress to be confirmed, but based on prelim data, only 30% of the target has been met.	Total funding amounting to R 1,2 billion has been agreed with National Treasury for the eradication of buckets.	-	-	The eradication of bucket toilets already enjoys national priority. The revised target is more realistic and achievable.	-
6	Investment in water services 0,75% GDP	-	-	Expenditure for the 2004/05 financial year was ± R 6,76 bn while planned expenditure for the 2005/06 financial year is ± R 8,20bn (about 0,5% GDP)	The total expenditure still falls ± 0,25% short of the target. There has however been an increase in expenditure of about 21% from 2004/05 to 2005/06 and this trend is expected to continue.	-	Although total funding falls short of the target, funding for the sector is increasing and it is worth noting that not all public sector W&S expenditure is reported.	MIG, Equitable Share; MSIG (CBG); Various local government grants (DoRA) incl. LG Financial Management and LG Restructuring grants; Donor funding; funding for bucket eradication programme	LG and WSA's only achieved 82% expenditure compared to planned expenditure for the FY 2004/05	-



EDUCATION AND HEALTH									
7	Hygiene education in all schools	2005	-	It is understood that hygiene education has been incorporated into the national syllabus	The fact that H&H has been incorporated into the national syllabus implies that the target has been met.	-	Vision 20:20 campaign active in schools. DWAF and DoH have provided some guidance in order to keep the syllabus relevant	-	H&H programme in schools should be monitored to ensure that this means of creating awareness remains effective
8	70% of households practice safe sanitation	2005	300 000 household to be educated in safe sanitation practices each year. By 2010, all people with sanitation facilities must know how to practice safe sanitation.	DWAF had provided health and hygiene awareness to approximately 53 000 people	Reporting is inconsistent	Impact is difficult to measure, cannot simply measure the number of units installed (in terms of services) or the number of people impacted.	National WASH initiative has been launched MIG projects have included health and hygiene awareness (667 projects)	-	In certain instances, projects are implemented without H&H awareness. Equally importantly, there are instances where safe sanitation is not practiced despite H&H awareness Monitoring of the effectiveness of H&H awareness is essential Campaigns must also become more widespread and prevalent, particularly in vulnerable groups (e.g. areas with high incidences of HIV/Aids)
9	FBW implemented by all WSA's	2005	-	Currently 95% of all WSA's are providing FBW - As of June 2005 total 17 782 712 people (60.5%) have FBW	WSA's have made good progress towards reaching the target, although not all of the target groups are receiving FBW	The lack of infrastructure (particularly prevalent among the most vulnerable groups) is also a constraint.	Only 8 WSA's have not yet implemented FBW policies Equitable share provides for R 9,6 billion to be disbursed to Local Government	-	There is a concern that although FBW is being implemented by almost all WSA's, those in need are not always benefiting (69% of the population receive FBW while only 60% of poor receive FBW) WSA's should be encouraged to ensure that their FBW reaches the areas of greatest need
10	FBS implemented by all WSA's	2010	-	Many (most?) WSA's have made provision for basic sanitation facilities at no cost to the beneficiary. Actual achievements to be quantified.	Achievements to date still to be quantified	The lack of infrastructure (particularly prevalent among the most vulnerable groups) is a constraint.	Provision for FBW is complicated by the nature of the services and the difficulty Equitable share provides for R 9,6 billion to be disbursed to Local Government	-	Cabinet memo regarding FBS has been withdrawn



INSTITUTIONAL DEVELOPMENT & PERFORMANCE										
11	National Institutional reform strategy	June 2004	Water Services Amendment Bill by March 2005 Institutional Reform Strategy by March 2005	Water Services Act of 1997 is being updated A draft institutional reform strategy has been developed.	These strategies are still under development and the targets have therefore not been met.	Institutional reform may undermine the WSP arrangements that are already in place Could also negate some decisions/conclusions from S78 process	Potential exists for improving economies of scale	LG Financial Management Grant LG Restructuring Grant	-	-
12	Institutional reform of regional WSP's	2013	-	-	Institutional reform of WSP's will also occur through the National Institutional Reform Strategy	-	-	-	-	-
13	Assets transferred from DWAF to WSA's	2008	-	Overall progress for transfers is ±80% (Transfer agreements have been signed with 27 out of 57 WSA's and at only 4 out of the 57 WSA's there is no Draft TA in place)	Initial target of 30 June 2005 has not been met	-	-	-	Transfer of DWAF assets will be completed during 2008.	-
14	By-laws promulgated in every WSA	2005	-	Achievements to date still to be quantified	-	-	The Municipal Systems Act sets out the processes that must be followed when a municipality makes by-laws. DWAF provide support to WSA's in drafting their by-laws (Mbuso Zama - Manager: Sector Economics & Finance)	-	Municipal by-laws are a requirement of the Water Services Act	-



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15	WSA's report annually on WSDP progress	2005	-	It is as yet not known to what extent public reporting takes place.	Unknown	Only approx. 40 WSA's have had their WSDP's adopted.	-	-	-	-
17	All WSP's are rendering a service in terms of a business plan	2005	-	Some WSP's are however operating on interim arrangements	-	Some WSP's are however operating on interim arrangements	-	-	-	All WSP's should be rendering services in terms of a BP
18	All WSA's adopt KPI's	2005	-	Majority of WSA's have adopted KPI's	Unknown	WSA's not yet reporting against KPI	KPI's are published in the SFWS	-	-	KPI's are published in the SFWS
19	DWAF reports on sector development and progress annually	-	n/a	DWAF have produced the Masibambane Annual Report (2004/05) DWAF Annual report also captures all DWAF programmes	Targets are met.	-	-	-	-	n/a



ANNEXURE 5.5: ENVIRONMENTAL PLANNING AND PRACTICE

1. Introduction

In this Masibambane II Mid-Term Evaluation, the extents to which the following two aspects have been applied in the last 18 months were evaluated:

- ✓ Awareness raising and the mainstreaming of environmental considerations throughout all water service sector stakeholders.
- ✓ Environmental capacity building and institutional support for Water Service Authorities (WSAs).

Where appropriate, the objectives as outlined in the evaluation team's terms of reference have been evaluated in the above context.

2. Evaluation Methods

The methods used to conduct this evaluation of the Masibambane II approach included the following:

- ✓ A literature review of relevant data and documents, particularly those referring to environmental issues.
- ✓ Interviews were held at National level with key sector role players including staff at the DWAF national office, SALGA, DPLG, the Department of Education and the European Union.
- ✓ Four provincial visits were undertaken to the Western Cape, Free State, Limpopo, and Eastern Cape where a workshop was held with the various sector role players. During these workshops, discussions were held with role players at all three levels, *i.e.* national, provincial and local government levels. In the latter three provinces, site visits to specific projects were also undertaken during which discussions were held with the local community members and with the project implementers.

3 Constraints

Constraints to the project included the relatively small number of Local Government Authorities and Water Service Authorities (WSAs) that attended the provincial meetings. The opinions obtained during the provincial visits are thus based on the information supplied by those authorities present and may not give a holistic view of the current situation.

The range of water supply and sanitation projects evaluated during the site visits were also limited in range and included basic sanitation projects and water distribution projects. The negative environmental impacts that municipalities may be experiencing with other types of water supply and sanitation projects, e.g. bulk water supply, gravity mains, sewage pump stations, etc., were thus not comprehensively evaluated as anticipated in the terms of reference. The findings related to environmental problems associated with projects other than those visited are based only on discussions with municipal representatives and on information from the literature reviewed. However, similar trends in the types of environmental problems being experienced were noted among local authorities and these trends are described in this report.

4 Evaluation Findings

In this section, the findings or results of this evaluation are discussed in terms of the objectives as outlined in the Mid-term review project inception report (D&TS, August 2005). Where appropriate, conclusions and recommendations are given.

4.1 Effectiveness of Sector Collaboration and Coordination & the Implications of the SWAP Approach

Issues studied:



The main aspects that were evaluated under this objective include the extent to which:

- ✓ Environmental planning and practice at National level are included in the support given to DWAF and other sector role players at Provincial and at Local Government including the WSA level.
- ✓ The sector wide approach and strategies used take environmental aspects into consideration and raise environmental awareness.
- ✓ Provincial sector role players provide support services to Local Government in terms of environmental awareness raising and mainstreaming of environmental considerations?

Findings:

Collaboration between DEAT and Water Services Sector at National Level

The SFWS states that the Department of Environment Affairs and Tourism (DEAT) has a role to play with regard to WSS in so far as environmental impact assessments (EIA's) are required for water service infrastructure projects, and in participating in joint ventures that promote conservation, cleaner technologies, and waste minimisation.

The White Paper on Basic Household Sanitation states that DEAT will take primary responsibility for developing policies, guidelines, procedures and norms and standards relating to the impact of sanitation systems on the environment; monitoring environmental impacts of sanitation systems; and monitoring compliance with environmental management procedures and guidelines.

However, based on the interviews conducted at national level, the site visits undertaken and the literature reviewed, there is limited sign of collaboration between DEAT and the WSS role players such as DWAF, DPLG, Department of Housing, Department of Education, etc.

Collaboration between DEAT and Water Resources Directorate (Environment and Recreation Sub-directorate)

There has been collaboration between the Environment and Recreation Sub-Directorate of DWAF nationally (located within the Water Resources Directorate) and DEAT regarding the mainstreaming of environmental considerations in the WSS. During this evaluation period, progress has been made in the development of an Environmental Impact Management System (EIMS) that can be effectively rolled out by DWAF at a national level to sector role players at provincial and local government level. This environmental management system has been refined and work-shopped over the past 18 months and the roll-out phase is now ready for implementation. The DEAT have played a constructive and helpful role in refining this environmental management system.

Collaboration within DWAF (Water Services and Water Resources)

It is noted that there is a communication gap regarding WSS initiatives and meetings relevant to the functioning of the Environment and Recreation Sub-Directorate located within Water Resources Directorate. The Sub-Directorate should become more involved in key meetings such as KPI development, Masibambane Evaluation Steering Committee and Task Team meetings of this component to prevent isolation from developments and decision-making within the WSS.

Collaboration amongst role players in the sanitation sector

The establishment of a National Sanitation Task Team (NSTT) that must report to the Municipal Infrastructure Task Team (MITT) is evidence of an attempt to co-ordinate sanitation initiatives in this sector. Similarly, Provincial Sanitation Task Teams (PSTTs) have been set up in each province to coordinate the provincial sanitation effort.

However, findings noted during the field visits indicated that there is a need for greater institutional support and integrated planning to prevent two different sectors implementing similar projects in the same area. For example, there is a need for greater collaboration between the Department of Housing (DoH) and the local municipal authority relating to the implementation of sanitation services as service duplication as observed during a field visit in Limpopo Province (two toilets constructed on one property by two different sector service providers).

Integration of environmental aspects in planning

DWAF planning documents reflect an awareness of environmental issues that need to be considered during the planning and implementation of WSS projects. It is noted that at national level, there are



many supporting documents (policy documents, guidelines, reports, etc.) that indicate that environmental planning and implementation aspects have been considered: For example, the current institutional framework of the Water Resources Sector states that Catchment Management Agencies (CMA) are responsible for water resource management at catchment level and most water resource monitoring in these areas, e.g. licensing of water use and discharges, monitoring abstractions and discharges, monitoring water quality and overseeing land-use activities as this affects water management. To date, only one CMA has been established so this process is relatively slow. DWAF is tasked to fulfill the role of the CMA where these are not yet established.

The DWAF at national level has supplied guidance relating to environmental aspects, e.g water resource profile in manuals, guidelines, etc. DWAF have also provided planning for support to WSA's through their "Water Services Support Workplan" including indirect support and assistance in terms of compilation and adoption of WSDP's.

The WSDP guideline requires the effective management of the water resource, environmental (and health) issues to be addressed, etc. by Local Authorities such as WSP's and WSA's. The information relating to management of the water resource is in place but it is not clear to what extent it is being communicated from national level to provincial level and down to Local Government level and whether it is being effectively implemented at this level. The rate of WSDP implementation indicates that greater support is needed at Local Government level in this regard.

Institutional support

Based on interviews with municipal officials, it is seen that the current focus at Local Government level is not on developing institutional support but more on the most critical matters relating to delivery of services as outlined in the SFWS and the continued operation of existing infrastructure (crisis management).

In order to enhance institutionalisation of environmental obligations in the regions and local government, it is recommended that a direct line in terms of environmental support be institutionalised within the Water Services Support. The Environment Sub-Directorate in the Water Resource Directorate should assist in the technical training and support and roll out of environmental tools and initiatives at all levels and amongst all the relevant sectors.

Implications:

Although collaboration has occurred between DEAT and the DWAF Environment and Recreation Sub-Directorate, specifically relating to the development of the EIMS and other tools, there is a need for greater collaboration between DEAT and the Water Supply and Sanitation Sector. Field visits indicated that there is a need to improve cross-sectoral collaboration in the supply of sanitation services.

The current focus of municipal managers appears to be on infrastructure delivery and maintenance and not on enhancing institutional support. There is a need to identify environmental management staff in DWAF regional offices that can implement EIMS and provide the necessary support to local government. If such capacity is lacking, the system will not succeed. There needs to be adequate and appropriate consultation with municipalities regarding the implementation and integration of EIMS into their daily activities.

Recommendations:

- ✓ Involve DEAT's Integrated Environmental Management Directorate in quarterly meetings at a national water sector level. Similarly, involve the provincial departments in the quarterly water sector forum meetings. This will allow the problems experienced at regional and local government level with EIA's to be communicated to DEAT / DACE.
- ✓ It is understood that there are other similar initiatives such as the "20-20 initiative" where sector role players including the provincial Department of Agriculture, Conservation and Environment (DACE), DWAF, SALGA, DoH, DoE, etc. do meet on a quarterly basis. The focus of this initiative



which is particularly active in the North West Province appears to be on environmental awareness training at school curriculum level.

- ✓ Although there is a collaboration effort at national and provincial level in the sanitation sector, communication and integration between national level departments could be improved as there appears to be a lack of co-ordination between the National Sanitation Task Team programme and the MSB II approach. Similarly, sanitation projects at ground level indicate poor planning between sectors, which is indicative of a need to improve planning aspects and sector collaboration.
- ✓ Currently, there is little evidence of support between the various DWAF departments nationally and DWAF regionally regarding environmental planning and practice. However, this situation may change in the future as the roll-out phase of the EIMS is imminent. The roll-out phase would involve training between DWAF at national and regional level and then training between DWAF regionally and Local Government and amongst the other sector role players.
- ✓ Similarly, limited support regarding environmental practice (in the form of workshops, guidelines and environmental awareness training) was observed between DWAF regionally and downwards to Local Government level. As the EIMS has now been developed to a point where it can be rolled out, this situation may change during the next phase of Masibambane.
- ✓ To promote integrated planning, thereby ensuring effective and sustainable water and sanitation services, the Provincial Sector / Collaboration Forums are an important platform where all the relevant role players at provincial level meet to address problems and strategize. This forum plays an important role and attendance by all the role players should be promoted and encouraged at National level. Role players in these forums include Provincial Departments (Local Government, Housing, Education, Health, Public Works); DWAF Regional offices, WSA's; SALGA, Water Sector Institutes and NGO's/CBO's. A representative from the provincial DACE should also be included in this forum.

Conclusions:

The use of a sector wide approach to pool resources to ensure effectiveness and sustainability is a good approach whereby integration amongst various government departments is promoted. Transformation in the water services sector at national and provincial level is an ongoing process that will take time to implement and become effective.

4.2 THE ACHIEVEMENT OF OUTPUTS AND PROGRESS IN MEETING STRATEGIC OBJECTIVES AS OUTLINED IN THE SFWS AND THE EXTENT TO WHICH ENVIRONMENTAL PLANNING HAS BEEN INCORPORATED

Issues studied:

Aspects that were evaluated under this objective include:

- ✓ The extent to which environmental issues were considered during the process of achieving outputs and meeting of strategic objectives.
- ✓ The extent to which environmental considerations are incorporated in support programmes, designed to strengthen the administration and implementation activities of DWAF.
- ✓ Is the current regulatory framework and performance monitoring system effective? Does it allow DWAF to measure, regulate and report on the performance of WSA's and WSP's?
- ✓ The positive and negative impacts that water and sanitation service delivery, results and activities have on the surrounding environment.
- ✓ The extent to which management of water resources and wastewater is conducted in an environmentally responsible and sustainable manner.

Findings:

Water and sanitation delivery to all schools



The main focus of the Department of Education (DoE) is to supply all new schools with an adequate and safe water supply and sanitation service by 2005 as required by the SFWS target. The result is that water supply and sanitation services in older or already established schools are not receiving adequate attention and will not meet the targets set out in the SFWS.

Other aspects that hamper the delivery in this sector include the inaccessibility of some schools (e.g. mountainous areas of KwaZulu-Natal) that makes efficient water supply very difficult and expensive to implement.

The DoE noted that a more holistic planning approach is needed regarding implementation of environmental issues. At this point, there is not yet a life cycle approach to environmental management where environmental considerations start at the planning phase of a project and continue through implementation and operation. It is an approach that the DoE are working towards but have not yet achieved.

Health and Hygiene Awareness and Education – safe sanitation

The White Paper on Basic Household Sanitation (DWAF, 2001) is a policy document that states as one of its principles that sanitation improvement must be demand responsive, supported by an intensive Health and Hygiene Programme. This document states that the sanitation problem will be addressed by means of strategic interventions, one of which is “promoting health and hygiene awareness and practices”.

The implementation of the Health and Hygiene and Education awareness programmes must be implemented by the Local Authority responsible for the project or by the contractor appointed by the Local Authority. The field visits undertaken indicate that although health and hygiene awareness and education is taking place at community level, it is a once-off exercise that occurs during programme implementation.

The findings indicated that there is a need for ongoing health and hygiene awareness and education, particularly relating to the sanitation programme. Some of the VIP sanitation projects evaluated were typified by a strong “sewage” odour that the community was unhappy about. This odour may be reduced by a more vigorous and repetitive health and hygiene awareness and education programme.

Water quality and quantity monitoring at Local Authority level

The SFWS states that services and the uses of water resources must be sustainable to ensure continued delivery progress. In an evaluation project of this nature, the extent to which water quality and quantity monitoring is undertaken by Local Authorities across South Africa was not able to be accurately determined owing to budget and time constraints of the evaluation study.

In the Free State Province, there is a high level of non-compliance by WSA’s with regard to monitoring of water quality and this is due in part to lack of adequate monitoring equipment. This task has subsequently been outsourced to the CSIR. Thus water quality monitoring does occur in the Free State, as well as in the Western Cape. However, the value of the data generated and the extent to which local authorities use these data are not known. Environmental water quality impacts appear to be managed only once the monitoring indicates there is a problem.

WSA’s have to ensure that the volume and quality of water they discharge to the environment meets discharge standards. The WSA needs to measure the quality of water abstracted as well as the quality of storage points and at end of distribution system. The importance of regular sampling and reporting should be part of the operating procedure to allow for trend analysis and assessment of environmental degradation.

In many WSA areas, the quality of the discharge does not comply with the standards and the water resource is being polluted. It appears that management of water and wastewater is not taking place in an environmentally sustainable manner. This may be due to:

- Lack of capacity (lack of technicians) – there are examples where the operators do not understand how the sewage system works and raw sewage is disposed of at the end of the treatment system rather than at the start. Training and education are needed in this regard.



- Lack of appropriate / adequate infrastructure that are not able to cope with increases in population and the existing maturation ponds are not able to process the large volumes of sewage generated by communities. There are instances where raw sewage spills into water courses indicating the inadequacy of the existing sewage system. Quality of water discharged does therefore not meet with discharge standards.

It is a function of DWAF with regard to the discharge of water that does not meet with standards to maintain a legislative and policy framework that ensures that the environment is not polluted through discharge and to develop national guidelines in this regard. This must be done considering the following SFWS goals:

Goal 3.4: "Water and sanitation services are provided efficiently (resources are not wasted)"
Goal 3.5: "Water and sanitation services are provided sustainably (services are financially, environmentally, institutionally and socially sustainable)" in order to achieve the objective "to ensure Dept. of Healthy clean environment for consumers and sound environmental management within water and sanitation delivery and use".

The WSA KPI 9 is "Volume of water discharged to the environment (and % of total discharge) which does not meet discharge standards." The standards for water discharged to the environment are laid down in the National Water Act.

The PMU is responsible for monitoring project implementation within the objectives and conditions of MIG. Monitoring of projects must be against "national" indicators of effective performance that have been consolidated as a set of conditions for the programme. DWAF has identified the monitoring of effluent discharge quality as a priority indicator in the protection of the environment. Thus, where PMU are involved with related projects, they must ensure appropriate monitoring occurs.

Accuracy of target data

The accuracy of the data indicating the targets reached must be scrutinised carefully: – in the Limpopo Province, the Department of Housing (DoH) has supplied a toilet inside the house through its housing project and the local WSA supported by DWAF has supplied an outside VIP toilet to the same stand. The DoH toilets are not functional as there is no running water connected to the stand. Could such incidents cause inaccurate reporting of targets reached? It is not known how widespread this type of poor planning situation is.

Lack of co-ordinated planning between sector role players

In some instances (Eastern Cape), it was stated that DWAF were delaying the implementation of sanitation projects by not delivering raw materials timeously.

Implications:

The feedback from role players in the water and sanitation services sector indicates that a more integrated and holistic environmental planning system is needed. It is anticipated that the development of the EIMS which has taken place during the last 18 months will address this need for a more holistic approach. In the meantime, the lack of an integrated approach is resulting in environmental degradation, e.g. the pollution of important water resources. A lack of integrated planning leads to duplication in services and this will hamper the sector from meeting its delivery targets.

The extent of resource wastage, sustainable delivery of services and quality of water discharged to the environment has not been adequately quantified by the various sector role players. Although DWAF at national level are putting measures in place to ensure these aspects are being monitored, more attention must be placed on this monitoring aspect to ensure efficient and sustainable use of the resource.

Recommendations:



- ✓ Health and hygiene education should be an iterative process at community level and not a once-off event. Funding and implementation in this regard must be ensured by the PMU.
- ✓
- ✓ At Local Authority level, greater emphasis must be placed on water quality monitoring at the resource abstraction and effluent discharge levels. The DWAF regional offices need to educate and train staff at Local Government level to monitor water quality and assist in the interpretation of the results and make management changes where required.
- ✓
- ✓ The extent to which PMU undertakes water quality monitoring needs to be verified as the level at which it occurs was not apparent during the site visits or from the literature reviewed.
- ✓
- ✓ There is a need for a more integrated approach in water and sanitation project planning between the sector role players within municipal areas.

4.3 APPROPRIATENESS OF APPROACH AND STRATEGIES

Issues studied

Aspects that were evaluated under this objective include:

- ✓ The steps that are being taken by the water and sanitation services sector to ensure that appropriate environmental practice is taken into account and implemented?
- ✓ The environmental measures that have been put in place by DWAF for the water services sector stakeholders to comply with.
- ✓ The extent to which the reports compiled by WSA take environmental considerations into account.
- ✓ The extent to which training material contain environmental considerations.
- ✓ Do policies and approaches adopted by regional and local authorities take cognisance of legislation such as the National Environment Management Act (NEMA) 1998, (Act 107 of 1998); the National Water Act (NWA) 1998 (Act 36 of 1998); and the Water Services Act (WSA) 1997, (Act 108 of 1997); and of policy documents such as the White Paper on Environmental Policy and White Paper on waste management and pollution control?
- ✓ Do the implementation plans for an accelerated and expanded sanitation programme take the potential impacts on the environment into account? If so, in what manner?

Findings:

Current EIMS initiative

The initiative developed in the first phase of Masibambane, namely the Environmental Evaluation System (EES) focused on the EIA process as a planning tool. Such an initiative was not an integrated environmental planning system that could be implemented at Local Government level. This initiative required extensive environmental and administrative resources at Local Government level which were and are not available.

This EES initiative, which was particularly strong in the Eastern Cape and Limpopo Provinces, has however been used as a basis on which DWAF at national level was able to refine and improve an environmental management system that can be effectively used and implemented by provincial and local authorities. The system that DWAF has developed is known as the Environmental Impact Management System (EIMS).

Initiatives that have taken place during this Masibambane II evaluation period to strengthen functioning of the Environment Sub-Directorate at Water Affairs include the development of the following tools and strategies:

- ✓ The EIMS developed during the MSB Phase I was reviewed and updated and a legal review of the EIMS was undertaken.
- ✓ The Environmental Decision Support System (DSS) was updated to include environmental issues to be considered for water services. PSP appointed by Sub-Directorate: Environment and



- Recreation to finalise the Environmental DSS. The system will be used in the planning and implementation phases of Water Resources and Service Delivery business process.
- ✓ A PSP was appointed to develop protocols and tools for monitoring and auditing the implementation of projects.
 - ✓ An Internal Communication Strategy and Action Plan for Integrated Environmental Management (IEM) practices in the water sector.
 - ✓ Environmental Best Practices Guidelines and Specifications for the water sector.
 - ✓ Procurement procedure initiated for review of Legal Register of Environmental Laws applicable to DWAF (with specific reference to legislation influencing DWAF's responsibility towards water services) and subsequent development of a legal booklet for easy reference.
 - ✓ National IEMF workshop to promote environmental tools and awareness for the water sector.

The focus has been on a system with tools that are simple to use and implement and are of value to Local Authorities. There is still consultation that needs to take place at national, provincial, and local government level before this EIMS and the other tools can be properly implemented and rolled out.

It should be noted that the EIMS is not an additional aspect that Local Authorities will have to address. Currently they are legally obliged in terms of various legislation including but not limited to the National Environmental Management Act (NEMA), 1998 (Act 107 of 1998); Environment Conservation Act (ECA) 1989 (Act 73 of 1989); National Water Act (NWA) 1998 (Act 36 of 1998); and the Water Services Act (NWSA) 1997 (Act 108 of 1997) to deal with environmental integration and planning aspects. This system is designed to assist them by simplifying and explaining the specific legal process that is required for the various water and sanitation supply type of projects.

Approach to maintenance and rehabilitation

The Masibambane II approach regarding the maintenance and rehabilitation of WSA assets states that it is the responsibility of a WSA to ensure that an appropriate maintenance and rehabilitation plan is developed and implemented. Failure to do so results in mechanical failure of such infrastructure and in the subsequent pollution of the environment. Many of the local authorities reported back that they do not have the funds to maintain and rehabilitate their assets and that they are caught up in a crisis-management situation where they are able to deal with emergency situations and not with general maintenance and rehabilitation.

A working document on the Environmental Site Management and Rehabilitation Specifications (ESM&RS) and best practices for the water sector was developed by the Sub-Directorate Environment and Recreation in DWAF during this last evaluation period.

Lack of environmental capacity at National, Provincial and Local Government Levels

The evaluation indicated that a holistic approach to environmental management of the WSS is not in place at Local Government level. As a minimum requirement, Local Authorities endeavour to be legally compliant by undertaking an EIA but do not undertake ongoing environmental evaluations. There is a need to monitor and audit a project during the operational phase to ensure its sustainability, i.e. the project needs to be audited and monitored against the management and mitigation measures contained in the EMP of the EIA.

It was noted that problems are being experienced at this minimum level in that EIA's are seen to delay project implementation – they are regarded as a “necessary evil” by the Local Municipalities.

Effectiveness of training materials

Very little evidence of environmental training materials were observed so this aspect could not be properly evaluated. However, based on the imminent role out of the EIMS by DWAF nationally, it is anticipated that this aspect will be addressed in the next phase of Masibambane.

Lack of environmental expertise and capacity within WSAs

The current level of environmental expertise and capacity within a WSA is poor and the WSAs may not be able to fulfill their mandates. WSA have key performance indicators which they report on annually. They are responsible for planning, ensuring access to and regulating provision of water services within their area of jurisdiction. WSA have to secure licenses from DWAF to abstract water from, and to discharge wastewater to, the water resource. WSA are responsible for taking

environmental aspects into account when they provide water services from the onset to the end of the project. These tasks are not simple and easy to implement and more support for local authorities is required from DWAF on a national and provincial level.

Problems encountered with the WSDP approach

It is understood by the WSA that the WSDP must ensure sustainable access to water services. The WSDP is a relatively complex plan and the WSDP's development process to date has been slow. (Refer also to the findings relating to the successful implementation of WSDPs as discussed in Annexure 5.4). The WSDP's may improve with time as capacity is built at local level. The content of the IDPs is generally weak with regard to environmental issues (Refer to findings of Annexure 5.4 in this regard) and these documents are used to inform the WSDPs. The extent to which local government uses catchment management strategies to inform their WSDP is not clearly understood. Local Authorities need assistance with the development and implementation of their WSDPs.

Implications:

Problems are being experienced at Local Municipal level in maintaining existing infrastructure and operations and this is having negative impacts on the water resource. Assistance is required by Local Authorities (WSAs) in the development and implementation of WSDP as a lack of appropriate planning impacts negatively on the water resource, be it borehole, spring or river through either over abstraction or contamination of the resource by the poor quality of the effluent discharged.

Conclusions and Recommendations:

- ✓ Although the aims for environmental planning and practice that were set out at the onset of this second phase of Masibambane have not been attained, much progress has been made in this regard. The EES approach has been superseded by EIMS and other tools and the roll-out phase of this system is ready to commence.
- ✓ Measures to address problems being experienced with maintenance and effective functioning of water service infrastructure at Local Municipal level are urgently needed to prevent water quality and health issues from becoming localized environmental disasters.
- ✓ Problems are being experienced at Local Authority level with complying with environmental legislation and simultaneously reaching SFWS targets. EIAs are seen to delay project implementation and this aspect needs to be addressed with the relevant sector role players. The Eastern Cape local authorities stated that there is a need to develop a strategy, approach, and action plan for environmental assessments.
- ✓ Greater environmental training and education is needed by Local Authorities and WSA's, specifically with regard to the implementation of WSDP's. These documents are complex and need to address many different water resource aspects. Environmental capacity and expertise is lacking in this regard.
- ✓ There appears to be enviro-legal compliance and awareness in most provinces / local authorities. They are aware of what is required in terms of legislation and will undertake an EIA but there is limited ongoing auditing and monitoring to ensure a project is sustainable. Broader environmental awareness and training is needed and the provincial Department of Agriculture, Conservation and Environment (DACE) need to play a more important role in monitoring and auditing. There is no strategic environmental awareness at a district level.

4.4 EVALUATE STRATEGY AND APPROPRIATENESS OF THE CHANGES MADE IN ORDER TO MAKE RECOMMENDATIONS FOR FUTURE IMPLEMENTATION OF PROJECT

Issues studied

Aspects that were evaluated under this objective include:

- ✓ To what extent have recommendations on environmental planning and practice from previous evaluation exercises been implemented?
- ✓ Evaluate the strategy and appropriateness of the changes made in order to make recommendations for the future implementation of the programme.



The MSB report 2003/04 stated that the following strategies in terms of environmental management need to be incorporated in the MSB approach:

- ✓ Promote IEM by supporting the efforts of water service institutions to:
- ✓ Reduce pollution emanating from treatment of wastewater
- ✓ Develop and implement water demand management and water conservation strategies
- ✓ Mitigate against negative environmental impacts of water services projects.
- ✓ Identify areas of interface between water services and water resource management.
- ✓ Ensure environmental issues are given a high profile in the programme and that environmental management issues are entrenched in policies, projects and practices.
- ✓ Encouraging and facilitating greater participation in environmental management and resource protection in the promotion, planning and delivery of water services throughout the project life cycle.
- ✓ Enhancing institutional capacity with specific focus on environmental management and resource protection of water services institutions.

Findings

There is a general awareness of what needs to happen to comply with environmental legislation but it cannot be stated that environmental issues have been given a high profile across the water and sanitation services sector. The response from respondents during the interviews conducted was that that more attention needed to be given to environmental awareness raising and to the integration of environmental aspects into the sector. At most of the provincial meetings, the environmental planning and integration aspect was not addressed: No presentations relating to this cross-cutting issue of environmental practice and planning were given. This is seen to be indicative of the importance rating given to this aspect. Other cross-cutting issues, e.g. gender mainstreaming was addressed and presented as part of the provincial workshop programmes.

Conclusions and Recommendations

Although there are steps to integrate and mainstream environmental considerations, this process still has a long way to go. Greater collaboration is needed at the water sector leader level, particularly between the Water Services and Water Sanitation sector.

Similarly, greater collaboration regarding environmental planning and implementation issues is needed between the different sector role players. Only once the proper emphasis is given at this strategic level, will the system be effectively filtered down to Provincial and Local Government levels.

4.5 EVALUATE EXTENT TO WHICH PROGRAMME RESULTS HAVE BEEN ENTRENCHED ON A SUSTAINABLE BASIS

Issues studied:

Aspects that were evaluated under this objective include:

- ✓ The steps that are being taken by the water and sanitation services sector to ensure that appropriate environmental practice is taken into account and implemented on a sustainable basis.
- ✓ The extent to which the WSS is effectively coordinated and organised in each of the provinces with regard to being environmentally sustainable.

Findings:

Conservation and Demand Management tools

Environmental sustainability is identified as a critical requirement in the original programme design. The SFWS acknowledges that one of the key challenges is to ensure that services and the use of the water resource must be sustainable. Thus, greater emphasis should be placed on the sustainability of the water resource through conservation and demand management. Yet, at



provincial and local government level, there is little mention or evidence of these two aspects. The emphasis is on crisis management and on meeting targets (delivery).

The focus is on the delivery of new services and on the maintenance of existing infrastructure and services, which is in a poor state and not able to cope with the increases in population sizes.

Sustainability planning of sanitation projects

The sustainability of the sanitation projects viewed in the provinces was not adequately planned. The anticipated life span of some of the VIP facilities observed during the site visits was relatively short, i.e. 5 years. This implies that there is limited forward planning and thinking by the local authority as to what would happen in 5 years time.

There is a WSDP guideline (Rev.5 September 2004) issued by DWAF head office to assist WSA's to prepare a WSDP. It refers to the water resource profile and the conditions related to water use, both in terms of quality and quantity. The guideline outlines the importance of the water source. Issues such as water demand and wastewater flows within a catchment must be viewed against what the resources can supply and what environmental impacts are likely to be. The guideline also refers to water conservation / water demand management aspects that need to be considered by the WSA. Water quality aspects are also discussed in this guideline.

The capacity of existing sewage works in the areas visited is generally perceived to be inadequate based on discussions with municipal managers. The bucket eradication system has resulted in an increase in the volumes of waterborne sewage that has to be treated by Local Municipalities. It is recommended that a broad study be initiated that investigates the anticipated increase in effluent volumes and the current capacity of sewage treatment works across the country to deal with the increase in volumes.

Pit emptying is regarded as problematic by many users of VIPs and greater education and training in this regard is required at community level.

Effluent discharge quality

The PMU is responsible for monitoring project implementation within the objectives and conditions of MIG. Such monitoring must be against the "national" indicators of effective performance that have been consolidated as a set of conditions for the project. One such "national" indicator that has been set as a priority indicator is "*Protection of the environment: Effluent discharge quality*". Greater emphasis should be placed on the type of monitoring that is required.

Implications:

Unless greater emphasis is placed on the long term planning of infrastructure delivery and operation, the impacts on the environment, such as water resource degradation, will continue to deteriorate and may lead to outbreaks of diseases such as cholera. Similarly, a lack of planning will result in the same services needing to be delivered again to the same population, five years down the line, thereby resulting in non-delivery in meeting targets.

Conclusions:

- ✓ Water demand management and water conservation strategies are good management concepts but currently local government has limited capacity to apply these strategies appropriately. Greater assistance is needed in this regard from DWAF at a regional level. The development of a guideline is not enough; it needs to be workshopped with all the relevant role players on an ongoing basis.
- ✓ Environmental information in IDPs and WSDP's needs to be assessed in more detail and constructive comments and advice needs to be given to the WSA's. Local government has a lack of skills and this does negatively affect the sustainable implementation and planning of environmental aspects.



- ✓ Although there is a lack of experienced engineers and technicians in the field, there are capacity-building initiatives in place such as the MSIG and the capacity building initiative that emanated from the Cabinet Lekgotla.

4.6 EVALUATE EXTENT TO WHICH THE MIG CONTRIBUTIONS TO THE WATER SERVICES SECTOR TAKE ENVIRONMENTAL CONSIDERATIONS INTO ACCOUNT?

Issues studied:

The main issues that were evaluated and studied within this objective include:

- ✓ The awareness within the sector role players that are responsible for environmental planning and implementation of the way in which MIG functions.
- ✓ The extent to which the MIG programme and approach takes environmental considerations into account

Findings:

Awareness of Environment and Recreation Sub-Directorate of MIG

The Environment and Recreation Sub-Directorate at DWAF had as one of their aims for this evaluation period the need to review the EIMS relative to the requirements of both the MIG and the new EIA regulations. Cognisance has therefore been taken during the development of the EIMS of the need to integrate and dovetail this management system with the new MIG approach and with the proposed regulations.

Role of Municipal Infrastructure Task Team in terms of accounting for environmental considerations

The role of the Municipal Infrastructure Task Team (MITT) is to co-ordinate the activities of the different national departments so that there is a common approach in terms of supporting local government. The Department of Environment Affairs and Tourism (DEAT) is one of the national departments that forms part of the MITT. However, the extent of inputs from DEAT to the MITT has not been clearly determined.

In the MIG booklet that was recently released (DPLG, 2005) one of the graphics (page 19) indicates that DEAT is part of MITT. Although the responsibilities of the other National Departments are clearly outlined in this booklet, the responsibilities of DEAT are not mentioned and this may be interpreted as an indication of the lack of importance attached to environmental considerations by the DPLG.

Mention is made, although sometimes in an indirect manner, to environmental considerations in this booklet, namely,

“An IDP must promote integrated natural resource management and that all “MIG projects must be identified in the municipality’s IDP” (page 33).

“Environmental factors may influence the extent of a project feasibility study” (page 36).

“Feasibility study for a water supply project would need to assess the existing water sources and the quality thereof, existing water balance, *etc.*” (page 40).

“Environmental elements are a key element of sustainability of a project” (page 48).

“Means of ensuring Environmental Integrity” (page 50)

The Municipal Infrastructure Technical Task Team (MIT3) reports directly to MITT and has the responsibility to promote financial, technical, social and **environmental sustainability** of municipal services through infrastructure programmes. The extent to which environmental sustainability is promoted by the MIT3 has not been verified.

A complaint at Local Government and at DPLG level related to the high costs associated with undertaking feasibility studies and environmental impact assessments (EIA). However, the current MIG funding structure does cover project feasibility studies and where appropriate, the EIA costs associated with new “basic levels of service infrastructure” projects. Such projects need to be



registered in the IDP of the Local Authority. MIG funding does not cover pre-feasibility studies and this is a problem for Local authorities in terms of funding.

During the field visits, it was observed that some municipal officials did not clearly understand what MIG funding could be used for and applied for funding for an infrastructure project that was not for basic levels of service. The project was not approved and the implementation of this project was delayed due to this lack of knowledge by the local municipality. In the interim, the infrastructure that needed replacing was negatively impacting on the environment (sewage effluent discharging from treatment ponds did not meet discharge standards due to lack of capacity of ponds to treat increased effluent volumes).

Implications:

The most recent booklet released by DPLG about the MIG provides an overview of MIG as a programme and outlines the critical steps in a capital project that will ensure sustainability. This booklet does provide guidance on environmental aspects that have to be considered during the life cycle of a project. This indicates that DPLG as the implementer of the programme have considered environmental aspects within the water services sector.

Project implementation at Local Municipal level has been seen to be delayed in some instances owing to a lack of understanding of how MIG functions and what the funds can be used for.

Conclusions:

The EIMS process and its tools have been reviewed by DWAF at National level and restructured to comply and fit in with the MIG programme that is part of the Masibambane II approach.

It is acknowledged that MIG is a new programme and for this reason, more workshops and training regarding the way in which MIG works are needed at both provincial and local authority levels.

5 OVERALL CONCLUSIONS

There is a need for greater collaboration in environmental planning and practice at all levels (national, provincial and local) between all the water and sanitation services sector role players. It is particularly important that this happens at National level so that it can filter downwards. Unless greater emphasis is placed on integrating environmental issues at a National level across all sectors (not only at DWAF level), it is unlikely that progress will be made in this cross cutting issue at Provincial and Local Authority levels.

Although environmental planning and practice has not yet been appropriately integrated and streamlined in the WSS, much progress has been made in the last 18 months by the Environment and Recreation Sub-Directorate of DWAF in developing an EIMS and other tools that are appropriate for use by Provincial and Local Authorities. It is anticipated that the specific aims relating to the implementation of an EIMS that were set out for this second Masibambane period will only be realised in the next phase when roll-out of the EIMS is anticipated to take place.

Greater collaboration and input is required at local and provincial government level from the DEAT (national level) and DACE (provincial level) regarding the extent to which environmental aspects need to be considered in sanitation and water supply sector projects. The problems that are being experienced with EIA's by local authorities also need to be communicated to DEAT and to DACE and solutions sought.

EIA's are seen to hinder the implementation of projects due to the long time it takes before approval is given by the DACE. EIAs are also regarded as costly exercises by Local Authorities. Alternatives to undertaking an EIA should be considered in some projects owing to the limited nature of the environmental impacts.



More emphasis needs to be placed on accurate and regular water quality and quantity monitoring at Local Authority level. Assistance in this regard is required by the Local Authorities from provincial and national levels.

Health and hygiene education and training must be an ongoing process and not a once-off event.



ANNEXURE 5.6: MONITORING AND EVALUATION AND PROGRAMME ANALYSIS

1. Objectives:

Due to the cross-cutting nature of the work stream, there were a number of study objectives to which the findings applied. There were however some study objectives to which the findings of this stream applied more frequently than others. These included:

- ✓ The effectiveness of sector collaboration & coordination and the implications of the SWAP approach;
- ✓ Achievement of outputs and progress in meeting strategic objectives as outlined in the Strategic Framework for Water Services (SFWS);
- ✓ Appropriateness of approach and strategies of the MSB programme
- ✓ Sustainability of programme results and
- ✓ Impact of MIG on the water services sector

2. Issue studied:

As indicated in the inception report the issues studied included:

- ✓ An analysis of the project and programme management techniques and tools utilised together with an analysis of the monitoring and evaluation systems
- ✓ Issues related to overall change management and the measurement of change management by the sector as it relates to decentralisation

The lines of investigation included the following:

- ✓ The activity of planning and extent to which it (in terms of process and outputs) reflected the philosophy and goals of the Sector Wide Approach (SWAP) and the Masibambane II Programme;
- ✓ A review of Management Support Programmes to MSB II and the extent to which they have contributed towards the realisation of the goals of MSB II was also investigated;
- ✓ For Monitoring and Evaluation the focus was on:
 - Understanding of the M&E framework and systems in place and the extent to which these are enabling the effective management of MSB II
 - Degree of alignment of M&E activities and how well the reporting cycle was working
- ✓ Change Management then looked at:
 - The extent to which a formal / structured change management programme was being implemented to manage the transformation occurring within the sector and DWAF

In terms of the 7 assessment areas for SWAP this workstream focuses on 'sector policy and national strategic framework' and 'performance monitoring' (shaded as grey in the figure below).



Figure 2. Assessment areas for SWAP

3. SFWS Target (where applicable):

Programme analysis and monitoring and evaluation are areas that do not have direct representation in the set of 19 target areas specified in the SFWS. Nevertheless they play an important enabling role to the achievement of most (if not all) of the targets.

4. Findings:

Based on the primary and secondary research conducted a number of findings were made. These are presented according to the areas (mentioned above) that made up the work stream i.e. Planning, Management Support Programmes, M&E as well as Change Management.

4.1 Programme Analysis

4.1.1 Planning:

According to the SFWS (pgs 39-43), the planning framework used as the basis to achieve the objectives of sector is made up of a number of parts including:

- ✓ *Water services development plans (WSDP)*: This is the primary instrument of planning in the water services sector developed by water services authorities (WSA). This is informed by the IDP (see below) as well as water resource strategies through catchment management strategies;
- ✓ *Business plans*: The operationalisation of the WSDP to show how the desired outputs thereof will be achieved. These are developed by the water services provider.
- ✓ *Integrated planning*: The Integrated Development Plan forms the core of integrated planning and is a 5 year strategic plan developed through an inter-sectoral process that 'adopts an implementation approach and seeks to promote integration...without compromising institutional capacity required in the implementation' (www.dplg.gov.za). The IDP is the core strategic planning instrument guiding and informing planning, budgeting, management and decision-making in a municipality. The IDP and WSDP inform each other in that the water services plan



i.e. WSDP provides technical input to the IDP and the IDP guides the identification of priorities and targets in the sector plan;

The key principles informing the planning framework include (SFWS, pg 40):

- ✓ Planning is to be used as a management tool to achieve defined goals by working efficiently and effectively. It is an important enabler to respond to the constantly changing environment;
- ✓ Integrated planning must result in alignment between water services and resources as well as the water sector and other sectors;
- ✓ The planning and implementation of water services must respond to effective demand (in the context of the subsidies and pricing frameworks);
- ✓ Water and sanitation programmes must contribute toward creating sustainable livelihoods and local economic development
- ✓ That the choice of technology used as part of water and sanitation service delivery be driven by a balance of considerations between consumer acceptability, environmental impact, affordability, sustainability etc;
- ✓ Strong civil society participation in the identification of local priorities and holding WSA's accountable to the implementation of their plans;
- ✓ The demand for water be managed as well as the supply thereof;
- ✓ Minimising negative environmental impacts to ensure sustainable development
- ✓ Pursuit of integrated water resources management that aligns water resources, water supplies and regional / bulk infrastructure within the supply chain
- ✓ That planning be gender sensitive

In the context of planning (as one of the natural outputs guided by the sector policy and national strategic framework), it was important to evaluate the extent to which the SFWS did indeed represent a common point of departure for role players and context within which they conducted planning activities. As the bedrock of the sector i.e. the SFWS, it is a logical place to start to assess the potential health of the programme. Based on national and provincial interviews, the positive finding was that the SFWS did appear to have a high degree of credibility, support and buy-in from across the sector. The collaborative process that was followed (and driven by the WSSLG) in developing the framework was seen to have been a key driver of the extent to which the sector vision, goals and targets are bought in to by sectoral role-players. SALGA's role in championing the roll out of the SFWS (and sectoral support provided therein) to all municipalities is one example of buy-in and commitment from a key sectoral partner.

The extent to which the planning activities that led up to the establishment of the MSB II programme reflected the ethos of sectoral collaboration was also investigated. The indications are that sectoral collaboration did indeed take place in the planning processes towards the commencement of MSB II in 2004. While the role of the European Commission in the funding of the work done by the GOPA team to prepare the programme proposal for MSB II is acknowledged, the view was that most sectoral role players played an effective role in the development of the proposal to establish MSB II.

The principal areas of focus of the MSB II programme include:

- ✓ Reduction in service backlogs supported by an outreach education programme;
- ✓ Fostering sector collaboration;
- ✓ Strengthening the capacity of relevant institutions through institutional support (including assisting DWAF to transform into its new role of sector leader)
- ✓ Successful implementation of the transfer programme; and
- ✓ Attention to cross-cutting issues such as gender, civil society, environment, appropriate technology and programme management;

One of the challenges encountered in the run up to the establishment of MSB II related to the manner in which the allocation of the FY04/05 budget was carried out where DWAF was perceived to have done so in a somewhat unilateral manner. While the quicker than expected ('big bang') implementation of the Municipal Infrastructure Grant (MIG) and impact this had in terms of changing the assumptions used in the programme proposal programme MSB II may be mitigating factors, the lesson learnt was that more effective communication by DWAF to role players on the reasoning behind the allocations would have been beneficial.



Perhaps symptomatic of the funding role played by the EC in the planning toward the implementation of MSB II was the finding (albeit indicated by relatively few of the respondents) that the programme may in some quarters still be seen as primarily an EC funded initiative within the sector as opposed to a South African Water Services Sector Support programme to which the EC is providing support. According to the Masibambane Annual Report (2003/04), of the R1,5bn total funds in 2003/04, R300m (or approximately 30%) came from donors. Over the 3 years from 2002 to 2004, donor funding accounted for about 20% of the total R4,1bn. Therefore, while donor funding has played an important role, it is an incorrect perception that the programme is primarily donor funded.

The extent to which sectoral collaboration in the area of planning was taking place outside the national level of government i.e. inter and intra provincial and local government levels, was also investigated. The general impression (based on observations and feedback from respondents on the provincial visits) was that cross-sectoral representation could be improved and a less than optimal alignment exists between the WSDP and IDP (as well as PGDS) planning processes and outputs e.g. the water services component of the IDP not being adequately informed by the WSDP (and perhaps vice-versa). A partial contributor to this may be the reality that municipalities (that are WSA's) are still in the learning phase of producing WSDP's. While some municipalities have managed to achieve council approved WSDP's the majority have not. One of the drivers of this is claimed capacity constraints at the municipal levels (discussed further below). To illustrate the extent of the difficulties faced in the compilation of WSDP's, of the 155 WSDP's received by March 2005, 55 were council approved, 91 were in draft and 9 had yet to start (MSB II 4th Quarter 04/05, 1st Quarter 05/06 Reports, DWA, June 2005).

An obstacle to achieving quality planning collaboration in the sector was identified as the uneven capacity between role players that influenced the extent to which each could effectively engage in planning (and other) activities. Although not exclusive to, this problem was found to be particularly problematic at the provincial and local spheres and evidenced through the activities of regional MSB forums / collaboration structures. The following issues were identified by provincial / local level respondents as factors influencing the extent to which effective sectoral collaboration was taking place within provincial water services forums (which represent a core component of provincial level programme management):

- ✓ Uneven attendance of sectoral forums by role players;
- ✓ Changing role-player representatives which negatively influence continuity and the building of relationships;
- ✓ Uneven seniority of persons representing institutions that would compromise the extent to which decisions could be taken at such forums
- ✓ Unclear legal authority of forums to take binding decisions that apply to sectoral role players
- ✓ Degree of maturity of the forum where the 'original' MSB provinces of Eastern Cape and Kwazulu Natal have built up experience over time in contrast to the relatively new forums of other provinces. Through initiatives such as the Water Information Services Network (WIN) the intention is to have the learning curve for these provinces significantly shortened.
- ✓ Lack of strong and focused leadership of the forums

Related to the issue of capacity, the question of to what degree the sectoral approach had become institutionalised was also investigated. The institutionalisation of the sectoral approach has positive implications for the integrity of planning (and indeed all aspects of the programme life cycle) in that it manages the risk of staff turnover and protects against undue influence of individual personalities. Based on feedback from National interviews, the findings on this suggested that there continues to be significant influence played by individuals within institutions. While the benefit of having strong and energetic personalities was recognised, it was also acknowledged that greater work was required to more strongly institutionalise the water services sector approach. An example of sub-optimal institutionalisation is the lack of integration between Provincial Water Sector Forums with Provincial Government. The absence of political championing of such forums at the Provincial level could be one of the reasons for this lack of institutionalisation.

Perhaps a more fundamental development that will have an influence on sectoral collaboration going forward and the nature of planning processes and outputs thereof, and indeed the sectoral approach itself, is the rise of the multi-sectoral approach (evidenced in terms of MIG). The services supplied to communities by local government are necessarily multi-sectoral in nature and the infrastructure



funding mechanism i.e. MIG combines capital grants across sectors such as water services, transport, sport and recreation etc. The question being asked then is, 'what is the role / value of a sectoral approach within a multi-sectoral environment'? While both have been driven by common factors such as the desire to achieve greater scales of economy, reduced fragmentation, increased coordination etc; the sectoral approach may represent a limitation on the extent to which the full benefits of the multi-sectoral approach can be realised. An anecdotal example of the limitation referred to here is that of Section 78 of the Municipal Systems Act relating to 'criteria and process for deciding on mechanisms to provide municipal services'. From a water services sector perspective the focus is on determining internal or external water service provision however from a multi-sectoral approach a multitude of services must be considered. The sectoral approach may inadvertently contribute to the creation of a silo approach to S78 implementation which is undesirable. This is an area that will need to be considered as part of the planning for the future of MSB II and indeed beyond that possibly to MSB III.

4.1.2 Management Support Programme (MSP) to the water services sector

The motivation to acquire additional management support in the sector was (broadly speaking) a response to the recognition of capacity constraints that existed, delays in the finalisation of organisational structures, lengthy staff procurement processes, the non-core and transitory nature of certain activities and need to optimise the approach to service delivery. From the previous final evaluation of MSB I, it was recommended that the formal consolidation of 3 previously separate programme management support services (covering national and regional coordination, contract administration, municipal support, financial aspects (including fulfilling donor and other requirements) and monitoring and evaluation), and that a single MSP unit responsible for providing skilled management support for the water services sector (through the MSB II programme) be created. It is important to understand the key contents of the ToR that enabled the establishment of the National Technical Assistance Contract (TAC) as this provides some basis on which to evaluate its contribution to the MSB II programme management. Extracts from the ToR are given below.

In 2004 an invitation to tender was issued by DWAF calling for proposals from Professional Service Providers (PSP's) to provide 'skilled support to Management' (DWAF, 2004). In terms of this tender, 16 areas of support were specified (DWAF, 2004):

Support Unit Management	One Stop Shop
Finance	Local Government Support
Contract Implementation Support	Water Services Sector Collaboration
Municipal Infrastructure Grant	Change management
Appropriate Technology	Institutional and Social Development
Monitoring and Evaluation	Gender
Business Plans	Civil Society
Environment	Information Dissemination

DWAF required support from a PSP to (DWAF, 2004, pg D3):

- ✓ *'Make the transition of responsibilities to municipalities as smooth as possible without the loss of service delivery'⁴⁹;*
- ✓ *Optimise the approach of the Water Services Sector towards service delivery; and*
- ✓ *Optimise the function of monitoring and evaluation without loss of data."*

The successful PSP would be expected to provide specialist staff to support the Department in its efforts to (DWAF, 2004, pg D5):

- ✓ *Ensure that change takes place without interruptions to service delivery;*
- ✓ *Ensure that existing programmes and systems are continuously managed;*
- ✓ *Ensure that programmes and systems are efficiently managed during the transitional period and even thereafter;*

⁴⁹ Seen in the context of local government assuming responsibility for service delivery and DWAF changing from a water services provider to a sector leader.



- ✓ *Provide the essential continued support to the Water Services Sector;*
- ✓ *Make systems already proven in the Department available to the new role-players.*

Within each of the 16 support areas, specific roles were identified. These included:

- ✓ **Support Unit Management**
 - Support Unit Manager / Section Manager
 - Support Unit Assistant Manager
 - Secretary
- ✓ **Financial**
 - Financial specialist / Section Manager
 - Forensic Auditor
 - Financial Auditor
 - Financial Specialist
- ✓ **Contract Implementation Support**
 - Project Management Expert / Section Manager
 - Legal Specialist
 - Development Specialist
 - Development Specialist
 - Administrator / Accountant
 - Secretary
- ✓ **Municipal Infrastructure Grant (MIG)**
 - Project Management Expert / Section Manager
 - Project Management Expert
 - Engineer
 - Development Specialist (M&E)
 - Administrator / Accountant
- ✓ **Appropriate Technology**
 - Engineer / Section Manager
 - Development Specialist (M&E)
 - Project Management Expert
- ✓ **Monitoring and Evaluation**
 - Business Process and Systems Development Advisor / Section Manager
 - M&E Database System Manager / IT Expert
 - Senior Researcher
- ✓ **Business Plans**
 - Project Management Expert / Section Manager
 - Legal Specialist
 - Project Management Expert
 - Development Specialist
 - Business Process and Systems Development Advisor
 - Financial / Administration Specialist
- ✓ **Local Government Support**
 - Engineer / Section Manager
 - Project Management Expert
 - Engineer
 - Development Specialist (M&E)
 - Development Specialist (M&E)
- ✓ **One Stop Shop**
 - Project Management Expert / Section Manager
 - Project Management Expert



- Engineer
- Development Specialist (M&E)
- Development Specialist (M&E)

- ✓ **Water Services Sector Collaboration**
- Project Management Expert / Section Manager
- Development Specialist (M&E)

- ✓ **Change Management**
- Change Management Specialist

- ✓ **Information Dissemination**
- Information Dissemination / Communication Specialist

- ✓ **Institutional and Social Development**
- Development Specialist (M&E) / Section Manager
- Development Specialist (M&E)

- ✓ **Gender**
- Development Specialist (M&E) / Section Manager

- ✓ **Civil Society**
- Development Specialist (M&E) / Section Manager

- ✓ **Environment**
- Environmental Specialist

For each of the evaluation criteria used to select the winning tender the following weightings were applied:

- ✓ Preference:
 - HDI Ownership: Min 10
- ✓ Functionality:
 - Past experience: 15
 - Methodology: 25
 - Team capability: 25
- ✓ HDI participation: 7
- ✓ Price: 18

The BRIM consortium was the successful PSP to be awarded the tender and entered into what is referred to as a Management Support Contract / Technical Assistance Contract (TaC) with DWAF (running over 3 years starting in June 2004). As a part of studying the issue of project and programme management techniques and tools, the role played by the service consortium was reviewed. The purpose of doing so was to assess the extent to which it was contributing towards the realisation of goals and objectives of the SFWS and the extent to which it was providing the desired management support to the sector as part of the MSB II Programme.

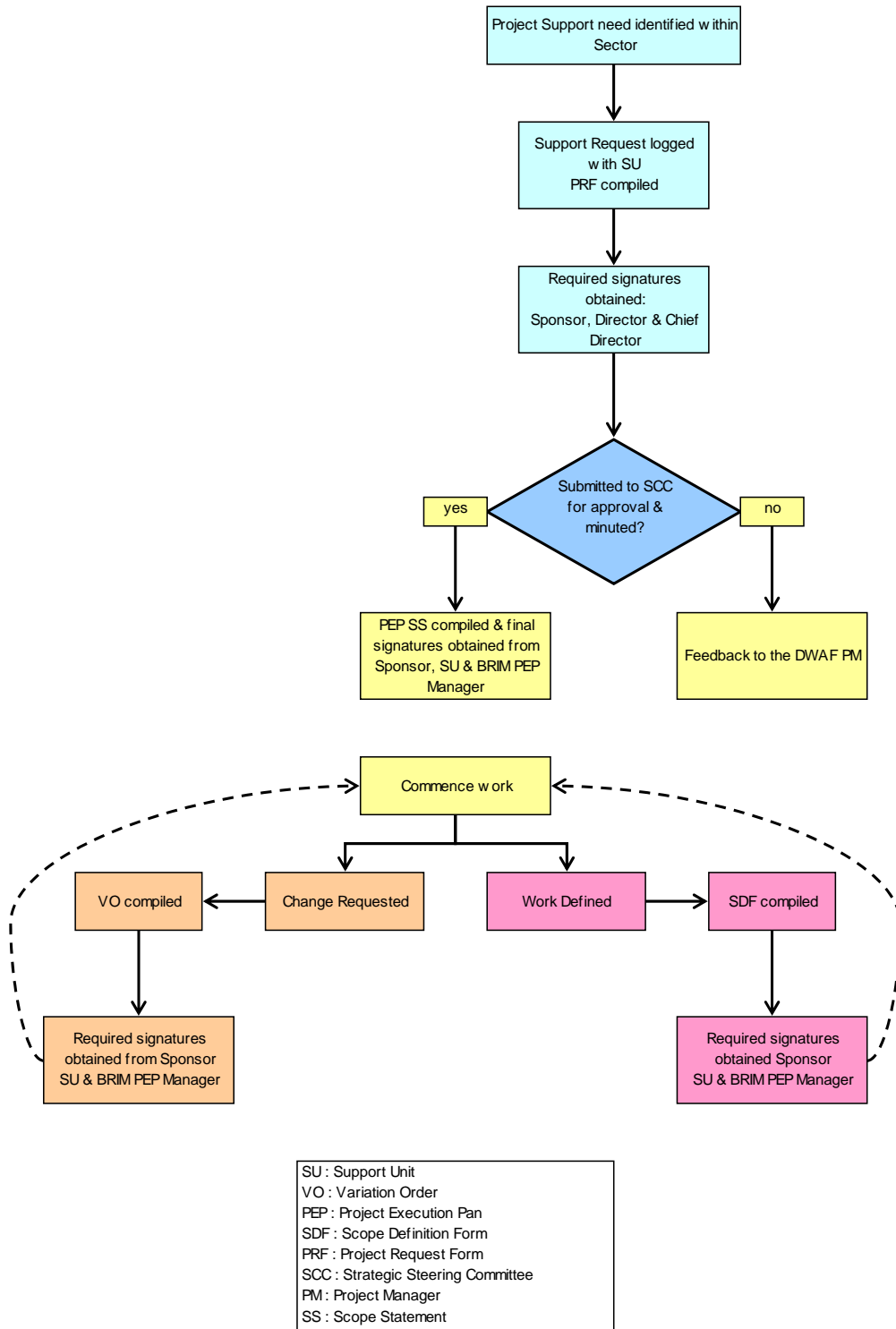
In terms of tools and techniques, the tender specified that the successful tenderer would apply the ten areas of management (as per the PMBOK of the PMI of the USA) in the overall programme management process (encompassing the 16 areas of support mentioned above). The utilisation of Project Execution Plans (PEP's) was also referred to as a tool for project management and performance assessment. Based on a site visit to and interviews with personnel with BRIM in Pretoria these tools were found to be in use. In addition to these the following programme management tools are also utilised:

- Organisational Management Principles;
- Excel Pivot Table – reporting (statistics, budgets, cash flows)
- MS Projects – time management;



- MS Excel – invoicing;
- Standard communications templates;

The overall process followed in the utilisation of the PEP's is shown in the diagram below.



Source: BRIM Consortium

In terms of understanding the role and benefits derived from the services of the TaC, there appears to be contrasting views and experiences between DWAF and other sector role players at the National level. Whereas a number of DWAF role players interviewed were of the opinion that BRIM



was providing a valuable support role to the sector and MSB II programme, non-DWAF sectoral role players appeared to be less informed about the role of the MSP or expressed reservations as to the extent to which they could derive value from there based on the skills mix available. This could suggest an inadequate amount of communication and awareness building on the management support role of the TaC to non-DWAF sector role-players and / or possible shortcomings in the extent to which the skills mix therein talks to the needs of these role-players. DWAF's dominance in the utilisation of this support vehicle is borne out by the fact that as of 30 September 2005, more than 95% of PEP's had been for DWAF⁵⁰. It must be noted that the TaC is an optional vehicle that has been made available to the sector role players and they are under no obligations to use it. Indeed the existence of a number of other management support vehicles (discussed below) supports this fact.

A comment was made that more appropriate branding of the TaC could be considered. Suggestions on possible branding such as 'Water Services Sector Programme Management Support' or 'Masibambane Support' were made.

One of the areas within which the TaC was perceived to be providing a good service was within the secretariat service covering the development of the Masibambane Coordinating Committee (MCC) Quarterly Reports. The WSSLG has also played an important role in encouraging and instilling the discipline to have the quarterly reporting meetings.

A common view between DWAF and other role players (at the National level) was that the BRIM TaC mechanism was not yet providing what could be defined as sectoral support but rather that its main focus was still primarily the provision of support to DWAF. This may be symptomatic of the primary contractual relationship that exists between BRIM and DWAF as opposed to other sector departments. In terms of reflecting the transformation goals of the sector it is positive that that the BEE equity within the consortium amounts to 71% and in terms of work undertaken up to 30th September 2005, 54% was allocated to HDI's.

At the provincial / local level mechanisms for programme management and secretariat support also exist. Institutions and individuals providing such services may be part of the National TaC - as the original ToR specified that the PSP needed to have a regional / provincial and local footprint. As mentioned above, regions, clusters and sector partners are under no obligation to use the resources available through the National TaC. It was found that at the provincial and local levels, other forms / vehicles of management support were being used. These generally fall into the categories of Technical Assistance Contract (TaC), 'Strategic Management Support', 'Staff Contracts' and Secretariat Support. It must be noted that these are not mutually exclusive categories and indeed there are cases where combinations and variations of these models are used. Furthermore these are not the preserve of Provincial and Local government as they are also used at the National level.

Technical Assistance Contract:

As has already been discussed above (in terms of the National TaC) the TaC can be seen as a pool of defined expertise and resources to be drawn on in response to the support needs of the entity to which they have been contracted. The ToR would typically define the types and numbers of resources required in various areas of support (as shown above). PEP's are used as a tool against which performance is managed. This form of support is also used at Provincial and Local Levels.

Strategic Management Support (SMS):

Under this form of management support a defined strategic management support function is established. Where such support is externally sourced a PSP would normally be appointed to work with the Provincial structures. The model is built on what can be termed the 'classical' approach where the organisational strategy (in this case provincial water services sector strategies) is developed and the SMS PSP works in a collaborative way to identify key initiatives required to implement the strategy. Resources are sourced through and with the assistance of the SMS PSP specifically to implement the identified initiatives via the issuing of customised ToR's.

⁵⁰ Based on responses from BRIM to written questions from the MTR team



Staff contracts:

This form of management support has been used to provide support especially at the municipal level (including through SALGA). The Western Cape, for example, plans to deploy contract staff to Project Consolidate Municipalities in the next financial year. Under staff contracts, individuals, typically at management or one level below, are contracted in for a specified period using funds outside the entity within which they are placed e.g. municipality. In terms of performance management, individual contracts and the general conditions of employment would apply.

Secretariat support:

As the name implies such support would typically provide secretariat services to (typically) provincial sector forums in the areas of document production, arrangement of meetings in terms of attendee invitations, taking of minutes and circulation thereof etc.

Questionnaires were developed for completion by representatives i.e. MSB Coordinators from the provinces covered under the evaluation study. The topics covered included:

- ✓ The main models / types of MSP being used in the provinces;
- ✓ An understanding of the factors that led to the decision to establish / have a MSP;
- ✓ The manner in which (the performance of) MSP's are managed;
- ✓ The benefits that have been realised from the MSP and the challenges faced;
- ✓ Key learning's for the future

The findings from these interviews are summarised below.



Summary of the various types of MSP and potential advantages / disadvantages mentioned of each

Model / Type of MSP	Advantages	Disadvantages	Comment
Technical Assistance Contract	<ul style="list-style-type: none">- Burden of the procurement of expertise / skills is reduced- Some flexibility to include additional resources / skills even after commencement of contract- Convenience of having access to a diverse pool of skills / resources	<ul style="list-style-type: none">- May not necessarily include the 'best' individual resources for the particular needs that exist	<ul style="list-style-type: none">- Where procurement processes can be characterised as particularly inefficient and onerous the TaC vehicle may offer an attractive alternative- Comment was made that although some skills transfer to DWAF staff has occurred, at times work executed should have been done by DWAF staff
Strategic Management Support	<ul style="list-style-type: none">- Greater ability to tailor the expertise sourced to the need identified	<ul style="list-style-type: none">- Can prove to be time consuming in sourcing specific skills for the interventions to be addressed	<ul style="list-style-type: none">- Assumes that the SMS PSP has strong strategic planning capabilities and experience and understands the sector well – they should also be able to invest the necessary amounts of time for the function. Person managing the SMS PSP i.e. National, Provincial or Local counterpart must be of calibre to effectively engage and manage SMS PSP.- Will typically be involved in provincial forums, working groups, management teams
Staff contracts	<ul style="list-style-type: none">- Offers an opportunity for more effective skills transfer and institutionalisation of capacity	<ul style="list-style-type: none">- Could be time consuming where organisational staff procurement processes are inefficient and act as obstacles to the acquiring of contract staff	<ul style="list-style-type: none">- The observation was made that in many cases due to the value demonstrated by the contracted staff, employment was continued even after the funding period had elapsed.- Used at both municipal and provincial levels- A risk mentioned was that because capacity constraints extend beyond the area of water, sector contract staff (ostensibly) may be tasked with broader activities beyond water provision
Secretariat support	<ul style="list-style-type: none">- Provides a valuable service in what tends to be non-core (but time consuming) function- Typically used as support to provincial sector forums	<ul style="list-style-type: none">- Can become too dependent	<ul style="list-style-type: none">- Secretariat function must respond to the business timeframes and needs of forum members



Many of the provinces appeared to be making use of some form of strategic management and secretariat support. In some cases support also extended to management of finances and administration

As mentioned earlier, these models are not mutually exclusive and some of the advantages / disadvantages apply across more than one. The selection of the most suitable model depends on the conditions that exist at the time. Some of the original MSB provinces may have had the opportunity to evolve various forms of MSP models over time. The typical drivers to the 'outsourcing' of support functions include:

- ✓ Obstacles to filling in of posts e.g. moratoriums, delays in approval of structures;
- ✓ Absence of and / or inability to attract certain types of required skills and expertise especially management and technical capacity;
- ✓ Ad hoc / temporary nature of the function which militates against permanent appointment
- ✓ Function is non-core to the organisation
- ✓ Augment the information / knowledge base of management towards making informed decisions and enhancing the integrity of strategic planning process and outputs
- ✓ Task overload on organisational staff i.e. time involved in operations leaves little time for strategic

As can be seen from the points above, some of the drivers are symptomatic of existing inefficiencies. The question could then be asked whether addressing the inefficiencies themselves would reduce the need for some forms of MSP. Where these are still required they could be better targeted for use in areas offering greater strategic impact. To get some idea of the magnitude of the problem of unfilled posts, figures from the Human Resource Plan of the DWAF Multi-Year Strategic Plan 2005/6 – 2007/8 were analysed. According to the plan, as at 30th September 2004 there were 1,470 vacant⁵¹ top, middle and junior management posts (consideration of vacancies. This represented about 31% of the total approved posts (for these levels). This would suggest that a considerable amount of management support utilisation (at least in the case of DWAF) may be going toward capacity substitution as opposed to capacity supplementation.

An important and common underlying factor across all forms of support is that effective management of the support structure needs to be in place to ensure that the desired deliverables and value are realised. The situation of capacity constraints and a lack of MSP counterparts within the entity receiving support do increase the risk of dependency by sectoral role players on such programme support structures. Clear terms of reference and letters of appointment specifying key deliverables were mentioned as an essential part of the overall framework of performance managing such support. The PEP is an important tool for performance managing under the TaC form of support. MoU's can be used to facilitate the secondment of contract staff to sectoral role-player organisations e.g. dplg and SALGA. The lengthening of the decision making cycle was also identified as a challenge as externally sourced personnel are limited in the extent to which they can make decisions that are binding on the department.

A complicating factor to the lack of capacity (based on interviews with National, Provincial and Local role players) was the apparent practice of appointing individuals to positions for which they are poorly qualified. Although not unique to local government, this practice severely undermines the national agenda of addressing poverty through the provision of basic services. Another complicating factor to poor capacity mentioned by this respondent group was high staff turnover rates present in some municipalities.

Based on a number of the provincial visits (admittedly not necessarily representative) the role played by MSP structures and the personnel within them was quite evident. As mentioned above, it is important that the capacity to effectively manage the various forms of management support be in place and the extent to which government capacity constraints compromises the ability to do so must be understood and addressed. The impact of lost opportunity for growth and development of internal

⁵¹ Difference between approved posts and number of employees on the establishment. Consideration of vacancies at low level supervision / production was deemed to be inappropriate as the use of MSP at this level is unlikely.



human resources due to the unmanaged (and perhaps over) use of such service providers / consultants was also raised as a concern.

MSB Coordinators were asked to indicate what key learnings can be drawn from experiences gained in the utilisation of MSP vehicles. In terms of responses given these included:

- ✓ Top sector management involvement with strategic support PSP's is key to realising strategic breakthroughs;
- ✓ If used properly, MSP's can increase the capacity of institutions to deliver on their mandate;
- ✓ Achieving the balance between decentralisation, independence and well managed support is complex;
- ✓ Ensuring PSP's have the necessary experience and time to allocate to the task
- ✓ Ensuring that there are counterpart staff for continuity (after completion MSP contract period)

Respondents interviewed were asked to indicate the areas for critical management support in the future - this would inform likely areas of support for the 2nd term of MSB II and possibly MSB III. These included:

- Broad WSP support to address issues of capacity around asset management, customer management, operations and maintenance etc. Staff contracting (with the provisos mentioned above) could be considered as the type of support here;
- Regulatory support. At this relatively early stage of assuming the regulatory role DWAF may still need to provide support to WSA to capacitate them to fulfil their local level regulatory functions;
- Change management support;
- Financial management support and coordination of inter-governmental relationships;
- Support to help DWAF grow into the role of sector regulator; Initially this will be about providing support to build awareness and understanding of the regulatory function, Once this has (largely) been achieved the issues of compliance and exercise of incentives / penalties on deviations come into play.

The type and volume of support will of course also depend on the extent to which proposed structures are approved and resources obtained to fill in defined posts.

One of the overriding benefits mentioned in the utilisation of the MSP's was that despite the capacity constraints being experienced, 'the work still gets done'. It is unlikely that the technical expertise and skills that such PSP's provide can or should be done away with entirely – trying to do so would perhaps be undesirable as it suggests that the sector would have to be capacitated beyond the optimal level where the external sourcing of capacity is strategically and economically justifiable. That the work still gets done however, might be taking a short term view of the situation as this may be at the cost of realising the SFWS goals of transformation, collaboration and service delivery decentralisation in the sector. The WIN sector collaboration review document (pg. 52 – albeit looking primarily at the Eastern Cape Province) makes reference to the concern that consultants have been used excessively during the reform process and that if they rather than sector role-players are driving reform, institutions are likely to continue doing business as usual. The capacity constraints reflected in terms of the 30% vacancy figures and mentioned by the majority of respondents as a reality, suggest additional effort is required to ensure that MSP's are not used as a buffer to remain in comfort zones and conduct 'business as usual'. The process of finalising organisational structures and addressing staff hiring process inefficiencies must be prioritised to guard against this.

4.1.3 Other areas of findings

According to the SFWS, the (sector leader) role of DWAF in water services can be defined in terms of 4 inter-related parts including:



- ✓ Policy formulation dealing with the setting of norms and standards for water services infrastructure;
- ✓ Regulator role involved in the monitoring of conditions specific to water services and making regulatory interventions to improve and / or ensure compliance ;
- ✓ Support through the provision of planning oversight in accordance with the needs and requirements of local government and water institutions; and
- ✓ Information Management which focuses on building, managing and maintaining knowledge capital within the sector

The extent to which DWAF has been demonstrating sectoral leadership (as a defining feature of MSB II and role as specified in the SFWS (pg 22)) was an area for investigation within the workstream. Based on the interviews conducted and provincial visits, the common view was that DWAF is still growing into the role of sector leader especially as it applies to the role of regulator. The impression gained from a number of the interviews held was that the practical nature of DWAF's role as regulator needed to be better understood. Amongst some role players there appears to be some question marks as to the suitability of DWAF to play the sector regulator role citing its position with regards to being the custodian of water resources. As an independent sphere of government it is also unclear the extent to which DWAF can effectively ensure the implementation of regulatory related decisions and / or apply sanctions at the local government level.

In terms of achieving the targets within the specified timeframes (as laid out in the SFWS), concerns were raised especially by role players interviewed on the provincial visits, on the extent to which required resources to achieve the targets have been / will be made available. Indeed, it is stated in the SFWS document that the targets that have been set are aspirational and exceed those of the Millennium Development Goals. Concerns about these targets and the achievability thereof were particularly acute at (as one would expect) the provincial and local government level with figures being presented to illustrate the gap between required resources (typically financial) and those that were made available and the implied timeframes within which backlogs (both water and sanitation) would be eradicated⁵². While the assumptions used to develop such illustrations can be contested, the main message to be taken away is that the feasibility of achieving (especially sanitation service delivery targets) is being questioned.

4.2 *Monitoring and Evaluation*

Monitoring is recognised as an essential tool in the SFWS needed for effective support and regulation. On the basis of relevant, timely and reliable information the need for programme / project interventions to protect the public interest can be identified. Monitoring also serves to inform upstream policy and strategy development as well as planning.

As with planning, the SFWS provides a number of principles that should guide the monitoring activity (SFWS, pg 57):

- ✓ The scope and comprehensiveness of the system should be controlled. Rather than having all-encompassing national management information and monitoring systems, consideration should be given to fit-for purpose systems that are more cost effective in and likely to enable the achievement of the desired strategic outputs;
- ✓ The design of the system must be closely informed by the objectives and clarity on how and why data is to be collected and used be provided. This distinguishes between 'nice to have and need to have';
- ✓ Compatibility between systems e.g. Water Services M&E system with the national M&E system for government departments, NIS for the water sector, MIG M&E, dplg data requirements and National Treasury should at all times exist;
- ✓ Duplications should remain at a minimum;
- ✓ Systems should be characterised as practical and user friendly;
- ✓ The public should have access to information dealing with the public provision of the service
- ✓ The role of enabler in improving the performance of water services institutions, that systems play should be kept in mind;

⁵² see MSB Programme Limpopo presentation (19th September 2005) as an example

- ✓ The development (and ongoing maintenance and running) of such monitoring systems should be seen as strategic by the organisation and located and resourced accordingly

The manner in which the function of monitoring is carried out and the outputs thereof should be of such a nature as to inform national policy and strategy, planning, support strategies and regulation (SFWS, pg 57). Ultimately the value of monitoring derives from the extent to which it contributes to improving the results achieved on investments made based on reliable, relevant and timely information on progress made.

4.2.1 **Background and Context**

In the role of service delivery implementer, and in accordance with legal requirements, policy and guidelines it was incumbent upon DWAF to develop an effective M&E process to ensure that all capital projects (under the erstwhile CWSS) were sustainable and met the required water service essential. DWAF established a Project Monitoring and Evaluation Unit at its Head Office and in each Province (with the exception of Gauteng) for the purpose on M&E of such capital and other projects. Despite the Water Services Act requirement that DWAF perform a regulatory function as sectoral leader and cease to implement water and sanitation projects, the M&E unit is still expected to cover such projects within the sector in terms of access to and coordination of information at National, Provincial and Local levels. Indeed as stated in MIG booklet (dplg, 2004, pg23), the responsibilities of DWAF in terms of MIG include among other things the 'monitoring of water sector related conditions and progress in meeting targets for water and sanitation'. , This of course poses some challenges when the department has no direct control over such information.

M&E was identified as one of the areas requiring support. In terms of Tender W8528 for the National TaC, the winning PSP was expected to fulfil the following M&E related (selected) functions under the areas of development and database:

- ✓ *Development*
 - 'Assist with the roll-out / implementation of the newly designed integrated M&E system to ensure that the system is available to all the municipalities;
 - Refine the current M&E processes and facilitate buy-in into the monitoring and evaluation process by the stakeholders (role players) in the Water Services Sector to ensure the adequate population of quality data into the M&E database;
 - Utilise the data from the M&E system to generate monthly and quarterly reports..
 - Provide ongoing support to municipalities to enable them to monitor their own sanitation and water services;
 - Continuously assess the management, reporting and M&E systems of the Department...;
- ✓ *Database*
 - 'Advise on the re-design of the M&E system...'
 - Provide system support to Local Government and Regional Offices;
 - Assist with the compilation of M&E report generated from the system;
 - Provide mentorship to the M&E staff relating to the above...

In response to the changing environment i.e. start of the MIG, the transformation of DWAF and locating of planning and implementation functions to local government, and uncertainty created on future availability of information, future requirements and role to be played in the collection and analysis of data, DWAF established a Strategic Sector M&E Task Team to give strategic guidance on the M&E function (Annual Report Masibambane, 2004). One of the functional groups responsible for the implementation of strategic initiatives identified by the task team was the MSB II Indicator Task Team. This task team was established to develop the indicators and targets for the programme, identifying reporting responsibilities (Water Services Sector Reporting Framework) and implementing processes therein. A Sector-Wide M&E Framework for Water Services (discussion document) has been developed in response to changing structure and roles within DWAF as well as the moving out of operational data for management information from under DWAF's direct control.



4.2.1 Findings on M&E

As part of its transition to the new role and phasing out of the older CWSS system, DWAF implemented a new system, the Performance Developer (PDF) system. The system aimed to streamline information and provide a one-stop process in efficient data capture and retrieval. From a study conducted on the implementation of the Performance Developer System (PDF) across the Provinces (Langa, Grossberg, Mncwango and Struwig, 2004), a number of issues were identified that had a bearing on M&E functions at the Provincial level.

One of the key findings from the study was that 'very few provinces had a dedicated M&E section which impacted on the capability of regional offices to deliver. M&E was seen to be a part-time function, and most staff was fully occupied with other responsibilities. Very few of M&E officials interviewed indicated that they had had M&E training and were struggling to conceptualise M&E functionality. In terms of process no standardised methods of reporting to H/O, sourcing and verification of data appeared to be in place. This would obviously lead to non-standardised reporting. At that point in time MIG was found to be a vague concept for most M&E officials across most provinces. Against these challenges it was perhaps not surprising that the PDF was not fully functional in most of the regions.

Some of the recommendations emanating from the study included (in summary form):

- ✓ Closer co-operation and communication between DWAF line managers and M&E officials in the provinces;
- ✓ Greater training support to centres where M&E is not functional;
- ✓ Provision of guidelines on the establishing and ongoing maintenance of the provincial M&E structure;
- ✓ The building of partnerships between sectors is especially important in light of the introduction of MIG. Greater awareness creation and understanding among M&E officials of implications of MIG

With respect to the impact that the start of MIG has had on M&E a number of views were expressed. Some of the concerns raised had to do with the longer than desired time taken to have an operational MIG MIS up and running which role-players could access and engage for purposes of obtaining information. The adoption of a sectorally collaborative approach (and the experience gained through MSB I) were mentioned as areas that could be leveraged in this regard. The expectation is that departments will work together in a way that facilitates monitoring and evaluation that meets the needs of parties concerned.

Although not directly attributable to the start of MIG, the concern over a lack of 'soft' information as opposed to financial / infrastructural data was also raised. Such information would help to better understand the outcomes / impact being realised from the area having the single largest sector investment. A comment was also made that sub-indicators for the institutional development and performance set of targets could be considered in order to better reflect the degrees of progress being made with respect to such targets. The lack of such indicators could give the impression that no progress had been made whereas this was not necessarily true.

On the specific question of the impact the start of MIG had had on the ability of M&E to develop the quarterly reports on progress being made on the SFWS targets, based on discussions with the M&E unit, it is encouraging to note that this has not been negatively impacted. With the exception for the period Apr to June 2005, information from dplg has been submitted for all quarters of the 2004/05 cycle. Testimony to this is the utilisation of dplg sourced information as part of the inputs towards preparing the variable tranche release report. Information from other sectoral departments has also been forthcoming with the main challenge being differences in reporting cycles as is the case with the Department of Health

It is in the interest of DWAF and indeed the sector as a whole to ensure the successful roll out of an operational MIG MIS. This should improve process efficiencies related to M&E and enable DWAF to play an effective information management role (as part and parcel of its sector leader role).

Reporting:

In terms of reporting and other mechanisms used to ensure the successful management of the MSB II programme, the MCC was raised as an important vehicle through which the performance of the sector is managed. The work plan tool was another important tool mentioned.

The MCC forum is an important structure / mechanism for (among other things) ensuring effective reporting on and M&E of the progress that has been made with respect to achieving the goals and targets of the SFWS goals as well as MSB II indicators and targets. A healthy forum could be described as one with effective and consistent representation and input from sectoral role players. It could also be characterised as one where the information on which reporting is done is timely, accurate and appropriate. Based on the interviews the following factors were mentioned as obstacles to achieving this:

Attendance at the MCC meetings appears to be waning possibly due to the establishment of the MIG and perceived decline in the power and influence of the MCC;

Representation from sectoral role players in terms of breadth is also something that needs to be worked on.

The differences in reporting cycles between role players e.g. annual versus quarterly cycles was also mentioned as a challenge to the reporting function

A challenge identified on the practice of M&E within the department was that of consolidating the M&E functions that exist within various units in the department. Problems of duplication that result on reporting overload for WSA's, cost inefficiencies etc are some symptoms of the current situation. This is a challenge not unique to DWAF and the Information Acquisition Model is one of the initiatives being pursued towards addressing such challenges. This is an approach to coordinating the collection and storage of information in the sector. It is envisaged that a national repository will be developed and made accessible to sectoral role players. This is related to strategic objective 11.5 (DWAF 5 year Strategic Plan 06/07 – 10/11) that refers to the 'establishment and maintenance of a National Information and Reporting System'. The Sector-wide M&E framework for water services is also a response to the challenges posed by the moving out of operational data from DWAF's direct control (mentioned earlier).

A requirement of the envisaged overarching sector M&E system (and systems therein) is compatibility with other M&E systems. As indicated in the SFWS, compatibility with the national M&E system for all government departments, the MIG M&E system, DPLG data and National treasury requirements is necessary.

4.3 *Change Management:*

In any organisation undergoing the significant redefinition of role (that DWAF has undergone) the management of the personnel uncertainties and fears is an important part of ensuring eventual success. Such uncertainties and fears have an impact on the ability with which the department is able to effectively lead the implementation of programmes like as MSB II. The question of whether a change management programme has been implemented in the department was investigated.

Change Management was identified as one of the areas requiring support in terms of the Management Support for Water Services Sector tender awarded in terms of a TaC. In terms of the scope of work the PSP would be expected to fulfil the following (selected) functions:

- ✓ 'Identify key priority issues that require attention to ensure change readiness...in terms of
- ✓ Resistance to change;
- ✓ Core skills development; and
- ✓ Lack of organisational capacity for change
- ✓ Develop a Change strategy;
- ✓ Develop a change management roll out plan;
- ✓ Draw up formal programs and develop material for the development of Change agents;
- ✓ Formalise a communication strategy.'



By most accounts there does not appear to have been a systematic change management programme that has been put in place to journey manage the transition of DWAF from 'implementer' to 'sectoral leader'. Where change management initiatives have taken place this appears to have been done at the initiative of individual units rather than as part of an overarching programme. It was mentioned that part of the role of MSB coordinators was to act as change agents however in the absence of an overarching guiding framework; this would prove very difficult e.g. standardisation of messages in communication becomes difficult without such an umbrella.

It is important that DWAF as the sector leader in conjunction with the key role-players of DPLG and SALGA appreciate the risks associated with the lack of change management (as appears to be the case. Some of these include:

- ✓ Low morale, burnout and increased staff turnover
- ✓ Loss of skills / capacity threatening the ability to fulfil sector leadership role (as emphasised in the SFWS
- ✓ Limited ability to mobilise the support of (especially local government) sector role players due to a lack of understanding of the sector journey therein

5. Overall implications:

Relevance of the MSB II programme:

The MSB Programme remains relevant for a number of reasons:

- ✓ Human capacity constraints in terms of numbers and skills profile continues to be a challenge and the support provided through the programme is crucial to addressing this
- ✓ Related to the issue of capacity constraints, the goals of decentralisation of service delivery cannot be achieved without adequately capacitated local level institutions. Again, this is an area in which MSB plays an important role
- ✓ Without a formalised programme such as MSB, achieving the strategic requirements of transformation will be made that much harder
- ✓ Sustainability is a key message emanating from the SFWS and in this regard MSB is designed to build sustainability in the sector. The absence of this component from infrastructural delivery increases the risk of (future) breakdown of systems and accompanying civil unrest.

It could be argued that the reasons given above do not necessarily make the case for the relevance of the MSB programme per se in that an alternative form of sector support could conceivably be designed and established. The lessons and experience gained through as well as credibility built for the MSB however make a strong case that this be the basis on which support to the sector continues to be provided.

Project Conceptualisation and Design:

Based on the findings from the National interviews the MSB II programme conceptualisation and design was characterised as sector collaborative in nature.

Based on the views of some non-DWAF sectoral role-players interviewed, the conceptualisation and design of the skills mix contained in terms of the National Technical Assistance Contract could be adjusted to better suit the needs of such role-players

Programme Sustainability:

One of the risks to programme sustainability is over reliance / dependency on externally sourced capacity through management support vehicles. Concerns on the lack of capacity to effectively manage and partner with external personnel were raised. The sector would do well to rapidly address process inefficiencies and delays on organogram approvals that are preventable drivers of MSP demand



6. Draft recommendations:

- ✓ Leverage the strength of sectoral buy-in and commitment to the SFWS and MSB II planning process as part of consolidating DWAF's sector leader role. This however needs to be underscored by ongoing demonstration of the value add DWAF provides to the sector as a leader;
- ✓ Ensure that the SFWS remains the cornerstone / point of departure for sectoral planning and is kept updated to changes and development in the sector where relevant;
- ✓ Provide political support to provincial forums (e.g. championed by provincial MEC's for Local Government). This would lend weight and credibility to the structures that may start to address shortcomings in participation and decision making authority;
- ✓ Increase the level of awareness of and service provided to (particularly) National sector role-players by National TaC;
- ✓ Consider new / innovative methods of addressing human capacity constraints balancing the need for externally sourced management support with managing the risk of unhealthy influence of and / or dependency on such support. In this regard inefficiencies (e.g. long lead times) related to the approval of structures and staff appointments need to be addressed
- ✓ Rapidly move towards finalising the roll out of an operational MIG MIS that will enhance sectoral M&E;
- ✓ Address shortcomings in the M&E units of provincial DWAF offices (as highlighted in the study on the regional implications of the PDF system in DWAF);
- ✓ Rapidly move towards obtaining support for the current initiatives to create a coherent M&E framework / model for the sector underpinned by efficient and coordinated data collection, consolidation, analysis and dissemination
- ✓ Development and implementation of an overarching and comprehensive change management programme for the sector as a whole as well as internal DWAF
 - Encompass change management as a journey process of aligning people and culture to strategy, structure and systems
 - Communication programmes, programme sponsorship, managing emotions, change monitoring etc



ANNEXURE 5.7: GENDER MAINSTREAMING AND SUSTAINABLE SOCIAL DEVELOPMENT

1. RATIONALE

Gender Equality and the need to Mainstream Gender in order to level the playing fields of a patriarchal society, forms an integral part of the countries constitution hence governance policies and frameworks.

South Africa has contributed and aligned itself to international forums where successful policies and declarations on Gender Equality and Mainstreaming Gender have been “designed” and put into operation.

On the 8th of May 1996 the Constitution of the Republic of South Africa was adopted and subsequently amended on the 11th of October 1996. Through the constitution, the South African Government committed itself to building women’s equality and ensuring their emancipation. Its clause in section 9 (3) further emphasises the issue of equality “the state may not unfairly discriminate directly against anyone on one or more grounds, including race, gender, sex, pregnancy, marital status”

South Africa is a signatory to The United Nations Universal Declaration of Human Rights. Article 1 of the Declaration states that “All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood”/sisterhood. Article 23 further states that “Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment. Everyone, without any discrimination, has the right to equal pay for equal work. Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.”

Article 26 indicates that “everyone has a right to education”. It further elaborates that “Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit”. “Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms.”

Article 27 states that “Everyone has the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits”.

The Beijing Platform of Action in item G 181 on Women in Power and Decision-making refers to the empowerment and autonomy of women. The improvement of women’s social, economic and political status is essential for the achievement of transparent and accountable government and administration and sustainable development in all areas of life.

“The Power relations that prevent women from leading fulfilling lives operate at many levels of society, from the most personal to the highly public.” The item refers that achieving the goal of equal participation of women and men in decision-making will provide a balance that more accurately reflects the composition of society and is needed in order to strengthen democracy and promote its proper functioning. “Without the active participation of women and the incorporation of women’s perspective at all levels of decision-making, the goals of equality, development and peace cannot be achieved.”

Item G187 clearly states that “ The equitable distribution of power and decision-making at all levels is dependent on Governments and other actors undertaking statistical gender analysis and mainstreaming a gender perspective in policy development and the implementation of programmes”.



With reference to Strategic Objective G1 which states “Take measures to ensure women’s equal access to and full participation in power structures and decision-making”, the action to be taken refers

in Item 190:

“Governments must commit themselves to establishing the goal of gender balance in governmental bodies and committees, as well as in public administrative entities, and in the judiciary.” “This includes inter alia, setting specific targets and implementing measures to substantially increase the number of women (including qualitative) with a view to achieving equal representation of women and men, if necessary through positive action.”

“Monitor and evaluate progress in the representation of women through the regular collection, analysis and dissemination of quantitative and qualitative data on women and men at all levels in various decision-making positions in the public and private sectors. Disseminate data on the number of women and men employed at all levels in Governments on a yearly basis; ensure that women and men have equal access to the full range of public appointments and set up mechanisms within governmental structures for monitoring progress in this field.”

And in Item 192

To be actioned by Governments, national bodies, the private sector, political parties, trade unions, employers’ organisations, research and academic institutions, subregional and regional bodies and non-governmental and international organisations:

“Restructure recruitment and career-development programmes to ensure that all women, especially young women, have equal access to managerial, entrepreneurial, technical and leadership training, including on-the-job training; Develop career advancement programmes for women of all ages that include career planning, tracking, mentoring, coaching, training and retraining”.

The Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), adopted in 1979 by the UN General assembly, is often described as an international bill of rights for women. Consisting of a preamble and 30 articles, it defines what constitutes discrimination against women and sets up an agenda for national action to end such discrimination. South Africa is currently a signatory to CEDAW.

The Convention defines discrimination against women as “...any distinction, exclusion or restriction made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women, irrespective of their marital status, on a basis of equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field”.

The principles set out in the Dublin International CEDAW Conference on Water and Environment (1992) calls on all to recognise the importance of empowering women in the provision and management of water and sanitation services.

In order to effect the mandate of the constitution, legislation and policies were developed. Relevant to the water sector is the Water Services Act of 1997, the National Water Act of 1998 and the White Paper on Water supply and Sanitation Policy of 1994. These policy documents do not adequately capture South Africa’s commitment as stated in the Constitution, neither does it adequately contain South Africa’s alignment to International policies and frameworks on mainstreaming gender and sustainable social development.



It has been observed that the current tendency in the Water Sector is to focus primarily on urgently addressing the backlog that is assumed to affect women and men equally. The question was often raised: "Why should we place any emphasis on women when we have to address urgent backlogs that affect a community that consists of women, men and children?" The provision of water and sanitation services cannot be addressed in isolation, without consultation and in oblivion to the realities and context of the socio-cultural and socio political environment in South Africa. See quotations from the Beijing Platform of Action to which South Africa is a signatory - items G181, G187, 190 and 192.

Who knows better about the supply, provision and usage of water and sanitation services than the women and girl child who are traditionally responsible for the fetching of water from the river, clean and maintain the sanitation facilities! Women are primarily responsible for guiding and monitoring children on the usage of water and sanitation and are the providers of education on health and hygiene. Women traditionally perform reproductive and nurturing roles (performs those functions that facilitate the environment so that men can go to work and children can go to school) within the household and the community. Women are directly affected by the access to and lack of access to water and sanitation services. Women are even more affected by the lack of maintenance thereof.

It is clear from the countries constitution, national and international frameworks and legislation guiding South Africa on Gender, that Gender Mainstreaming also means encouraging women to engage in the forefront of economic activity to gain economic independence. Given the traditional roles of women in urban and rural communities, this economic independence is foreign and linked to a range of socio-cultural and socio-political issues.

The transformation of society, its cultural and social belief systems is a fundamental process that poses many challenges. Much of this is evident in the findings of the water and sanitation services sector. If these belief systems are not rigorously, appropriately and structurally challenged and addressed, then the potential for behavioural change and transformation becomes a longer yardstick for measure, application and implementation.

Definition: Gender Mainstreaming

To create a **safe enabling environment** in the water and sanitation services sector for **women and men to participate equally in realising their full potential** and put in place **mechanisms to facilitate equal access to resources and opportunities** in a **fair and just** manner at **all levels**. The emphasis must be to **facilitate the full participation of women, youth, the physically challenged and the voiceless poor male, in equal and active decision making and service delivery**, so that **effective sustainable social and economic empowerment** can take place. (Source: South African Constitution, United Nations Universal Declaration of Human Rights, The Beijing Declaration and Platform for Action, CEDAW.)

Successes achieved in the Sector:

- ✓ The development of a National Implementation Strategy for Gender Mainstreaming
- ✓ The formulation of a Gender Mainstreaming Strategy and action Plan by the Regions viz. Western Cape, Eastern Cape, North West, Free State.
- ✓ The emphasis on Gender equity and its application in the procurement policies of the sector despite the quantitative emphasis only.
- ✓ The emphasis on Gender Equity in Staffing and its application
- ✓ The identification of a need for a "Gender Director" at DWAF. Recruitment and appointment processes are currently in progress. The role and job description of the director has not been reviewed in this process.
- ✓ The compulsory participation of 50 % women and 50 % men in Project and Village Steering Committees is achieved and sometimes exceeded in the number of women in some regions



- ✓ The ability of women to lead effectively and articulate their needs strongly is evident in one of the groups in one of the provinces visited.
- ✓ A general Awareness that Gender Mainstreaming is important at all levels.

2. CONTEXT

The Strategic Framework For Water Services dated September 2003 does not include Gender Mainstreaming nor Sustainable Social development in its set of nineteen targets on pages 10 and 11. It is neither mentioned nor contained in the list of key performance indicators for the water services authority on pages 61 and 62 of annexure 2. Gender Mainstreaming and Sustainable Social development is listed as an item under Sector Goals on page 9 in item number 3 and under key principles informing the institutional vision on page 14 in item number 9.

The findings, implications and recommendations of this study are therefore based on the objectives agreed on between Diversity and Transformation Solutions and the client as listed in the Inception Report for the Mid Term Evaluation of the Masibambane II approach.

3. FINDINGS

Objective: Sector Collaboration

Findings:

- ✓ Gender Mainstreaming is identified and approached as a separate entity, that is constituted as Gender Forums at provincial and national levels using a multi sectoral approach with the aim to eventually integrate it as a cross cutting issue.
- ✓ Since no policy or implementation strategy refers to this, there are no guidelines to inform the transition.
- ✓ There is a general lack of understanding on Gender Mainstreaming and how it is cross cutting.
- ✓ Gender Mainstreaming will always be seen as a separate focus area the application of which will be left to a select few that are a part of the Gender Forums or to women in the sector – e.g in the Free State.

Recommendations:

The National Gender Implementation Strategy must clearly provide guidelines on the transition from a focussed Gender Forum to the application of Gender Mainstreaming as an integrated cross cutting issue in the water and sanitation services sector.

Objective: Link between DWAF's Capacity Building and Sector Capacity Building Initiatives

Finding:

- ✓ There is a general lack of understanding on "Gender" as a concept. How to Mainstream Gender is a critical gap at local level in Provinces.
- ✓ Gender cannot be effectively and efficiently mainstreamed or applied as a cross cutting issue.
- ✓ Although Masibambane Coordinators are a part of the Provincial and National Gender Forums, there is a tendency for some men to exclude themselves from the process, waiting for women to lead on issues relating to Gender in the Province.
- ✓ This lack of understanding and in part, acknowledgement that the concept of Gender refers to people (women and men), is integral and deserves respect contributes to a lack of sensitivity when Gender is referred to as the "Gender thing" and women in the room as "that thing". This was observed during a provincial visit at a plenary session.



- ✓ This brings into question the training received, the emphasis on ongoing training and development, the involvement of all relevant stakeholders especially the participation of coordinators in the planning, discussion and design of the national gender mainstreaming strategy that was written by a consultant. Although it has been verified that the consultant compiled the national implementation strategy through a participatory process with all stakeholders, the understanding of the contents and its application is questionable especially after interacting with the Masibambane coordinators.
- ✓ There is a general lack of understanding of the need for a gendered approach in the water and sanitation services sector when the provision of both are addressing basic needs of women and men (e.g technical staff and consultants).
- ✓ Gender Mainstreaming is not seen and applied as a fundamental and integral component of application and implementation by all sector partners in the water and sanitation services sector.
- ✓ Many provinces in application believe that Gender Mainstreaming is achieved when the composition of Steering committees and the procurement of service providers is equivalent to at least fifty percent women and fifty percent men.
- ✓ There is a compulsive need to constantly hire consultants to introduce new ideas whilst existing and documented ideas are not effectively implemented.
- ✓ In order to establish a plan of action, consultants are engaged to conduct research and surveys with schools, households and farm-holds with terms of reference that do not include gender specific data. Consequently, the data captured does not reflect the number of women and youth headed households and farm-holds. Neither does it measure the impact of an absence of access to water and sanitation services on women, youth and the girl child.

Recommendations:

- ✓ Demystify Gender as a concept, especially its qualitative application and capacitate the sector (national, provincial and local) on mainstreaming gender as a compulsory intervention on an ongoing basis. Incoming role players must have access to this capacity building as part of their orientation to the sector.
- ✓ Focus on applying the National Gender Mainstreaming Implementation Strategy as documented. It is the challenges in implementing the strategy that needs to be addressed.
- ✓ Gender Mainstreaming and Sustainable Social Development must be a standard item in the terms of reference, business plan and implementation plan for all Service Providers engaged.
- ✓ Effectively capacitate trainers from Community Based Organisations and beneficiaries with skills on Gender sensitisation incorporating culture as a fundamental basis for current practices and the challenge of creating a balance.
- ✓ Put in place mechanisms for monitoring, follow-up support and mentoring.
- ✓ Put in place an increased budget for the capacity building of beneficiaries.
- ✓ Effectively and rigorously capacitate Masibambane Coordinators through training mentoring and coaching on Gender and the application of the National Gender Mainstreaming Implementation Strategy so that provincial operations can be guided.

Objective: Future Implementation and Sustainability of Approach

Findings 1:

- ✓ Gender Mainstreaming is not the priority at provincial level and this is articulated in so many words.
- ✓ Although there is a keen interest to get the formula correct Gender Mainstreaming does not receive the emphasis intended for it is not linked to a budget line against which performance is measured.
- ✓ Although the National Gender Mainstreaming Implementation strategy contains a major section on appropriate budget allocations, this document has been in the process of being formulated and confirmed for the last three and a half years. It has only just been finalised. This brings into question the true prioritisation of Gender Mainstreaming by the sector leader and sector partners at national level.



- ✓ It is a stated and legislated fact that Municipalities operate autonomously and all major sector stakeholders including the sector leader indicate that Gender Mainstreaming can only be advocated at implementation level.
- ✓ Gender Mainstreaming forms part of a string of portfolios allocated to staff at national, provincial and local level. The general feedback at local level, where implementation happens, is that much time is spent on reporting to all sector players and that this takes precedence over effectively planning and implementing cross cutting issues.
- ✓ The feeling is that Gender Mainstreaming is a process and not an event and we therefore need to appeal to the donor community for more time.
- ✓ DWAF had excess funds and called for budgets to allocate funds to cross cutting issues. Only Johannesburg responded. According to DWAF there is a complete lack of understanding on how to utilise funds in this category – especially Gender Mainstreaming. When municipalities were asked why this fund was not accessed, they indicated that the red tape and time lines for delivery are unrealistic because excess funds are realised towards the end of the financial year end. This indicates a clear lack of financial planning and priority given to cross cutting issues.

Recommendations:

- ✓ It is crucial for all sector role players to note that Gender Mainstreaming is an integral Sector Goal of Masibambane. For Gender Mainstreaming to receive the priority it deserves, the Strategic Framework must be revised to include Gender Mainstreaming and Sustainable Social Development as Sector Targets and Key Performance Indicators. The term “cross cutting issue” does not imply inclusion on the periphery of key operations but means that Gender Mainstreaming (for e.g) must be an integral component of every operation.
- ✓ Cross cutting issues, especially Gender Mainstreaming and economic development must be prioritised budget items in order for sustainable and socio-economic development to take place. The water and sanitation sector can become more compliant with South Africa’s policies on protecting and enhancing the human rights and dignity of women, youth, the girl child and the voiceless poor male through effective, participatory, consolidated and integrated interventions. This in turn can contribute to an increase in revenue for the sector. MIG is best placed to ensure that this occurs.
- ✓ Some representatives from SALGA are of the opinion that to ensure the implementation of Gender Mainstreaming as a cross-cutting issue by Municipalities, it is imperative to create a solid, coherent understanding and “buy-in” on the concept and legislate it. This idea received support from the Commission on Gender Equality and Mvula Trust. The concerns articulated by the sector leader and DPLG is that Municipalities are already inundated with having to currently implement 9 legislations. The emphasis must be a strong understanding and “buy in”.
- ✓ Given the complexity, capacity and implications of the above, it is recommended that a full time staff person be placed by MIG in each province to create an awareness (intra and inter) and ensure that all cross cutting issues are integrally incorporated into all operations at local level. The role of this person should be to also perform a monitoring, mentoring and coaching role.
- ✓ Appropriate, efficient and effective mechanisms must be put in place and applied at all levels to ensure that Gender Mainstreaming and Sustainable Social Development, as a process, does take place.

Findings 2:

- ✓ Training of Beneficiaries is fragmented and not structured to achieve the objectives of the Masibambane Approach. For example training of trainers on Health and Hygiene by NGO’s and sector partners.
- ✓ Gender Sensitisation is not included in any training targeted at trainers nor the beneficiaries.
- ✓ The capacity building is ineffective, limited in duration and leaves the trainers with a lack of confidence, limited understanding and knowledge to effectively train beneficiaries.
- ✓ The planned multiplier effect at beneficiary level is not as effective as planned.
- ✓ If ongoing training, development, mentoring and monitoring does not occur at beneficiary level, the cleaning and maintenance of VIP pit toilets is compromised and can contribute to major health hazards for beneficiaries, for example Ecoli. The health of women and children (esp. the girl child) who are more susceptible to picking up infections is specifically compromised.



Recommendations:

- ✓ Integrated effective capacity building of beneficiaries – IDP and MIG
- ✓ Mechanisms to effectively monitor Preferred Service Providers (including Non Governmental Organisations), on the quality and impact of training must be put in place
- ✓ The effective use of the budget allocation to PSP's on training and development must be monitored.
- ✓ Training interventions must be standardised, accredited and ongoing.
- ✓ Increased budget to be made available for Training of Trainers interventions.

Findings 3:

- ✓ There is inadequate and ineffective capacitation of women beneficiaries in leadership positions.
- ✓ **Men in Project Steering Committees and Village Steering Committees are able to marginalise women from work involving manual labour traditionally done by men (digging and building top structures of VIP toilets) in some regions in Provinces e.g Eastern Cape. It is the general perception that laying pipes is a suitable occupation for women since it requires very little manual labour.**
- ✓ Little emphasis is placed on the qualitative and meaningful participation of women especially at local beneficiary and leadership level. Women are voiceless and powerless and are easily influenced in some instances even where there is a minority of women in PSC's and VSC's. Some regions have a strong representation of articulate women at community level (by observation: Eastern Cape) whilst others don't (by observation: KZN).
- ✓ **The application of women's democratic and human rights are compromised.**
- ✓ The changing role of women in the community impacts on her traditional/cultural role in the household. She may have a voice in the community but, must remain subservient and voiceless in the household. This limitation must be brought to the forefront for it impacts on women who become breadwinners (non traditional role) in the household and subsequently threatens the role of the culturally accepted breadwinner (the man).

Recommendations:

- ✓ Structured capacity building by IDP's and MIG. The capacity building interventions must include the democratic and human rights of women with an emphasis on addressing the transition and negotiation of roles of women leaders in the home front. These interventions must not be restricted to women since women are often the converted. Men (esp. men from households of female leaders) must form an integral part of these interventions.
- ✓ Monitoring of PSP's and NGO's on quality and impact of training interventions.
- ✓ Increased budget to be put in place by MIG to capacitate women and men with the relevant skills.

Findings 4:

There is a loophole in the founding documents (constitution) of the Project Steering Committees and Village Steering Committees. The constitutions are not aligned to the Countries Constitution, CEDAW, the Beijing Declaration and Platform for Action, and The UN Universal Declaration of Human Rights, the basis on which all gender policies in the country are formulated.

The Gender Mainstreaming Implementation Strategy: The formulation of this document started three and a half years ago and is reported to only just being completed. The strategy document does not place emphasis on the beneficiary, is silent on the socio-cultural impact of water provision, skills development and the economic empowerment of women beneficiaries. The strategy does not clearly define the responsibilities of sector players.

Men in leadership positions can request sexual favours and or pay packs from women to facilitate employment or exercise power and control as Chair persons to demand sexual favours without being held accountable for their actions by a constitution. This was



evidenced in one of the provinces and Gender representatives acknowledged that there is a possibility that this may be occurring in two other provinces. It is a known fact that socio-cultural factors and the justice system (in our diverse South Africa) contribute to women not openly articulating issues of this nature and refuse to seek assistance. Women take personal responsibility and prefer to sweep issues under the carpet. According to CEDAW, The Beijing Declaration and the United Nations Universal Declaration of Human Rights, this constitutes Violence against women. This impacts on the Democratic and human rights of a woman to be protected by policy and or founding documents that are directly accessible.

The effective and consolidated implementation of a Gender Strategy has been deferred for the last three and a half years.

If the Implementation Strategy has the said gaps, then the effective mainstreaming of Gender and effective Sustainable social development is further compromised.

Recommendations:

- ✓ Ensure that the constitution of Project, Village Steering or Ward Committees are aligned to key policies governing the country to protect the human rights, dignity and legal rights of women (including single, unmarried/single mothers and widows), youth and the physically challenged.
- ✓ The National and Provincial Gender Implementation Strategies must provide guidance in the formulation of the constitution.
- ✓ More emphasis must be placed on capacitating and creating an awareness on the Human and Legal Rights of women and children, violence against women and children and the local support structures available.
- ✓ The National Gender Mainstreaming Implementation Strategy is further reviewed and communicated with action plans to capacitate implementors at all levels with urgency.

Findings 5:

Economic empowerment of women to maximise the use of “free time” after the provision of water is limited to the provision of basic skills in sewing, beadwork, vegetable gardens (limited) and arts and crafts in some provinces. Again, the structured approach to capacity building is questionable.

Access to water is limited to personal use – an average of 8 litres of water per person per day, a maximum of 24 litres of water per household (verify).

Access to entrepreneurship skills to engage in cooperatives or micro enterprises or access markets is not considered nor being planned at this stage.

The socio-cultural event of fetching water gave women the opportunity to discuss personal problems in confidence and seek advice especially from older women. With the provision of water, women no longer enjoy this interaction and see it as a limitation.

The implications these will have are as follows:

- ✓ Technical skills alone do not create economic empowerment. Without access to markets and entrepreneurial skills, the end result is not achieved.
- ✓ Limitations placed on access to free water, limits the potential for gardening, some arts and crafts eg pottery, and rearing livestock as income generating activities.
- ✓ Women do not have the privacy they need because most often, the men are unemployed and sitting around the household.

Recommendations:

- ✓ A holistic and effective approach to economic empowerment be engaged to empower beneficiaries in collaboration with sector partners, e.g Local Economic Development, Dept. of



Social Welfare, IDP. This creates the opportunity for women to utilise this “free time” productively to generate an income which can in turn generate revenue for the sector. DPLG with MIG is best positioned to lead this and facilitate a budget.

- ✓ Engaging in income generating activities through cooperatives and enterprises will in addition provide women with the privacy for socio-cultural activities.

Finding 6:

Women are expected to give off their time and effort to develop and train their community without adequate (sometimes no) compensation. Only members of the Project and Village Steering Committees receive monetary compensation for each meeting attended. This ranges from R65 per meeting to R85 per meeting in the different provinces. Women are also recruited as volunteers, trained as trainers by PSP's, paid a sum of R200 per month in some instances for a period of three months and are subsequently expected to train other beneficiaries at no charge.

The following limitations and implications are applicable and/or emerge:

- ✓ These very women are unemployed, live below the bread line and are mothers of their own children, that of siblings and in many instances also grandmothers of orphans (HIV/Aids).
- ✓ This perpetuates the violation and abuse of women and disrespects the monetary value of their time, effort and intelligence.
- ✓ This further violates the national constitutional rights of women, international and national policies protecting the rights of women and adds to the fact that women are expected to take responsibility and sacrifice for the provision of and access to basic needs – food, water, sanitation and shelter.
- ✓ The multiplier effect is intended but not structured, not informed, not budgeted for and not supported hence compromised.
- ✓ PSP's feel this is beyond their control since the development fund of the budget received by themselves is too limited and confining.

Recommendations:

- ✓ If meaningful capacity building is to take place within the national and international policy guidelines protecting the rights and interests of women, then:
 - appropriate budgets must be made available,
 - adequate, consolidated, accredited and holistic capacity building of trainers with mentorship, coaching and follow-up must take place.
- ✓ Trainers engaged at beneficiary level must be adequately remunerated.

Finding 7:

Appropriate Technology and Operation and Maintenance

There are reported incidences of limited needs analysis before the provision of water and sanitation services.

The lack of access to sanitation facilities at schools

The lack of emphasis and budget for operation and maintenance impacts on the lives of women and children.

Implications:

- ✓ The needs of women and the physically challenged using wheel chairs are not considered in the design of VIP Toilets.
- ✓ This forces them to revert to the use of bushes once again creating an unsafe environment.
- ✓ Water pipes and reservoirs are inadequate



- ✓ Girl children do not go to school during their menstrual cycle.
- ✓ Increase in population and number of persons per household (influx of population) renders appropriate technology inappropriate. This contributes to major health and hygiene issues and is traditionally expected to be addressed by women eg. Odour and cleanliness.
- ✓ Mal-Functioning technology due to the lack of maintenance impacts on women and children – back to fetching water
- ✓ The lack of maintenance impacts on the water quality which in turn impacts on the lives of all especially women and children. Women are expected to care for the ill despite them being ill themselves.

Recommendations:

- ✓ Appropriate and adequate consultation must occur in determining the needs of a community especially in relation to the size and design of VIP's and the water pipes and reservoirs.
- ✓ Backlogs of Water and Sanitation Services to schools be given high priority.
- ✓ Operation and Maintenance be given high priority.

Finding 8:

Access to Water linked to HIV/Aids pandemic

Access to water is limited to 8 litres per person per day and a maximum of 24 litres per household.

Implications:

- ✓ The necessary development of food gardens for people to access cheap and nutritious food is limited especially those infected with the HIV/Aids virus. Fresh fruit and vegetables are a few of the basic necessities required to stimulate and strengthen the bodies immune system.
- ✓ Limited access to fresh water for consumption and the growth of fresh fruit and vegetables expedites the deterioration of the HIV/Aids virus.

Recommendations:

Access to the basic allowance of 8 litres of water per person a day be increased after adequate and appropriate research. A strategy to attend the increase in cost of the supply of free water be explored and perhaps be linked to the grants received by HIV positive people from the Department of Social Welfare. In many instances this provision may be a bit late since the CD4 count has to be below a certain level for people who are HIV positive to access these grants. It is for this reason that it is recommended that both the Departments of Health and Social Welfare be engaged by the Water Services Sector to design a multi-sectoral approach to address this issue.

Objective: Strategic Impact of Masibambane

Finding 1:

Gender Mainstreaming is not clearly and integrally factored into policy or other guiding documents and implementation strategies. Gender Mainstreaming gets mentioned, does not contain specific objectives nor does it contain implementation guidelines. This refers to the MIG policy, procurement policies and the Strategic Framework.

The current MIG document is weak on indicating how gender is to be mainstreamed in its strategy. It only refers to why women and youth should be involved (this is evident in the recently released document as well). The explanation for this gap is a lack of understanding on Gender Mainstreaming and that the strategy was implemented speedily well before its due date – scheduled for implementation 2006.



The Strategic Framework For Water Services dated September 2003 does not include Gender Mainstreaming nor Sustainable Social development in its set of nineteen targets on pages 10 and 11. It is neither mentioned nor contained in the list of key performance indicators for the water services authority on pages 61 and 62 of annexure 2.

Much emphasis is placed on Gender and equity in the procurement policies that guide the engagement of staff and service providers. There is a strong focus on implementing the procurement policies. There are many problems associated with this.

- ✓ The procurement policies are not very specific on how gender must be mainstreamed. The reference is based on higher points for companies with women as directors or members but does not emphasise any verification processes of this data nor does it refer to qualitative capacity building of women.
- ✓ There is a general lack of qualified women engineers in the country.
- ✓ Those professionals that do join government, gain the experience and find it more financially rewarding to work for the corporate sector. The packages offered by government cannot compete with that offered by the corporate sector.
- ✓ "Fronting" is an issue readily identified in two regions whilst no awareness of such happenings was reported in the other regions. PDI's, women and men are listed as members of the Close Corporation but, are observed to be engaged as labourers. Action: The company is blacklisted on the database.

The National Gender Implementation Strategy:

- ✓ Is weak in its emphasis on beneficiaries
- ✓ Is silent on the Socio-cultural impact of water provision
- ✓ Is silent on skills development and entrepreneurship training
- ✓ Does not clearly define the responsibility of sector players.

Implications:

- ✓ According to Provincial and Local Government the introduction of MIG and the pressure to implement immediately supercedes all other strategic objectives including Gender Mainstreaming as a cross cutting issue.
- ✓ Since Gender Mainstreaming is listed as a sector goal in the Strategic Framework document, the implication is that it is not an immediate priority and can be viewed as a long-term goal.
- ✓ A limited pool of qualified and experienced women engineers in the country that command higher incomes.
- ✓ Local Municipalities will be more sceptical of women owned enterprises or enterprises where women are listed as majority members/shareholders.
- ✓ Gender Mainstreaming and Sustainable Social Development will not be given the priority it deserves should the guiding policy and implementation strategy documents in the water and sanitation services sector not be clear and specific.

Recommendations:

- ✓ The MIG document provides further guidance through the formulation of clear objectives and Key Performance Indicators (qualitative and quantitative) on Mainstreaming Gender and creating social sustainability.
- ✓ For Gender Mainstreaming to receive the priority it deserves, the Strategic Framework must be revised to include Gender Mainstreaming and Sustainable Social Development as Sector Targets and or Key Performance Indicators.
- ✓ Procurement policies, budgets and plans of action must be designed to address the problems that have been identified and focus on the qualitative and sustainable participation of women.
- ✓ Government must be pro-active in contributing to an awareness and facilitation of campaigns to encouraging more women to enter into previously non-traditional career fields acknowledged and identified for women, e.g. engineering through its own structures countrywide.



- ✓ The National Gender Implementation Strategy must address the gaps documented in the findings.

4. PROPOSED PLAN OF ACTION

“It is crucial for all sector role players to note that Gender Mainstreaming is an integral Sector Goal of Masibambane. For Gender Mainstreaming to receive the priority it deserves, the Strategic Framework must be revised to include Gender Mainstreaming and Sustainable Social Development as Sector Targets and Key Performance Indicators”.

It is strongly suggested that this recommendation be the starting point of the action plan since firm sector targets facilitate the mechanisms and the planning process essential to achieve the alignment of policy and the desired output. Linked to this must be value-based action given the socio-cultural and socio-political environment in which the sector operates (too extensive to fully explore in this study). The alignment of strategy at all levels becomes a natural progression. Being a signatory to the Beijing Platform of Action, according to Item G187 means that “The equitable distribution of power and decision-making at all levels is dependent on Governments and other actors undertaking statistical gender analysis and mainstreaming a gender perspective in policy development and the implementation of programmes”.

The Gender Mainstreaming report, findings, implications, recommendations and action plans must be appropriately communicated through workshops to the National Gender Mainstreaming Forum, The WSDP’s and MIG so that the recommendations can be negotiated into the IDP’s.

The environment (domestic, social, economic and political) must be facilitated to encourage maximum performance for true and real empowerment to take place. It is therefore imperative that when one talks about Gender Mainstreaming or the empowerment of women, that this happens at a holistic level taking into account the socio-cultural, socio-political issues with personal development, negotiation and coping skills. Empowerment is not charity and is not conducted as an “aside” to comply with donor requirements or because it is a “feel good”.

The sector will not make serious and sincere inroads into backlogs, if women are not an integral and active part of the development and socio-political cycles. The longer the sector takes to walk this path, the more the country will stagnate. As indicated in the rationale, positive economic growth and development is integral to sustainable development. Sustainable development directly impacts on peace and security for a stable local political environment (also indicated in the Beijing Platform of Action). The levels of inaccuracy in respect of language, creating a participatory environment and engaging the right people must be a priority. To what extent is this happening at a local planning level? It is clearly linked to the efficiency of the current approach and lack of a strategic plan of action at local level.

The process of consultation cannot be assumed to be too expensive. At present, Ward Committees and Civil Society organisations (civil society linked to the consolidation of democracy to maintain sustainable development for all) are called upon to do this. Given that the Water Sector operates within a multi-sectoral environment (of which these very players are an integral part), it only makes cost efficient sense that processes are combined for relevant strategizing and collaboration.

South Africa is a signatory to the Beijing Platform of action. Item 190 indicates that it is the responsibility of governments to engage women, to actively create programmes of action that will capacitate, empower, monitor and evaluate progress in the representation of women. This must be achieved “through the regular collection, analysis and dissemination of quantitative and qualitative data on women and men at all levels in various decision-making positions”.

A comprehensive, holistic strategy must be designed by the Water Services sector targeted at women and men (with an emphasis on women) by effectively and efficiently engaging the multi-sectoral environment and players. The key emphasis must be to engage local government.



The effective Monitoring and Evaluation tools designed must include the following qualitative data:

- The impact on the quality of lives of women since the holistic capacity building approach
- The challenges faced by women in the process of their empowerment in their environment (domestic, social, economic, political)
- The challenges faced by women in the Water Sector
- Strategies women use to address these challenges
- Do women have any recommendations on the current strategy of Gender Mainstreaming and Empowerment.
- How do men perceive and experience the empowered women in their homes and in their community
- The challenges faced by men in interacting with empowered women
- Identify women's training and development needs on an ongoing basis



ANNEXURE 5.8: APPROPRIATE TECHNOLOGY

1. Assessment Process

The following assessment of appropriate technology issues have been developed by interviews with leading key role players, at national level and in forum interviews and site visits at regional levels.

Data gathered from interviews with key role players was positive with a distinct awareness of appropriate technology issues and its required implementation in projects. However, data gathered from the regional forum interviews was limited to the sector role players attending the forums of which, in general, the following sectors had limited attendance:

- ✓ WSA's
- ✓ Municipalities (all sectors)
- ✓ Health
- ✓ Education
- ✓ Housing

Summarised data on regional interviews with specific regional initiatives highlighted are attached as an addendum to this annexure

In the context of Appropriate Technology Standards the assessment considered and reported on:

- ✓ Appropriateness of Free Basic Water
- ✓ Labour Intensive Construction
- ✓ Development of Emerging Contractors
- ✓ Training of Labour and Capacity Building
- ✓ Use of Local Labour and Materials
- ✓ Local Economic Development initiatives
- ✓ Appropriateness of Reporting Systems
- ✓ Information Systems
- ✓ Difficulties with Appropriate Technology
- ✓ Sustainability issues
- ✓ Systems upgrades (future planning)

The above can be considered as the 'Appropriateness of Technology' within the definition of Appropriate Technology.

Definition of Appropriate Technology

Technology - Technicalities of systems to be installed (incl. system options, project location / climate topography etc) and investigations and research into technical solutions

Appropriateness - on going sustainability of system with interactive planning job creation and training to enhance the community. I.e. Appropriateness used to achieve Government down stream objectives of project installations.

2. Summary

Awareness of Appropriate Technology has increased since the implementation of Masibambane specifically at national and regional level with advancements in guidelines on Appropriateness of Technology and studies into new technologies. However, as can be seen from the regional visitations detailed below, consideration of technology is generally limited in project planning and implementation with little or no consideration given to sustainability, potential growth in the area from projects and the future implications of operation and maintenance.

Projects are generally driven by budget considerations and limiting time factors for implementation. Use of local labor is a general pre-requisite but training of artisans is limited and training for junior



technical personal with appointed consultants or junior supervisors during contract installation is non-existent.

Co-ordinated planning at project implementation has very little interaction between sector players specifically housing with linkages to education and health developments generally limited to implementation of sanitation.

This is also true at District and Regional planning stages with co-ordination limited to water source with limited or no co-ordination between the various role players in project master planning for implementation and joint planning of projects and utilisation of skills available.

Lack of technical skills at all levels is an additional impediment to project implementation planning/delivery.

Service delivery is seen to be lagging behind the targets as set out in the S.F.W.S especially in terms of sanitation.

Impact of the Regional Water Summit's on the programme should have a positive impact on the sector and this will need to be reviewed in future assessments.

Indication of a positive movement forward for the implementations of Appropriateness of Technology from National level to project implementation can be seen from the presently proposed pilot project(s) initiative in Sanitation: - 'Job Creation in Sanitation Programmes'.

This initiative between DWAF and the Labour Job Creation Trust includes input and Co-operation from sector role players and is linked to the Expanded Public Works Programme and includes National Youth Service, donor funding, cross cutting issues (gender etc) and other relevant sector items to develop project implementation into job creation, training co-ordinate project planning with the potential down stream growth for communities as well as providing appropriate sanitation. If implemented correctly this is Masibambane and the use of Appropriateness of Technology in projects

3. New Technology

Initiatives into new technologies for water/ water source sustainability and limiting water usage and sanitation are being undertaken by DWAF and various organizations (incl. donor funded pilot schemes) all of which are being co-ordinated by DWAF, in close collaboration with the Water Research Commission, specifically, in terms of quality of water and water resources.

Results of these and other studies are published and DWAF have co-ordinated this and other information in a "*Knowledge and Resource Center*", the location which is still being finalised.

This information is available on the DWAF website and includes for but is not limited to:

- ✓ Water Services Technologies
- ✓ Water Services Research
- ✓ Water services / institutions
- ✓ Technical Innovations (research)
- ✓ Technical Guidance
- ✓ Tools and utilities

Also available are: "*Technical Guidelines for the Development of Water and Sanitation*" – updated 2004, and provided within this document is guidance on utilising Appropriate Technology on projects.

4. Consideration of Appropriate Technology

Project Considerations



- ✓ Limited to available budget and time implications for project implementation.
- ✓ Limited feasibility studies are being undertaken irrespective of MIG guidelines.
- ✓ Project impact limited to local labour/ materials.
- ✓ Not enough investigations into alternative scheme design options overall impact of the project.
- ✓ Co-ordination with other projects/ development planning.
- ✓ Sustainability of downstream aspects not considered i.e. potential added value of project, operation and maintenance, upgradability of scheme and master planning.

Free Basic Water

Means the potential of implementing sustainable and a more effective scheme not fully considered due to 'poor' levels of community economy.

Down stream budget operation and maintenance a problem without full adequate finance.

(Equitable share does not fully compensate costs).

Community Involvement

Labour intensive construction

Generally, as labour intensive construction methods are a requirement of project development Business Plans, project designs are gearing and adjusting to suit labour intensive construction methods.

Use of local labour and materials

As per construction methods local labour use is a pre-requisite within project implementation. This is usually limited to labouring as data base for "trained" personal from previous projects not readily available. Past trained people on projects "lost" if no data base is available.

Local material usage is limited within project designs and generally used to suit the scheme and not the scheme adjusted to suit locally available materials or supplies. Not enough consideration is given to the potential of developing small manufacturing enterprises in the community via projects to provide possible future sustainability.

Training

Not a prerequisite in projects but generally implemented in direct labour schemes resulting in training of artisans, pipelaying, bricklaying, plastering, storekeeping etc.

Hygiene and operational training programmes are an integral part of sanitation projects but limited to initial implementation with no downstream follow up.

Planning

Very limited community involvement in concept planning stage as to options and needs of the community. Community involvement limited to providing "bodies" for labour and involvement on Project Steering Committees.

Development of Emerging Contractors

Most projects include emerging contractors depending on the scope of the project i.e. main or sub-contractors although not necessarily from the area.

Sustainability

Community input is limited as noted above and more investigations are required at the early stages of development, i.e. feasibility study to assess all aspects of potential design and construction including the potential sustainability of the project to give growth to communities:

- ✓ establishment of small businesses
- ✓ Training – with contractors
- ✓ Training – with consultants (Trained people may be employed by Utility Authorities downstream)
- ✓ Operation and maintenance
- ✓ Environment



- ✓ Gender
- ✓ Alternative water sources
- ✓ Conservancy of water sources

Planning at this level must be all encompassing to fully utilise, if possible, for the projects to benefit the community, and not just the provision of sanitation and clean water systems as the end result.

5. General Comment and Conclusion

Numerous publications on technologies are available but, they require detailed assessment (Technical knowledge and time) and, as per recommendations, simplification to various 'Bulletins' would be desirable to assist in a simplified and streamlined technology approach, and marking system, for the use of appropriate technology at feasibility and project business plan level.

Planning of projects should include downstream costs of operation and maintenance i.e.- the cheapest capital cost may be the more expensive down stream cost and thus higher capital costs could reduce operation and maintenance future costs.

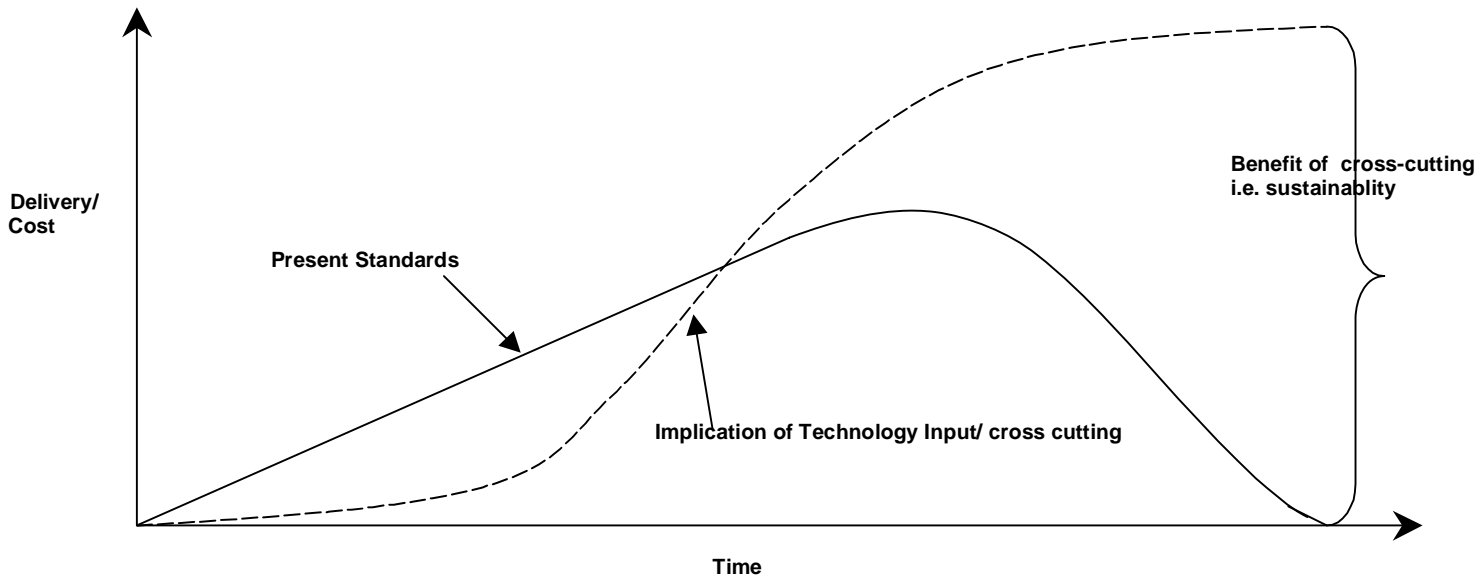
Training via projects at all levels especially technical skills is a need for the country due to a major lack of the availability of technical skills nation wide. Use of 'on-job' training can assist in developing technical skills for nation building specifically for Authorities.

Not all projects can provide sustainability and/or growth potential for communities, but investigation into the appropriateness of technology and the potential impacts of schemes on the community need to be investigated at feasibility stage with downstream objectives including operation and maintenance/ growth/ sustainability costed and assessed before "budget" constraints dictate project systems.

The development of a "Champion" (from any of the sector role players) TO co-ordinate the sector and get projects implemented with the correct "application" of cross cutting issues and provide the required service is needed at regional level (As demonstrated in KZN by DWAF input and Eastern Cape by local political input).

Understanding at all levels that implementation of Appropriate Technology cross cutting issues requires direction at project implementation and this takes time, and has cost implications for the studies which may have a temporary impact on:

- ✓ Project implementation
- ✓ Technology being implemented



6. Recommendations

- ✓ Guidelines for the process of Appropriateness of Technology and implementation procedures need to be streamlined and simplified so project planning can incorporate not only appropriate design, materials and labour but also training, sustainability, operation and maintenance etc.
- ✓ Modified guidelines need to be implemented in feasibility studies and the Business Plans of projects with due consideration given at approval stage. MIG directive on feasibility studies and Business Plans to be expanded to include diversity aspects of Appropriate Technology.
- ✓ A marking system (and budget considerations) needs to be developed to ensure all aspects of Appropriate Technology are fully investigated at feasibility/ planning/ business plan implementation.
- ✓ Feasibility studies need to be implemented for all projects and studies need to include sustainability of growth within the area and be co-ordinated with other sector players i.e.- IDP to be more co-ordinated to maximize sustainability and future downstream needs.
- ✓ Directives required to show how to apply for feasibility funding which is available via MIG and, in some instances DWAF.
- ✓ Community participation to be included in feasibility studies to implement correct level of services to suit community expectations and ability to sustain the proposed service.
- ✓ Regional co-ordination forums need to implement the above and ensure co-ordination and implementation within the sector. All sector role players need to ensure input to ensure co-ordination of projects and how technology impacts on all projects to ensure potential sustainability of growth within the area/region.
- ✓ Establish communications system for feedback to national level role players from local stake holders on implementation successes, problems, etc.
- ✓ Establish area/ regional data base of trained people from projects for future use in the area on other projects/ developments in the area i.e. for use in the Expanded Public Works Programme etc.
- ✓ Separate review of Sanitation, as backlog is increasing. Potential for a national initiative drive to implement sanitation at Appropriate Technology standard.

7. Conclusions

- ✓ Technology – Ongoing studies and initiatives for technology options are coordinated by DWAF with the results published via DWAF's Resource Centre. However to ensure the incorporation and use of these technologies during project implementation communication needs to be improved / simplified.
- ✓ Appropriateness – There is a distinct awareness at National and Regional level of the Appropriateness of Technology and its implication for projects. Indications are that this awareness is starting to be transferred to project implementation but more direction is required.



8 Report per province

Summary input from provincial meetings attended, with reporting data based on interviews in forum sessions and site visits.

Principle reportable items as follows:

8.1 North West Province

Forum Meeting

- ✓ Use of Appropriate Technology limited to direct labour and associated materials use in Project Business Plans.
- ✓ Not fully conversant with available guidelines or new technologies.
- ✓ On site training on projects limited.
- ✓ Communications between various role players not fully undertaken.
- ✓ Involvement of communities only for Project Steering Committees on projects.
- ✓ Focus has been on water project implementation.
- ✓ Budget dictates project scope.

Comment

- ✓ Limited technical capacity in the regions for project implementation.
- ✓ Lack of cohesive planning and training to give a coordinated approach to Appropriate Technology.
- ✓ No strategy for sustainability on projects and consequent implication on future Operation and Maintenance costings.
- ✓ DWAF review of Project Business Plans limited to water source within Project Plan.
- ✓ Aware of co-ordination planning problems and it is intended to establish a Provincial Liaison committee to improve co-ordination.
- ✓ No site visits to projects undertaken.

8.2 Eastern Cape

Forum Meeting

- ✓ Use of Appropriate Technology limited to direct labour and associated materials use in Business Plans.
- ✓ Awareness of technical guidelines and new technologies, but have difficulties in implementation in planning process.
- ✓ On site training (skills development) provided with community involvement specifically on sanitation schemes – accredited training programme developed.
- ✓ High community involvement in schemes with ward councilors prominently providing linkages between community and project implementation.
- ✓ Communications with role players undertaken but limited for co-ordinated planning undertaken.

Comment

- ✓ Aware of limited input to Appropriate Technologies and have commenced a study to investigate Appropriate Technology implementation.
- ✓ Lack of cohesive planning to sustainability on projects and consequent implication on future Operation and Maintenance costings.
- ✓ Liaison undertaken at Regional Level but does not filter down to Local Authority level.
- ✓ Limited interaction with other role players.
- ✓ Information from training programmes not circulated.

Site Inspection



- ✓ Rural Sanitation project using Archloo VIP system.
- ✓ High community involvement in construction of pits (labour) and superstructure (trained how to construct).
- ✓ Data base of trained people.

Comments

- ✓ System being installed based on budget costs.
- ✓ Inappropriateness of hand digging pit in an area with rock at a shallow depth (no alternative to rock breaking by traditional methods due to “budget constraints” – thus delaying implementation).
- ✓ Superstructure susceptible to “wind” damage during construction – i.e. adjustment of technology not considered in an area of high wind factor.
- ✓ Training not sustainable i.e. once project completed no future involvement.
- ✓ Implementation very slow.

i.e. although project employed ‘Appropriate Technology’ with high community involvement there was no lateral consideration to the technology or ground conditions to allow for variation to “budget”, (due to initial lack of co-ordinated appropriateness of Technology Planning).

8.3 Limpopo Province

Forum Meeting

- ✓ Use of Appropriate Technology limited to direct labour and associated materials use in Business Plans.
- ✓ Not fully conversant with available guidelines for Appropriate Technology but with some awareness at regional level of potential new technologies (due to direct donor input and pilot schemes in the province).
- ✓ On site training limited.
- ✓ Communications between various role players not developed at local level.
- ✓ Community based steering committees implemented on all projects.
- ✓ Budget dictates proposed schemes.

Comment

- ✓ Limited technical capacity in the region for project implementations.
- ✓ Lack of cohesive planning and training at local and district level.
- ✓ Awareness of the planning problem with the establishment of a Collaboration Task Team to assist in planning and implementation.
- ✓ Lack of technical expertise (capacity) to implement project feasibility planning and project implementation.

Site Inspection

i. Sanitation Scheme

- ✓ Installation of new separate VIPs on stands where houses have been recently constructed by the Department of Housing.
- ✓ Construction of VIPs block structures, corrugated roofs, wooden doors on metal frames (local materials – blocks but the rest imported).
- ✓ Located for future installed sewer lines.

Comment

- ✓ House structure had a toilet installed to an external calcamite chamber - not in use.
- ✓ Duplication of costs and no interactive planning.
- ✓ Position of VIP for future sewage system – no plans for future systems and no means of pit emptying – no interactive planning.
- ✓ Adjoining development – fully serviced housing – no interactive planning or involvement for master planning



ii. Water Scheme

- ✓ Water pipeline from river to existing townships implemented with stand pipes to each erven.
- ✓ Planning included for fire reticulation in reticulation pipeline design – inappropriate design criteria and thus over sized pipes. (Savings in budget if planned correctly could have increased the number of ervens serviced).

8.4 Western Cape

- ✓ Newly implemented region under Masibambane and in the process of planning implementation of 50 No projects.
- ✓ General understanding of Appropriate (Appropriateness) of Technology and have a Task Team to report back on proposed implementation aspects for Appropriate Technology at all phases.
- ✓ Co-ordinated planning for water source/project to be undertaken.
- ✓ Consultants undertaking investigation into farm's - water supplies and sanitation for the farm workers.

Comment

- ✓ Planning for project implementation on water projects but limited implementation for sanitation projects.
- ✓ Concerted approach to technology/ environment with a proposed co-ordinated strategy. However, limited budget may dictate approach.
- ✓ Aware of sustainability issues in technology and intend to undertake a
- ✓ fully co-ordinated approach.

8.5 Kwazulu Natal

- ✓ Appropriate technology is considered in overall strategy and planning framework for water especially at Regional and District Level.
- ✓ DWAF reviews all business plans in entirety, i.e. not just water source availability to a project but they comment on the overall aspects of the scheme i.e. empowerment/ gender/ technologies etc.
- ✓ Planning and prioritisation of projects undertaken and co-ordinated by DWAF.
- ✓ Project implementation and feasibility includes community participation:-

Ward Councilors
Traditional Leaders
Community members

- ✓ Feasibility studies instigated with separate funding, some by DWAF direct include for applicable standards and future upgrading (sustainability).
- ✓ Planning for Business Plans via DWAF 3.3 guidelines to be streamlined and presently being Developed for national considerations.

Project planning is for:

- ✓ Local labour
- ✓ Local resources
- ✓ Local transport
- ✓ onsite training.

Involvement in new technologies.

Comment

- ✓ DWAF is highly involved in the co-ordinated approach of project planning and the use of technology and appropriateness of technology in sustainability of projects.
- ✓ Community participation is highly proactive.



- ✓ There is a lack of co-ordination with other role players especially housing irrespective of quarterly co-ordination meetings.
- ✓ Recognition of future problems in Operation and Maintenance as this item was not previously considered.

Site Visit

i. Rural Water Project

- ✓ Project originally of SEMAT origin and now implemented without fully recognizing present requirements and required budget adjustment for project need and community involvement. Consequently project stopped without being completed due to lack of funding necessary to accommodate community and present technology needs.

i.e. No community involvement at planning stage.

Local labour used by a BEE contractor but training is limited to labour.

Note: project implementation at local municipality without an updated business plan referred back to DWAF.

ii. Sanitation Scheme

- ✓ VIP toilets being installed under contract by Mvula Trust.
- ✓ Community involvement in design of VIP structure i.e. blocks not bricks.
- ✓ Project based on budget constraints.
- ✓ On site training given for labour and artisan work but no data base created for future "local" usage.

Community involvement at planning stage but little consideration for use of local materials or potential sustainability of trained people.

- ✓ Steering Committee had little input into the project
- ✓ Ongoing health training limited due to budget constraints

8.6 Free State

- ✓ Use of Appropriate Technology limited to direct labour use in project Business Plans.
- ✓ Not fully conversant with available guidelines or new technologies.
- ✓ On site training limited.
- ✓ Communications between sector role players not undertaken.
- ✓ Community involvement only for project steering comments.
- ✓ Ward councilors becoming more involved in projects at planning stage but in terms of politics and not project based.
- ✓ Budget dictates for Business Plan approvals without consideration for sustainability or Appropriate Technology implications.

Comment

- ✓ Many meetings and forums at regional level but little direction for implementation on integrated planning approval and implementation of technology.
- ✓ Very limited response/attendance at forum meetings.
- ✓ Assessment of Appropriate Technology guidelines usage by implementator could not be assessed.

Site Visit

Sanitation Scheme

i. Informal Township Development



External stand alone toilet with pedestal and pan linked to limited water usage to calcamite chamber and a soakaway.

System may be linked to future sewerage system and upgraded water supply.
Project contract made use of local contractors, local labour and local transport.

Training undertaken for artisans and labour.

Continuous support required from local municipality to ensure system continues to function (mainly due to level of training provided to householder on how to use the system). More use of local materials could have been undertaken with potential for sustainability of the community i.e.- brick/block works for future building works being undertaken in the area.

ii. New Housing Development

Implemented by the Department of Housing without co-ordination with Municipality capacity.

Toilets installed in the house but pipework cannot be connected to municipal sewerage system due to a lack of capacity at treatment works.

i.e. new house with an extra over external toilet – bucket system.

No integrated planning.