The National Water Sector Programme
A Sector-Wide Approach to Achieve Water for Growth and Development
2007 - 2012

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SECTION I

Background
The European Commission is proud to be South Africa’s largest development partner, by far the largest when the support Programmes of the European Union Member States are included. During 2007 we were able to announce that for the 2007 – 2013 funding period our commitment would rise to €980 million, or over R10 bn at current exchange rates. Our primary concern in making these funds available is to work with South Africa on its priorities – the eradication of poverty, economic growth and job creation.

The European Commission has provided support to the water and sanitation sector in South Africa since democracy in 1994. Our support to the water sector is based on a strategic approach for equitable, efficient and sustainable management of water resources. This, in turn is based on internationally agreed core principles known as the Dublin principles.

To date the Commission has supported six programmes in the water and sanitation sector with a total value exceeding Euro 200 million, over 2 billion Rand at current exchange rates. All these programmes have aimed to increase the coverage of the provision of water and sanitation services to previously disadvantaged communities.

A further Euro 107M of support to the Water Sector in South Africa was committed in late 2007 under our 2007-2013 Country Strategy Paper referred to earlier. This commitment will support the Masibambane III objectives of Water for Sustainable Growth and Development over a period of three years.

We wish the Department of Water Affairs and Forestry and the South African water sector well in its endeavours of achieving a better life for all South Africans.

His Excellency, Lodewijk A E Briët

AMBASSADOR, DELEGATION OF THE EUROPEAN COMMISSION TO SOUTH AFRICA
Water pervades all aspects of life – particularly in the meeting of basic needs of freedom from disease and hunger. It promotes social development through the provision of sanitation. Water also promotes the attainment of the dignity that is associated with the provision of adequate sanitation. Sanitation plays a direct role in human and economic development because proper sanitation has positive effects upon the health and hygiene of individuals, families, workers and communities. Economic growth and development requires energy resources and industrial activities which are in turn water-dependent. Water plays a central role in regard to the attainment of the Millennium Development Goals. Water is life – it promotes economic growth and is pivotal to human and economic growth and development.

I wish to emphasise the priority that my Government attaches to meeting the Millennium Development Goals set for South Africa to clear the water and sanitation backlog in 2008 and 2010 respectively. In addition, my Department, as the Water Sector leader is committed to the implementation of the 19 targets set in the Strategic Framework for Water Services approved by the Cabinet in September 2003. During the past 11 years, the European Commission has significantly contributed to our efforts in meeting some of the targets.

The best practice emulated from the EC is now successfully implemented in the Water Sector in South Africa and we appreciate the support received from the EC over the past 11 years in planning and rolling-out the Masibambane Sector Wide Approach Programme. Through our engagement with the EC, we have successfully adopted the Work Plan and the Monitoring Framework for the Water Services Sector. Following our Provincial Water Summits, which culminated in the National Water Summit in May 2006, my Department has finalised nine Provincial Water Sector Plans and this National Water Sector Programme 2007/08 - 2011/12.

South Africa continues involvement in the NEPAD and SADC water sector initiatives and remains resolved to accessing funding from the ACP-EU Water Facility in the future in order to concretely lend support to the NEPAD and SADC initiatives. We will pursue, further, the cooperation with African Development Bank and EU-Africa Infrastructure
Partnership for regional and sub-regional projects. We are thankful to the EC for creating this facility for the development of Africa which will go a long way in supporting the initiatives of NEPAD.

The Masibambane III Programme (MSB III), covering the period 2007/08 - 2011/12 is to be implemented within the EU Country Strategy 2007 - 2013. I am pleased that my Department is able to submit this copy of the National Water Sector Programme 2007/08 - 2011/12 for consideration for financing by the European Commission.

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Mrs LB Hendricks, MP
MINISTER OF WATER AFFAIRS AND FORESTRY
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he water sector has undergone several changes over the past few years to re-align the sectors’ strategic approach and objectives, as well as the operational structures, of the sector to ensure effective delivery of services to all communities within the country.

As the sector leader, DWAF is responsible for determining sector policy, supporting local government and enabling it to deliver effective services, monitoring the performance of the new water sector institutions, and regulation of the sector. DWAF is mandated by the Constitution of the Republic of South Africa, the National Water Act1 and the Water Services Act2 to report on the state of the water sector and to monitor regulatory compliance. DWAF also has very specific reporting requirements that it, as sector leader, must perform and this is legislated by the Public Finance Management Act3 (PFMA), Municipal Finance Management Act4 (MFMA) and the Division of Revenue Act (DoRA)5. There are also additional reporting requirements set by the development partners which are incorporated in the legislative reporting formats as much as possible, to reduce duplication of effort.

The above strategic shift required the local sphere of government to take over responsibility from DWAF for providing water and sanitation services to those citizens who remain without water supply within their jurisdictions. They also have the responsibility to manage, operate and maintain services in a sustainable manner.

The underlying objective of water sector support is to provide basic water supply and sanitation services through a variety of activities including the support of strategic policy development, water and sanitation services provision to poor communities across the country and, through institutional support, to assist various levels of public sector institutions.

Key to the process of achieving a sector wide approach strategy is the requirement to obtain sufficient funding for the work plans for the water services sector. The respective authorities within the country committed funds, but additional sources of revenue were required. The need to access available funds from both national and international sources was identified as a priority. This allowed the sector greater flexibility in achieving the objectives and targets it had set itself.
In order to successfully access the required and available funds from the development partners, South Africa already has in place the requisite legislative and regulatory controls. These controls ensure that the money allocated and transferred was spent effectively and efficiently.

The Water Sector Programme is an important element of the sector collaboration. It is a compilation of regional sector work plans, and that of national DWAF relating to the water services sector. It attempts to be a sector wide work plan, taking into account all funding for the water sector, from different sources. The work plan at different levels is structured by key focus areas, which means that it is possible to see how water sector allocations are allocated towards the sector’s strategic objectives.

One feature is that the work plan highlights EC funding separately from mainstream sector funding. Although this is not a requirement of the EC themselves, this is a requirement of the South African Treasury. This means that the EC funding is explicitly allocated to different activities, a process which immediately visible in the budget, and runs somewhat counter to the general ethos of ‘budget support’. The Annual Work Plan and Budget is endorsed by the Masibambane Coordinating Committee (MCC) and is the focus of quarterly sector reporting to the MCC during the financial year.

The bulk of the funds available to support capital projects were made available principally through the budgets of DWAF and the Department of Provincial and Local Government (dplg) for water supply and sanitation projects and the consolidated municipal infrastructure respectively. These and other sources of funding for infrastructure have now been consolidated into what is known as the Municipal Infrastructure Grant (MIG), operated by dplg.

In conclusion, the current National Water Sector Programme represents a major milestone in the alignment of the sector targets, assignment of responsibilities for the various activities, planning and prioritisation over multi-years, and coordination of sector strategies, objectives and activities in order to maximise the effectiveness of the funding that is utilised – truly a Masibambane effort.

Dr M Rampedi

ACTING DIRECTOR GENERAL
The process to develop a National Water Sector Programme for South Africa commenced with the development of Provincial Water Sector Plans, which took place between October and December 2006. In that sense, the NWSP process can certainly be regarded as having a strong “bottom up” component. In fact, the first Provincial Sector Strategies, the predecessors to the Provincial Water Sector Plans, predate the NWSP by some six years. During this time, they have demonstrated benefit as a coordinating, integrating and strategic tool.

Each province used a slightly different approach to develop the PWSPs. The details of this process are covered in each of the Provincial Water Sector Plans (PWSPs). It is important to emphasise the collaborative and integrative nature of the process. In addition, it should be emphasised that the PWSP process undertaken at the end of 2006 had to respond to five major new challenges as follows:

i. A requirement to assess the needs of the sector and not just work with MTEF budgets.
ii. The need to respond to the broader economic and AsgiSA’s challenge of “Water for Growth and Development”.
iii. The need to integrate the cycles of water resources management and water services objectives.
iv. The move to a 5 year plan, in line with other government processes.
v. A requirement to integrate much more fully the programmes and initiative of sector partners.

Some of the key guiding principles included in Masibambane III are:

a) To establish a platform on which to effectively roll out future initiatives to all South African provinces.
b) Further development of the institutional capacity building initiatives commenced under the previous Masibambane Programmes with the focus being at Municipal level.
c) To continue support of the establishment of a Water Services Regulatory Framework and the development of intervention strategies in support of Municipalities to ensure performance and compliance.

d) To establish and maintain an integrated and effective Water Sector planning culture.

e) To ensure capacity building in keeping with international and national best practice and the transfer of skills at all levels within the Water Sector in order to allow stakeholders to fulfill their long-term water sector obligations and roles.

f) To develop and support the implementation of sound management practices, including sector strategies, work plan development reporting and monitoring and evaluation in compliance with various pieces of legislation.

g) Masibambane III will support the implementation of the Municipal Infrastructure Grant (MIG), with a special focus on the Water Sector, including the effective use of the Equitable Share and Capacity Building Grants to ensure the sustainability of water resource and services provision.

h) By equitably allocating funds to the various Sector Partners in order to empower the sector partners to fulfill their roles in terms of the Strategic Framework for Water Services. The majority of our milestones and targets are in line with the MDGs. In addition, this National Water Sector Programme reflects all contributions made by the sector players towards achieving nineteen targets and the six Cabinet Medium Term Objectives.

Attainment of the above principles requires a concerted effort among the stakeholders. Meeting these challenges will require a lot of work and analysis over the next three to five years before they can be fully scoped and integrated. For this reason, each of the PWSPs should be regarded as “a work in progress” and will be improved in subsequent versions in later years.

I am proud to present this National Water Sector Programme (2007/8 - 2011/12) on behalf of the Water Sector Partners who worked tirelessly to produce this blueprint in order to fast track and sustain the delivery of basic services and the strengthening of institutional reforms and arrangements in the Water Sector.

Ms Thandeka Mbassa

DEPUTY DIRECTOR GENERAL: REGIONS
The purpose of these in-depth and extensive consultations was to develop a bottom up National Water Sector Programme (NWSP) which reflects the developmental objectives and experiences of each of the various communities in the various provinces. The NWSP highlights the policy framework of AsgiSA and water for growth and development, technical content of planned activities, focus upon cross cutting issues.

The past ten years have seen dramatic institutional changes on how basic services are delivered in South Africa. The Masibambane Programme is a national initiative of the Government of South Africa with its European donors, which is aiding in the evolution of the water and sanitation sector-wide approach to service delivery. The programme is cofunded by the Commission of the European Communities and other donors, who contribute to the programme by way of a financing grant. The funding conditions, as detailed in the Financing Agreement between the European Community and the Republic of South Africa, specify a number of deliverables to be achieved by the programme. These are summarised below:

- Preparation and adoption of a water and sanitation policy;
- A service orientation that is generally accepted within the sector;
- The provision of sustainable water infrastructure to approximately 2.4 million people over three years;
- Rehabilitation and extension of existing water and sanitation schemes;
- Provision of health and hygiene education to approximately 2.4 million people over three years;
- Provision of basic sanitation facilities to 640 000 people over three years;
- Transfer of 480 schemes to Water Service Authorities (WSAs);
- Strengthening of the Department of Water Affairs and Forestry (DWAF) management at national level;
- Strengthening of the regulatory function and providing support to the sector at DWAF’s regional office level;
- Local government functioning as Water Services authorities (WSAs) in at least 50% of each region;
- Establishing Water Service Providers (WSPs) and providing services to at least 80% of communities; and,
- Strengthening of the social consultant fraternity.

The development of the National Water Sector Programme was a collaborative effort among the water sector stakeholders. The document reflects the results of various consultative steps and forums within provinces and across provinces as coordinated by the Sector Leader, Department of Water Affairs and Forestry.

Mr. Kalinga Pelpola

PROGRAMME MANAGER
Acknowledgments

The Chief Directorate: Water Sector Programme Management Support of the Department of Water Affairs and Forestry would not have produced this National Water Sector Programme without the active assistance, support and participation of all the sector stakeholders. In this regard our sincere appreciation goes to all our collaborators in the Department of Provincial and Local Government (dplg); Water Sector Leadership Group; South African Local Government Association (SALGA); the Department of Housing, the Department of Health, the Department of Education (DoE) the Regional Offices of DWAF, to members of the Masibambane Coordinating Committee; the Water Institute of South Africa (WISA); These collaborators all provided inspiration and outstanding critique and support to the production of this National Water Sector Programme, 2007-2012.

The current implementation phase of Masibambane is made possible by the time tested partnership with the European Union, Irish Aid, the Royal Netherlands Embassy, and the World Bank Water and Sanitation Programme. Our special thanks to Ambassador Lodewyk Briet of the Delegation of the European Commission in South Africa for his inputs. In addition we have learnt from the insights of Dr. Charles Reeves, Attache, European Commission to South Africa, during the various discussions in the Masibambane Coordinating Committee and on Water for Growth and Development.

Water Sector Associates

We also pay particular tribute to our Water Sector Associates who provide regular inputs and valuable perspectives to the design, development, Implementation and technical Inputs to the National Water Sector Programme. These Associates include: the Development Bank of Southern Africa (DBSA); IRC Netherlands; National Community Water and Sanitation Training Institute (NCWSTI); South African Association of Water Utilities; South African Institute of Civil Engineers; Water Research Commission and the Water Services Sector Coordinating Committee.

We would like to thank all the people and organisations that assisted in making the compilation of this National Water Sector Programme possible. In any large-scale endeavour, it is possible to omit recognition of important members, not by design or intent. In this regard, we extend our apologies to any individual or organisation that might have been inadvertently omitted from recognition.