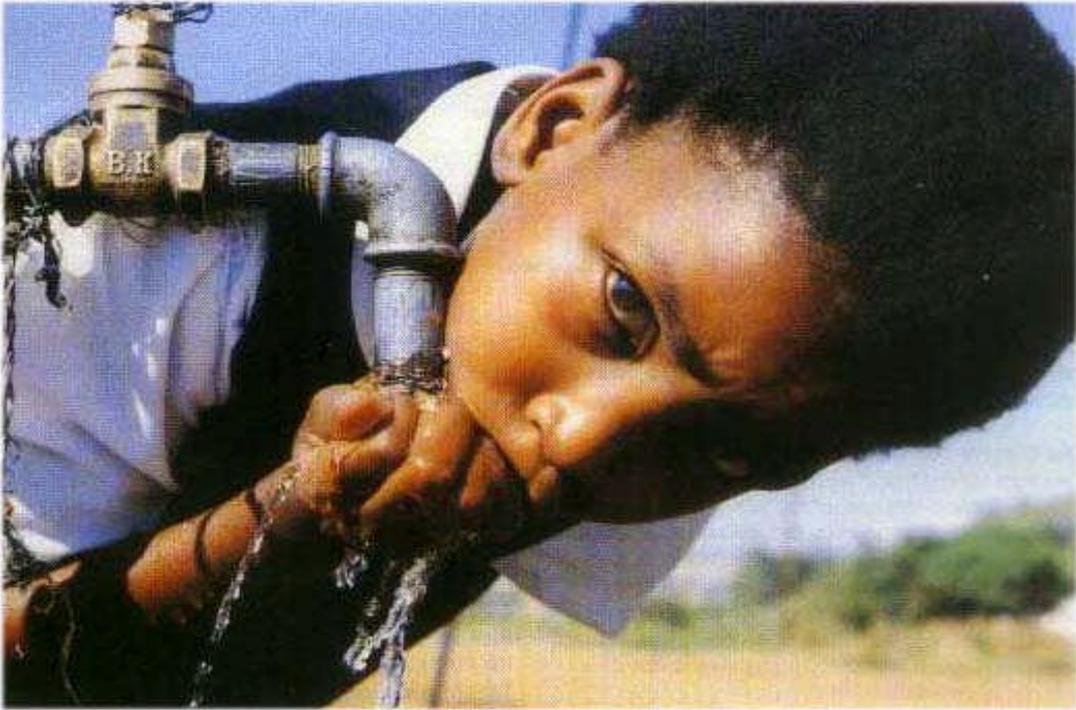


EASTERN CAPE PROVINCIAL WATER SECTOR PLAN 2007/08 TO 2011/12



11 December 2006

Draft 1

FOREWORD

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1. BACKGROUND AND CONTEXT

1.1 Introduction

The South African government is committed to providing a better life to all of its citizens, part of which involves the provision of affordable and accessible water services. Local government is central to the delivery of these services however, local government is itself still faced with major issues of institutional restructuring to ensure better service delivery and capacity. In order to respond to this, the Department of Water Affairs and Forestry's water sector activities in the Eastern Cape have in recent years been re-aligned with the need to support local government. In addition, it has been necessary to develop its own regulatory capacity, while at the same time creating an enabling environment for the provision of viable and sustainable water services. It has also been necessary in some cases to refurbish and transfer existing schemes.

The transformation of the sector referred to above, poses serious challenges to the sector as a whole in terms of re-orientation and support. Many institutions are still grappling with these changes and trying to contextualize them whilst also responding to the ongoing necessities with regard to operations, maintenance and management. Whilst the changes are happening, it is expected that all institutions should meet their delivery objectives and this is proving to be a serious challenge. There are new obligations and responsibilities that have been placed on the various institutions in the context of changing roles. The implications of MIG in relation to water services, the management of its processes and the setting up of management structures and reporting systems, have placed another burden on all sector stakeholders but particularly DPLGH, DWAF and municipalities. It is in this context that a more integrated approach in terms of planning, delivery and support is being promoted, so that resources can be maximised and better efficiency achieved in terms of responding to the challenges and targets outlined in both the Provincial Growth and Development Strategy and the Strategic Framework for Water Services.

1.2 The Masibambane Programme

Masibambane is a multi-faceted water services sector support programme aimed at facilitating institutional and social development and thereby to enhance sustainable service delivery. The programme though led by DWAF, is a partnership between DPLG, DWAF, SALGA, the European Union and other donors.

Masibambane I was piloted in 2000 in only 3 provinces viz. KZN, EC and Limpopo. Subsequently in 2003, the Masibambane II programme was extended to the remaining 6 provinces. It is implemented as a Sector Wide Approach Support Programme. The key principle is that the programme is managed by DWAF but owned by the sector. The overall strategy, interventions and content is therefore determined by the sector through identified sector plans and priorities as captured in the Provincial Water Sector Plan (PWSP). Masibambane III is due to commence in April 2007 and planning and mobilisation for this is currently underway.

1.3 The Role and Importance of the Provincial Water Sector Plan

Provincial water sector planning is an integral part of ensuring that provinces (which do not have the water competence) and municipalities have the opportunity to participate in the development of national plans and strategies, and in particular, making decisions regarding water development and management regarding their areas of jurisdiction. This framework is in accordance with the following considerations:

- ☑ National government provides a framework for common policies, principles and priorities within which area (provincial and local) and sectoral planning can take place;
- ☑ Provincial Growth and Development Strategies provide a more specific framework for the development of projects and programmes as well as ensuring coordinated area and sectoral planning; and
- ☑ Municipalities government develop area based Integrated Development Plans to guide and inform all planning, implementation and management of service delivery in their areas. These plans must be compatible with national policy and legislation and be aligned with provincial strategies and plans.

Each sphere's planning process takes into consideration the realities of other spheres and there is a mutual influence – not necessarily top-down or bottom-up.

Provincial water sector planning takes note of the following:

- ☑ **Nationally**
 - National water sector policies, legislation and strategies for both water resources and water services
 - National policies and strategies related to local government
- ☑ **Provincially**
 - Provincial growth and development strategies
 - Provincial local government support plans and strategies
- ☑ **Locally**
 - Integrated Development Plans, including Water Services Development Plans

Another key component related to intergovernmental planning is the need to ensure that contributions from other provincial government departments to the sector goals are integrated into the plan. The plan should therefore ultimately be reflective of all contributions/plans from DWAF, local government, and the provincial departments of Developmental Local Government, Public Works, Education, Health, and Agriculture.

Planning for the sector has now been reviewed to cover at least five financial years. This plan covers the period 2007/8 to 2011/12. This is essentially medium term planning and it outlines what is required to achieve the goals of the provincial water sector for this period.

The Provincial Water Sector Plan is structured as follows:

1. *Background, including purpose of the PWSP*

- 2. An outline of the process followed in developing the PWSP, particularly with regard to consultation with, and participation of, stakeholders*
- 3. The status of the sector in the province, covering demographics, water resources and water services profiles and institutional arrangements. This serves to highlight problems, challenges, opportunities and driving forces for the water sector in the province.*
- 4. Strategic overview highlighting the Vision, Mission, Long Term Goals and Strategic Objectives for the sector in the province*
- 5. An overview of the mechanisms, structures etc being utilised to foster collaboration and intergovernmental relations in the province.*
- 6. The five year workplan which sets out the "what, how much, by when and who". It is thus a critical tool for determining how we are going to achieve the targets and goals set and for monitoring progress.*
- 7. Conclusions*

2. PROCESS FOLLOWED

The process followed is illustrated in figure 1 below. Masibambane has always fostered highly participative processes and this was no different, albeit somewhat truncated due to severe time constraints.

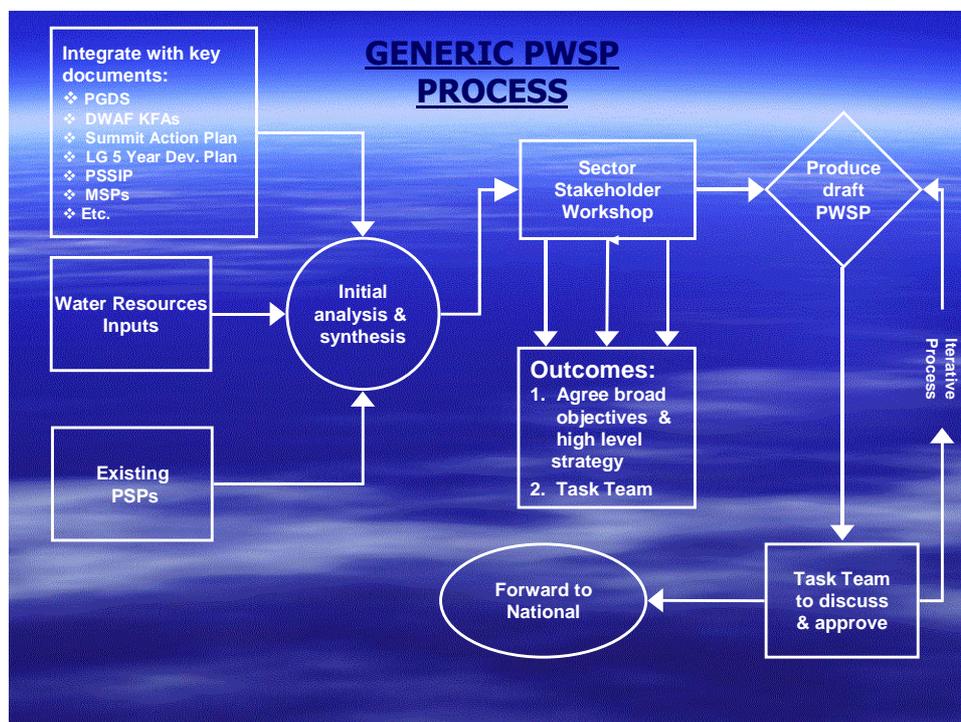


Figure 1: PWSP Process

An initial analysis and synthesis process was essential so as to incorporate the influences of a number of other key strategic documents. This was assisted to some extent by the work carried out before, during and after the 2005 Water Summit, which contributed significantly to better integration of the water services and water resources components. The sector stakeholder workshop was held on 9 and 10 November 2006. This undertook a major strategic review of key elements of the overall strategy. A major review of sector collaboration was also undertaken. Subsequent work was carried out with a PWSP Reference Group on which the main stakeholders were represented, together with the use of bilateral meetings with key sector partners, when necessary.

The requirements for the PWSP were substantially increased for the 2007/08 to 2011/12 version, with 5 important new aspects:

1. A requirement to assess the needs of the sector and not just work with MTEF budgets
2. The need to respond to the broader (economic and ASGISA) challenge of “Water for Growth and Development”
3. The need to ingrate water resources and water services
4. The move to a 5 year plan, in line with other government processes

5. A requirement to integrate much more fully the programmes and initiatives of sector partners

None of these are trivial changes and will require a lot of work and analysis before they can be fully scoped and integrated. For this reason, this PWSP should be regarded as “a work in progress”. Indeed, given the time constraints, it was not possible do justice to these issues this year and they will certainly need to be revisited during the course of next year. The participation of sector partners remains an ongoing challenge, which is proving to be a significant constraint towards further progress in the sector.

3. STATUS OF THE SECTOR

3.1. GENERAL BACKGROUND INFORMATION ON THE PROVINCE

3.1.1. Overview

The Eastern Cape borders the provinces of the Western Cape, Northern Cape, Free State, and KwaZulu-Natal, as well as Lesotho in the north. Port Elizabeth in the western portion of the province, is the largest city in the Eastern Cape. The capital is Bisho, and other important urban centres include East London, Umtata, Uitenhage and Grahamstown. The province is situated an equal distance from South Africa's three largest cities, Johannesburg, Cape Town and Durban. The Province has two ports, at East London and Port Elizabeth, and there will soon be a third at Ngqura to serve the Coega Industrial Development Zone.

The area of the province (nearly 170 000 square kilometers, covering 13.9% of the country), the considerable east-west spread, and the rolling to mountainous terrain, provide challenges to transportation, communication, and service delivery.

The population in the Eastern Cape was 6.4 million according to the 2001 census. This is 14.1% of the national population, and the province is the third most populous province after KwaZulu Natal and Gauteng. The provincial population is distributed disproportionately between the districts, with the two largest districts, OR Tambo and Amatole, having just short of two million inhabitants each. Nelson Mandela Metro represents the next largest concentration of people (1 million people) and Ukhahlamba the least populous (341 312 people).

Women constitute a larger proportion (54%) of the provincial population than the national average (52%). The high proportion of women is a reflection of the migrant labour system and is particularly visible in rural labour-supplying areas such as OR Tambo, where women are 56% of the population. A consequence of the migrant labour system is that a high proportion of household heads are women, and those households are likely to be poorer than households headed by men.

The economy of the Eastern Cape is characterised by extreme variations in development levels, from urban industrial manufacturing centres to underdeveloped former homeland areas of the Transkei and Ciskei. During 2002, with 14% of the national population, the Eastern Cape produced only 7% of the national GDP. While the Eastern Cape is South Africa's third most populous province, it is ranked fifth in terms of its overall contribution to GDP.

Unemployment in the province is generally considered to be 56% (51% male, 58% female), but with extreme variations across the province (unemployment in Alfred Nzo is 85%).

The high poverty level in the Province is indicated by the proportion of households living below the poverty line, with almost 64% of households in poverty (78% in Alfred Nzo).

The HSRC HRD profile of the Eastern Cape (2004) confirms low levels of educational attainment. In 2001, only 6% of the population had a higher education qualification, 14% had a Senior Certificate, 30% had some secondary education, while half of the Eastern Cape population had primary school education or below. 23% of the population had no formal education whatsoever. In addition, in 2003 the Province had an illiteracy rate of 42%.

3.1.2. The Provincial Growth and Development Strategy

The Provincial Growth and Development Strategy (PGDS) is, in effect, the strategic plan for the Eastern Cape Province as a whole. As such, it is a document which should have a fundamental impact on the thinking behind all other sector plans. The 6 main Programmes in the PGDS are set out below.

1. The systematic eradication of poverty.

Systematic poverty eradication through a holistic, integrated and multi-dimensional approach to pro-poor programming. Poverty is primarily characterised by a lack of access to opportunities for a sustainable livelihood. Eradicating the deep and pervasive poverty of the ex-homelands and underdeveloped townships of the Province will serve as a foundation for economic development in which all the people of the Eastern Cape can participate. Poverty eradication requires attention to the social, economic and political dimensions of poverty.

2. The transformation of the agrarian economy.

A key to poverty eradication lies in the rapid transformation of the agricultural sector. The challenge of poverty requires a focus on the growth of the agrarian economy in the former homelands through programmes to promote household food security by expanded smallholder production, development of commercial agriculture through optimum use of the highest potential agricultural land in the former homelands, and a focus on land redistribution and, in the longer term, land tenure reform to release land for poor households and for new commercial farming enterprises.

3. Developing and diversifying our manufacturing and tourism sectors.

The manufacturing sector requires consolidation by extending growth beyond a relatively small number of volatile export markets. Diversification into new markets can be achieved through three main strategies: consolidating the value chain and supply chain in existing markets by identifying inputs that can be supplied and higher value products linked to existing production; creation of regional growth points for manufacturing development based upon availability of raw materials, skills and existing industrial profile; and the development of agro-industries based upon expanded agricultural production in the former homelands.

The development of Provincial tourism has high potential to create jobs and raise incomes in rural areas through community tourism programmes. The development and protection of existing and new parks and reserves, improvement of infrastructure, especially along the Wild Coast, and the development of a strong marketing brand showcasing a number of core attractions and themes are priorities.

4. Infrastructure, including the eradication of backlogs and the development of enabling infrastructure for economic growth and development.

The development of infrastructure, especially in the former homelands, is a necessary condition to eradicate poverty through the elimination of social backlogs in access roads, schools and clinics and water and sanitation, as well as leveraging economic growth through access roads and improving the road, rail and air networks of the Province. Infrastructure development, in turn, will have strong growth promotion effects on the agriculture, manufacturing and tourism sectors by improving market access and by “crowding in” private investment. Poverty alleviation should also be promoted through labour intensive and community based construction methods.

5. Building our human resource capabilities.

Human resource development underlies both poverty eradication and growth in the key economic sectors through improving levels of general education, increasing the intermediate technical skills needed in the key growth sectors of the economy, and promoting the high-level skills needed for further growth in the modern, export-oriented sectors.

6. Public sector and institutional transformation in support of improved service delivery.

The transformation of the State is a crucial condition for growth and development by way of the strong leadership role that is required from government institutions, recognising:

- Improved capacity to plan, manage, and monitor implementation is necessary at all levels of government.
- Local Government will become the main focus for service delivery. Planning the phased delegation of powers and functions therefore becomes a key challenge.
- Local authorities will have an increasingly important role in promoting local economic development through the implementation of IDPs.
- Participation by the Provincial social partners in planning and implementation needs to be institutionalised.

3.2. INSTITUTIONAL ISSUES

3.2.1. Water Services

The Department of Water Affairs and Forestry fulfils the primary role of regulating and supporting WSAs in the provision of water services. This is a shift from the role it played historically, when it had a significant role in the provision and operation of infrastructure. All water services infrastructure formally operated by DWAF is in the process of being transferred to WSAs. DWAF’s new role focuses on monitoring and regulation of planning, implementation, operation and maintenance.

There are seventeen municipalities that fulfil the water service authority function in the province, namely:

⇒ *Alfred Nzo District Municipality*

- ⇒ *Amatole District Municipality*
- ⇒ *Cacadu District Municipality*
- ⇒ *Chris Hani District Municipality*
- ⇒ *O R Tambo District Municipality*
- ⇒ *Ukhahlamba District Municipality*
- ⇒ *Nelson Mandela Metro*
- ⇒ *Buffalo City*
- ⇒ *Makana Local Municipality*
- ⇒ *Koega Local Municipality*
- ⇒ *Ndlambe Local Municipality*
- ⇒ *Blue Crane Route Local Municipality*
- ⇒ *Baviaans Local Municipality*
- ⇒ *Koukamma Local Municipality*
- ⇒ *Sunday's River Valley Local Municipality*
- ⇒ *Ikwezi Local Municipality*
- ⇒ *Camdeboo Local Municipality*

There are two water boards operating in the province, viz. Amatola Water and Albany Coast. Amatola supply water to Buffalo City and Amatole DM. They also provide related services to Chris Hani DM. Albany Coast is a small localised water board supplying water to the Ndlambe LM.

The institutional arrangements for water services provision are still evolving out of the Section 78 processes, which are some cases, not complete. The results of those that are complete are summarised below.

WSA	Result of 78 Process
⇒ Alfred Nzo District Municipality	Internal
⇒ Amatole District Municipality	Combination of internal and use of LMs with some water board support.
⇒ Cacadu District Municipality	Ongoing
⇒ Chris Hani District Municipality	Combination of internal and use of LMs with some private sector support.
⇒ O R Tambo District Municipality	Internal but about to be revisited
⇒ Ukhahlamba District Municipality	Ongoing
⇒ Nelson Mandela Metro	Not applicable
⇒ Buffalo City	Ongoing
⇒ Makana Local Municipality	Ongoing
⇒ Koega Local Municipality	Internal WSP
⇒ Ndlambe Local Municipality	Ongoing
⇒ Blue Crane Route Local Municipality	Ongoing
⇒ Baviaans Local Municipality	Ongoing
⇒ Koukamma Local Municipality	Ongoing
⇒ Sunday's River Valley Local Municipality	Ongoing
⇒ Ikwezi Local Municipality	Ongoing
⇒ Camdeboo Local Municipality	Ongoing

Effective and sustainable water services provision has been identified as currently the biggest challenge facing the sector in the Eastern Cape. It is clear that most WSPs are not close to being sustainable in their current form and level of capability. This area will thus require huge support in the next 5 to 10 years

The Provincial Government has the overall responsibility of coordinating the implementation of local government functions including water services. The provincial Department of Local Government, Housing and Traditional Affairs continues to play a pivotal role in the implementation of water services infrastructure, i.e. water supply and sanitation through coordinating and supporting municipalities to implement the Municipal Infrastructure Grant programme and implementation of housing linked services. Further support is being provided through Project Consolidate and other local government support programmes.

Other water resources and water services responsibilities are spread across the following provincial departments:

- ⇒ Department of Health – implementation of health programmes; facilitation of environmental health including drinking water quality monitoring; and implementation water and sanitation facilities for clinics.
- ⇒ Department of Education – implementation of education programmes including environmental education (covers water); and implementation of school water and sanitation facilities.
- ⇒ Department of Public Works – implementation of community infrastructure through the Extended Public Works Programme, which includes water and sanitation.
- ⇒ Department of Agriculture – coordination of water use for agriculture and supporting emerging farmers e.g. implementation of irrigation infrastructure.

3.2.2. Water Resources

DWAF is responsible for water resources management. This includes the responsibility to ensure that water is protected, used, developed, conserved, managed and controlled in a sustainable and equitable manner.

Catchment Management Agencies will ultimately be established to take the management of catchment level water resources management including:

- ⇒ investigating and advising interest parties on the management of water resources within a water management area;
- ⇒ developing a catchment management strategy that is consistent with the National Water Resource Strategy, as well as with local water services development plans of local government;
- ⇒ coordinating water-related activities of water users and water management institutions within a Water Management Area; and
- ⇒ promoting community participation in the management of water resources

DWAF currently serves as an interim Catchment Management Agency pending the establishment of CMAs in the three WMAs covering the Eastern Cape. It has already been established that the 3 CMAs covering the Eastern Cape are likely to be amongst the most difficult and challenging to establish. This process is therefore not likely to be commence in the short term.

Water User Associations are also being established to manage and control water use at local level. The existing irrigation boards will be transformed into water user

associations in terms of the National Water Act. Members will include WSAs, farmers and other water users.

Catchment Forums have been established for consultation purposes including inputs into the establishment of CMAs and WUAs in each water management area. These are voluntary, non-statutory structures.

3.2.3. Institutional Support Programmes

The Department of Water Affairs provides a wide range of institutional support interventions designed to assist municipalities and develop their institutional capacity. These include the following:

- The WSA Capacity Building Business Plans: initially focussing on WSA capacity but in the process of being revisited and expanded to incorporate water services provider issues
- Building information systems and specifically GIS
- Planning support geared towards improving the quality of the WSDPs
- Assisting with the planning and delivery of sanitation and health and hygiene education
- Gender mainstreaming
- Section 78 assessments
- Infrastructure audits

3.3. WATER SERVICES DELIVERY BACKLOGS

There is an unacceptable shortfall in water and sanitation services in the province. The precise shortfalls have proved difficult to quantify, as a result of the structure of census data, and the absence of reliable surveys of actual needs. DWAF Macro Planning carried out an analysis based on Census 2001, and published figures which have generally been accepted by the WSAs of the province, subject to correction and refinement once better information is to hand.

In summary, these figures are:

MUNICIPALITY	Population	No of Households	Water Backlog (persons)	Sanitation Backlog (persons)	Bucket Backlog
Cacadu	510 025	109 473	16 401	34 693	9 624
Amathole	971 833	225 889	414 738	868 366	13 630
Buffalo City	710 563	191 036	130 302	131 453	953
Chris Hani	816 194	187 499	248 163	418 504	1 934
Ukhahlamba	341 837	86 057	148 274	258 232	4 846
O R Tambo	1 697 008	339 269	677 955	1 066 767	665
Alfred Nzo	426 394	68 256	89 346	233 260	2 095
Nelson Mandela Metro	1 000 771	260 808	109 162	51 518	15 000
TOTALS	6 474 625	1 468 287	1 834 341	3 062 793	48 060

Table: Estimate of current backlogs (June 2006)

The budget required to address the backlogs is another subject of much discussion. Using DWAF norms applied to the above population figures, it has been calculated

that the budget required to eliminate the backlogs noted above could range from R3 Bn to R7.8 Bn.

If the established targets for elimination of backlogs are to be met (buckets 2007, water 2008, sanitation 2010), the required annual expenditure to achieve this could be as high as R3.3 Bn. Based on present performance, it is more likely that actual expenditure would be closer to R1 Bn in the first year, escalating as the ability to manage the process improves.

The budget estimates in the Workplan have been based on the assumption that initial expenditure will be of the order of R1 Bn per annum.

3.3.1 Impediments

From the findings, it is possible to isolate eight areas of need that municipalities perceive as impediments to achievement of the backlog targets. These are:

a. Money

There is consensus amongst municipalities that the Macro Planning figures are severely under-estimated. Budget in excess of the MTEF allocation will be essential.

As a first step, municipalities require money to firm up on both the quantum of the backlogs and the unit costs to provide the basic services. Thereafter planning with more confidence can proceed.

b. Sustainability

WSAs are almost unanimous that the infrastructure asset management burden must be urgently addressed. Most of the infrastructure serves, or will serve, indigent people unable to pay for services, and the revenue base of many municipalities is unsustainable. Large subsidies, more sharply focused than the Equitable Share, will be required.

Money is required for three purposes:

- To remove the growing burden of 'deferred maintenance'
- To pay for the maintenance and operation of the increasing infrastructure assets serving the poor
- Lifecycle provision for infrastructure assets replacement.

c. Skilled specialists

Capacity shortfalls relate primarily to existing Project Management Units within municipalities, but are by no means limited to the PMUs. Required increase in capacity to deal with backlogs varies from 30% to over 100%. Without this, compliance deficiencies in relation to the MFMA are foreseen.

Support should be provided for municipalities that need to outsource skilled specialists to assist with EIA procedures, drafting of Occupational Health & Safety Plans, engineering design and assessment of engineering designs, production of contractual documentation, establishment of community structures and other non-core functions.

Support for the recommendations drawn up by the Staff Retention and Development Task Team should be urgently implemented. Skills in the operations

and maintenance fields require immediate attention if newly installed infrastructure is to remain productive for the duration of its design life.

d. Management support

Most municipalities requires management support to assist with the proper management of the service providers who design and manage infrastructure installation projects.

e. Systems optimisation

While most municipalities believe their supply chain management systems to be sound, 50% believe that the systems are not optimised to fast track delivery. Specialist on-site support to both guide officials to the most efficient approaches and to assist with peaks would be sufficient until processes are well engineered and operating smoothly.

Periodic external auditing would be sensible in an environment where productivity and delivery are the main focus.

f. Professional Service Providers

While municipalities generally feel there are sufficient service providers (by number) in the province to cope with an increased workload, meeting present HDI-utilisation targets may present problems.

g. Contractors and suppliers

The development of contractors able to deliver on at the rate of production required without compromising quality is challenging. Furthermore, to attract the larger, more established contractors (needed to achieve the rates of production required) will require bigger contracts. If not carefully managed, this may undermine the development of local contractors.

Concern was voiced by some municipalities that there is a risk of collapse of local enterprises that respond to the demand created by this programme, once this demand has been satisfied. The possibility of a work-vacuum in the aftermath of the programme, and the implications of such a situation, should be given careful consideration.

3.3.2 Conclusions Regarding Backlogs

There is presently insufficient budget available to address service backlogs within the target timeframes. Even if sufficient budget were to be made available, there are insufficient resources (at present) available to utilise the extra budget effectively. Backlog elimination should not be an exclusive focus, as long-term sustainability will be impossible unless sufficient attention, including budget, is given to refurbishment and maintenance of infrastructure.

3.4. WATER RESOURCES

The best information on the status of water resources in the province is presented in the DWAF "Internal Strategic Perspectives" (ISPs). These are structured on the basis of Water Management Areas. There are 3 WMAs covering the Eastern Cape; Mzimvubu to Keiskamma, Upper Orange and Fish to Tsitsikamma. The first is almost completely within the Eastern Cape (a very

small part is in Kwazulu Natal). Most of the Upper Orange WMA is in the Free State and Northern Cape, while a significant part of the Fish to Tsitsikamma is in the Western Cape. Information from the ISPs is summarised in the sections below. In some cases, the ISPs have been further broken down into smaller areas.

3.4.1. Mzimvubu to Mbashe

The extent of water resources development in the ISP area varies considerably. No noteworthy dams have been constructed in the Mzimvubu River catchment, where significant potential for water resource development remains, as also applies to the Mbashe River. The Mtata River is well regulated by the Mtata Dam. Three small hydro-electric developments exist in the ISP area, one on the Mbashe River and two on the Mtata River. An inter-basin water transfer occurs between the Kei and the Mbashe catchments. The available surface water resources in the Pondoland key area under current development are limited, while there are indications that there is scope for groundwater development to meet the growing domestic water requirements in that key area. In the other key areas, although there is enough surface water resources available to meet likely growth in water requirements, a large number of the rural towns are dependent on groundwater. The quality of the groundwater in the ISP area is good and borehole water requires no treatment. The low borehole success rate may increase the cost of supplying domestic water supply from groundwater.

There are a number of issues, constraints and development opportunities available in the Mzimvubu to Mbashe ISP area regarding water resource management. The ISP has revealed that, with the exception of a few localised areas, all four key areas of Mzimvubu, Pondoland, Mtata and Mbashe have surplus water (see Table 1). The projected future water requirements in the ISP area are not expected to increase significantly. Population figures are expected to reduce somewhat because of migration from the rural areas to the urban areas as well as the high prevalence of HIV/AIDS while significant increases in forestry, irrigation, hydropower generation, etc are unlikely, unless stimulated by practical decisions.

The water quality of the ISP area is generally very good with the exception of the urban areas where the existing wastewater treatment works cannot cope with sewage inflow. This ISP area has some of the most pristine estuaries and areas of high ecological importance and sensitivity can be found in the Pondoland key area. However the operation of the existing three hydroelectric schemes has a negative impact on the flow regime required for the ecology. The utilisation of water in the urban areas was found to be highly inefficient. There are significant water losses in all the urban and rural towns situated in the Mzimvubu to Mbashe ISP area. On the other hand, the Mzimvubu to Mbashe ISP area is deeply rural and very poor and water can contribute to rural development and poverty eradication. The key feature that applies across the Mzimvubu to Mbashe ISP area is that it is well endowed with water. Water alone cannot leverage development and other resources such as human, physical and financial as well as institutional and management support must be available to support such developments. These aspects require integrated resource management. Therefore the overall objective of water resource management in the Mzimvubu to Mbashe ISP area is the need to utilise the available water for the benefit of local communities in order to improve their welfare, while ensuring that the resource is well protected to ensure the quality of the ecologically highly important and sensitive areas of the ISP area.

Based on the assessment conducted, strategies have been developed to contribute to poverty eradication and improve the welfare of local communities while protecting the water resource to ensure a high quality ecosystem function of the ISP area. These cover the following aspects:

- Water balance and reconciliation
- Reserve and Resource Quality Objectives
- Water Quality Management:
- Water Conservation and Water Demand Management
- Forestry Management
- Poverty eradication, emerging farmers and revitalisation of irrigation schemes
- Co-operative Governance
- Monitoring and Information management

Further details are provided in the IPS document.

3.4.2. Amatole to Kei

The Amatole – Kei ISP area comprises the Amatole and Kei primary catchments (R and S) and is located in the Mzimvubu to Keiskamma Water Management Area (WMA 12) of (ii) the Eastern Cape. A separate ISP is being developed for the Mbashe to Mzimvubu catchments. The Amatole – Kei area has been divided into five sub-areas for the development of an Internal Strategic Perspective. These sub-areas are :

- The Amatole sub-area - catchments R20/30
- The Keiskamma sub-area - catchments R10/40/50
- The Upper Kei sub-area - catchments S10/20/31/32
- The Middle Kei sub-area - catchments S40/S50
- The Lower Kei sub-area - catchments S60/70

The topography of the area is defined by the Amatola mountain range which divides the two primary catchments :

- The Amatola coastal catchments (7 936 km²) with their headwaters draining the southern slopes of the Amatola mountain range at an altitude of some 1960 masl. The main rivers of the Buffalo, Keiskamma and Nahoon Rivers drain in a south-easterly direction into the Indian Ocean along the coastline either side of East London.
- The Great Kei catchment (20 485 km²) which drains the northern slopes of the Amatola mountain range and the southern slopes of the Stormberg/Drakensberg range at an altitude of 2400 masl with the upper Kei Catchment centred around Queenstown. The middle and lower Great Kei River reaches are characterized by a deeply incised valley, which exits into the Indian Ocean at Kei Mouth north of East London. The area consists predominantly of the Beaufort Series of sandstones, shales and mudstones interspersed with dolerite dykes and sills. The climate and temperature variations of the ISP area are closely related to elevation and proximity to the coast. The study area experiences a temperate climate along the coast to more extreme conditions inland with snowfalls occurring on high ground during most winters. Annual rainfall along the coastline varies from approximately 500 mm in the west to approximately 1000 mm in the

east, and over 1200 mm in the Amatola mountains. Annual rainfall in the Kei catchment varies from a low of approximately 400 mm in the Upper Kei catchment around Sterkstroom, to 700 mm in the Middle Kei catchment, to 1000 mm at Kei Mouth.

Vegetation and Land Use

The vegetation of the area is predominantly savannah in the Amatole catchment and grasslands in the Great Kei catchment. Indigenous and commercial forests in the Amatola mountains and valley thicket in the river valleys are the other important vegetation types.

Demography

The only large urban area is centered in the Buffalo City Municipal (BCM) area around East London. Other significant towns are Queenstown and Butterworth. The population of the ISP area was estimated at 1 761 000 in the year 2000, with 953 000 (54%) people residing in the Amatole catchment and 808 000 (46%) in the Great Kei catchment. The only area expected to experience significant growth in the future is the Buffalo City.

Economic Development

There are four main economic activities in the area viz. manufacturing, agriculture, forestry and tourism. These four sectors have been identified by the Provincial Government in their Growth and Development Strategy as being the basis upon which further economic growth will occur and be promoted. The industrial and manufacturing activities are based mainly in the BCM area with vehicle manufacturing being the dominant industry. The main industrial opportunities for further economic growth will continue to be based on the development of industries and trade in the BCM area (East London - King William's Town corridor). This has been recognized by government and the East London Industrial Development Zone (ELIDZ) is presently being established as an incentivised trade zone on the west bank of the Buffalo River, close to the harbour. Cultivation of dry land crops, irrigated agriculture, and stock farming are practised throughout the rural areas. Regeneration and expansion of rural economic activities will take place once the defunct irrigation schemes in the former Ciskei and Transkei are revitalised and placed on a sound and sustainable economic footing. This is being actively driven by the Provincial Government as one of the main pillars for economic growth and poverty eradication in the rural areas. The commercial forestry industry is centred in the Amatola mountains around Stutterheim and opportunities have been largely exploited. There is additional potential for the manufacture and processing of products from these commercial forestry activities.

East London, the surrounding pristine coastline and its estuaries, and the Amatola mountains are also increasingly becoming the focus for regional tourism. Further expansion of tourism facilities will create labour enhancing opportunities in an area where the unemployment rate exceeds 50%.

Waterworks

Several major dams have been constructed for urban/industrial supply, irrigation supply and for hydropower generation. The only water transfer scheme out of the ISP area is that from the Ncora Dam to the adjacent Mbashe catchment for irrigation at the Ncora Irrigation Scheme (20 million m³/a), and for hydropower generation at Ncora Dam itself and at Collywobbles hydropower station lower down in the Mbashe catchment (85 million m³/a). Within the ISP area, the two

large internal transfer schemes are the Wriggleswade Scheme for transfer of raw water from the Kubusi catchment (Wriggleswade Dam) to supplement the Amatole Water Supply System supplying the BCM area (18 million m³/a), and the Klipplaat Government Water Scheme, which includes the transfer of water from Waterdown Dam to Queenstown and Sada / Whittlesea (8,25 and 4,2million m³/a respectively).

Water Resources Availability

The natural mean annual run-off (MAR) for the ISP area is 1 586 million m³/a, with the Amatole catchments contributing 559 million m³/a (35%) and the Great Kei catchment 1 027 million m³/a (65%). By far the largest allocated water use in the ISP area is for irrigation, making up about 51% of total water use. The next largest water use is for domestic/industrial use which accounts for about 43% of total water use. There is a significant area of afforestation, which is estimated to reduce the yield available to other users by approximately 15 million m³/a.

Although it is estimated that significant quantities of groundwater exist in the ISP area, the actual use of groundwater is relatively small. This is mainly due to the generally well watered nature of the area and the wide occurrence of perennial surface streams, which reduces the need for groundwater abstraction. Groundwater occurrence is very variable over the area with borehole sources located either in fractured rock or the primary/intergranular aquifers. The recharge to these aquifers and the run-off into the region's rivers are largely dependent on the climate/rainfall which is in turn controlled by the Amatola mountain range that transects the ISP area from west to east, the high lying Winterberg in the north west and the foothills of the Stormberg in the north east.

Water Quality

The quality of surface water in the ISP area varies markedly from one catchment to another. Within the Amatole catchments, the coastal rivers that fall outside the BCM urban complex generally have good quality raw water, although increasing soil erosion is reducing the quality of the rivers and estuaries. Rivers within the BCM area such as the middle and lower Buffalo River, Nahoon and smaller urban catchments have been heavily impacted by urbanization. The most impacted river is the Buffalo River due to the multiple use of the river water, the treated effluent return flows, which due to overloaded waste treatment works are often not of an acceptable standard, and the general poor state of sewerage infrastructure leading to raw sewage overflows. Within the Kei catchment, the surface water quality is average with increasing soil erosion due to poor land use practices impacting on the water quality.

3.4.3. Fish to Tsitsikamma

The Fish to Sundays ISP area forms the eastern part of the Fish to Tsitsikamma Water Management Area (WMA 15), and falls almost totally within the Eastern Cape Province. It derives its name from its two largest rivers, the Great Fish and the Sundays Rivers. The remainder of the WMA was separately addressed in the Tsitsikamma to Coega ISP Report.

The Orange-Fish-Sundays Water Supply System (OFSWSS), which primarily supports irrigation in the Fish and Sundays catchments, but with water going as far as Port Elizabeth, is the major economic driver in the ISP area. Ensuring a continuous sustainable water supply for economic activity associated with the system is essential for community well being and the socio-economic prosperity

of the area. The rest of the ISP area has very little water of its own and the underlying geology also results in this local water being of very poor quality. The economy of this ISP area is therefore totally dominated by water transferred from the Orange River.

Physical Features

The ISP area was divided into three sub-areas, namely the Fish, Sundays and Albany Coast sub-areas. The map following this executive summary shows the demarcation of the ISP area. Main rivers are the Great Fish, Sundays, Bushmans, Kowie and Kariega rivers. The topography is relatively flat, bounded by mountain ranges to the north. The climate over the ISP area is strongly influenced by warm coastal currents and the topography. Most of the inland has typical dry Karoo climate. Rainfall generally occurs throughout the year in the coastal region and very late in summer in the inland areas. Rainfall varies from 300 mm/a to small areas of up to 900 mm/a. Evaporation is considerably greater than rainfall, ranging from 1 450 mm/a in the south-east to as high as 2 050 mm/a in the north-west. The Addo Elephant National Park, Mountain Zebra National Park and the Alexandria Dune Field are important conservation areas. Several other game parks and conservation areas are located in the ISP area. The permanently open estuary of the Great Fish River is ecologically important.

Demography

Approximately half a million people live in the ISP area, with more than half of these living in the Great Fish River basin. Approximately 70% of the population lives within urban areas. The population of the Fish and Sundays sub-areas is expected to decline after 2005 (19). This is attributable to the lack of economic stimulus, together with the impacts of HIV/AIDS. A small growth in the urban population is forecast in the Albany Coast sub-area.

Land Use

Most cultivated land in the interior is irrigated, because the rainfall is too low and erratic to be relied upon. Significant irrigation takes place in the catchments of the Great Fish and Sundays rivers using Orange River water, with lucerne, vegetables and citrus being the main crops. Irrigation from local sources is also practised along the Kat and Tarka rivers. Farming with sheep, mohair and cattle is common in the ISP area. Natural and stocked wildlife are found in this area and seems to be increasing in popularity. Pineapples and chicory are grown in the Albany Coast area. Some indigenous forests are found in the Kat River catchment.

Economic Development

Agriculture and supporting industries dominate the economy of the ISP area, which is heavily dependent on irrigation. About 51 000 ha of irrigated lands in the Fish and Sundays catchments rely largely on water transferred from the Orange River. A total of 4 000 ha of identified future Orange River allocations have been reserved for new irrigation by resource-poor farmers in this ISP area, for uses where it will provide the most benefit and be most effective in eradicating poverty. Agriculture has linkages to several other economic sectors. Citrus, vegetables as well as cash and fodder crops are grown under irrigation, while the area is also known for its production of pineapples, chicory and dairy products near the coast. Dryland crop farming is a significant contributor to the agricultural sector. Almost 60% of the world's mohair and much of the country's wool is produced in the water management area and surrounding areas. The larger regional industries of the WMA consist of manufacturing, construction, trade, transport and finance. These sectors account for the employment of about

a quarter of the workforce. Manufacturing in the ISP area is centred on agro-processing. Food and dairy processing are present in the larger towns. There are no significant mining activities and mining operations are limited to quarrying for building materials. Commercial forestry is practised mainly in the Kat River catchment. Tourism is well established, with a network of tourism routes, and is on the increase, with large potential for growth.

Water Institutions

The Albany Coast Water Board is the only water board in the ISP area. The Great Fish River Water User Association, including its Sub-Areas, Kat River Water User Association and the Sundays River Water User Association have been established. The Kat River Catchment Forum is the only catchment forum to have been established in the ISP area (23).

Waterworks

The Orange-Fish-Sundays water transfer scheme transfers Orange River water from Gariep Dam to the Great Fish River valley and thence to the Sundays River valley, to supplement local water supply for irrigation and some urban use by local towns. Some water is also transferred to the Nelson Mandela Metropolitan Municipality via this system. A schematic diagram of the system is shown on the following page. The scheme consists of Grassridge and Darlington dams and various balancing dams, weirs, canals and tunnels. The Lower Fish River Scheme transfers Orange River water to Grahamstown and to irrigators along the lower Great Fish River. Separate irrigation schemes exist on the Tarka and Kat Rivers, with irrigation taking place from the Commandodrift Dam, Lake Arthur and the Kat River Dam. Nqweba Dam supplies water to Graaff Reinet. Potential future schemes have been identified in the Kat and the Koonap rivers. The proposed Foxwood Dam in the Koonap River has a potential yield of 25 million m³/a, although this water would be expensive. The water source for the proposed Tamboekiesvlei Scheme will likely be from the proposed Baddaford Dam in a small tributary in the Kat River catchment, and from fountains. Groundwater is widely used to supply towns and for rural water supply, with localised overexploitation occurring. The urban and rural domestic water supplies are generally adequate, with some localised shortfalls occurring, mainly because of inadequate management of supply systems. Groundwater holds significant potential.

Water Resources Availability

The total available yield of the ISP area is estimated to be 757 million m³/a.

Surface water availability

The water resources are not evenly distributed across the catchment. The natural mean annual runoff of 972 million m³/a has been reduced by abstractions and other consumptive usages, but has been substantially augmented through transfers from the Orange River for irrigation, urban use and freshening releases. The available yield of local surface water resources is estimated to be 160 million m³/a. The impact of water transferred into the ISP area from the Upper Orange WMA is 575 million m³/a (26). There are no natural lakes or large wetlands in the ISP area, although there are many small wetlands. There is uncertainty about the estimates of the Reserve and how these may change in future. The available yield in the ISP area is a combination of surface water, groundwater, usable return flows and transfers into the ISP area. Very limited potential for development of new dams and other water resources remain.

Surface water quality

The relatively flat topography, low mean annual runoff, high evaporation and underlying mudstones generally give rise to saline groundwater and resulting saline base flows in the Fish and Sundays rivers, irrespective of water transferred in from the Orange or irrigation return flows. Water quality in the Fish River deteriorates significantly in a downstream direction from good to very poor and from poor to very poor in the Sundays River. These rivers are significantly impacted on by saline irrigation return flows. High salinity is also the main concern in the Bushmans, Kariega and Kowie River catchments. The Bushmans River water quality is mostly unacceptable. Water quality in the Kowie River is poor and in the Kariega River the water quality is completely unacceptable.

Groundwater availability

Groundwater is often the only source of water for rural domestic use and stock watering, whilst several towns also obtain a large proportion or all of their water from underground sources. Groundwater is also used for urban supply by coastal towns, but cannot always support growing demands and peak seasonal uses. Exploited aquifers are not necessarily well managed. Actual groundwater use, especially for irrigation, is likely to be significantly higher than has been reflected in the National Water Resource Strategy and these numbers require verification. The potential for groundwater use is under-developed. It is suggested that improved borehole siting and wellfield management would significantly increase both the yield and the reliability of the groundwater resource.

Groundwater quality

In the Albany Coastal Range groundwater of poor quality is associated with outcrops of the Bokkeveld Group and the Dwyka-basal Ecca formations. Areas of low slope in the Ecca Group and lower Beaufort Group (Adelaide Sub-group) between the coastal ranges and the Middle Veld escarpment also have a higher salinity. In the south, the best quality groundwater is associated with the limited areas of the Witpoort aquifer in the Albany Coastal Range. In the north, good quality groundwater is generally associated with the Katberg sandstone aquifer in the Winterberg Range between Seymour and Cradock, and along the Great Fish and Sundays headwater divides near Nieu Bethesda, Middelburg and Steynsburg.

Water Use

Total water use of the ISP area is estimated at 759 million m³/a. At 94%, irrigation currently constitutes by far the largest user of water in the ISP area. The water is mainly used to grow vegetables, deciduous fruit, citrus, lucerne and maize, and for the irrigation of pastures (17). There is believed to be significant scope for more efficient use. Other uses are small in comparison. Calculations of the water requirements of the ISP area were refined for this ISP, following the publication of the NWRS. The later calculations and updates of requirements show that there is significant uncertainty associated with irrigation water use. There is enough confidence in these revisited values that they have been shown in tables in this report. It is, however, essential that the apparent discrepancies be addressed as a matter of priority.

Current Yield Balance

The reconciliation of available water and requirements for the year 2000, including transfers of Orange River water, indicates that the ISP area is approximately in balance, mainly because transfers are sufficient to satisfy the demand. The Tarka River catchment (Great Fish River tributary) is stressed.

There are unused and under-utilised water allocations in the Kat River catchment (Great Fish River tributary). These unused allocations must be addressed, as well as the unlawful use of these current unused allocations. The NWRS shows a balance of 38 million m³/a, which is substantially more than the balance determined in the ISP. The major difference is in the NWRS Fish sub-area, where the NWRS shows a balance of 37 million m³/a, compared to the ISP balance of zero million m³/a. The surplus flows at the bottom end of the Fish and Sundays rivers include freshening releases made, unused irrigation releases, and return flows downstream of the last point of abstraction. The salinity of such flows may be too high for direct beneficial use without blending or treatment. This water is therefore generally not available for use.

3.4.4. Upper Orange

4. STRATEGIC CONTEXT

The last major review of the sector strategy occurred in late 2004, although the Water Summit in 2005 provided some new key inputs. As was noted earlier, in Section 2, a number of major new strategic implications had to be considered, which necessitated a major review, notwithstanding the need for an update after 2 years. These major new issues were as follows:

- The need to incorporate water resources issues or at least the key linkages with water services
- The “Water for Growth and Development” (WGD) imperative
- The need to incorporate the key activities of all of the sector players
- The need to think more broadly and creatively about the real needs of the sector, assuming budgets may not be the constraint they have been in the past

As a result of the above, it has been necessary to revisit the Vision and Mission. Goals 1 to 4 have been retained but updated where necessary. The biggest change however has been the introduction of a new Goal 5, which focuses particularly on WGD and water resource projects to address this.

The new strategy is summarised below.

4.1. VISION

- ***A highly effective water sector that is a leader in terms of collaboration, innovation and achieving national targets***

N.B. **Water sector** in this context includes water services, i.e. water and sanitation, and water resources

4.2. MISSION

- ***We will ensure that all of the people in the Eastern Cape have access to safe, adequate, affordable and sustainable water services and water resources provided by a highly capacitated, appropriately regulated, effective and efficient water sector***

N.B. **Water sector** in this context includes water services, i.e. water and sanitation, and water resources

4.3. LONG TERM GOALS

1. Develop the capacity of the sector at provincial and local level to regulate water and thereby enhance its effectiveness as a whole
2. In line with nationally set targets, strive to eliminate service delivery backlogs in the Eastern Cape
3. Ensure the long-term operational sustainability of water systems
4. Foster and further develop the sector-wide approach by ensuring greater participation and effective collaboration of all sector partners.
5. Ensure that the water sector responds to, facilitates and encourages the crucial need for economic growth and job creation in the Eastern Cape

4.4. STRATEGIC OBJECTIVES SUPPORTING THE LONG TERM GOALS

STRATEGIC OBJECTIVES SUPPORTING GOAL 1:

1.1 Carry out a strategic review of the WSA capacity building BPs, convert them to WSCBBPs and revitalize implementation

Rationale: WSA BPs have been developed and approved for all DMs and Buffalo City Municipality. Service Providers are being appointed to assist WSAs in briefly reviewing the approach adopted so far in rolling out the BP and facilitating rapid implementation.

1.2 Assist the Regional Office of DWAF in clarifying its regulatory role, ensure that the necessary systems are put in place and build capacity to provide technical, economic and contract regulation (as described in SFWS) and support WSAs in satisfying the regulatory requirements in a developmental way

Rationale: The shifting of the role of DWAF from one of providing a full range of services to one of sector leadership, regulation and support requires major changes within the regional offices of DWAF. Change in strategies and structure needs to be followed by cultural changes, re-skilling and capacity building within the organisation to ensure DWAF continues to provide its leadership role in the sector.

1.3 Ensure incorporation of environmental consideration into all planning and implementation phases of projects and encourage collaborative efforts to conserve water and to minimise the pollution of surface and underground water sources in the Province

Rationale: Long-term sustainability of service provision and preserving our natural resources requires an integrated and environmentally sensitive planning and project implementation approach. The water services sector needs to ensure environmental considerations are incorporated in all critical sector activities.

1.4 Further investigate the co-ordination of capacity building and support initiatives in the province with the aim of aligning strategies and tapping into funding streams

Rationale: The subject of co-ordination of capacity building initiatives has been debated in the sector for over a year. It is necessary for the sector partners to agree on a common strategy and unlock the potential funding, which is available to the sector.

1.5 Ensure effective preparation, award and management of contracts to external WSPs and self-regulation in terms of internal WSPs

Rationale: One of the key principles established in the Strategic Framework for Water Services is the separation of the function of WSA from that of WSP. The interface and contracts or agreements established between

these two elements need to be well-managed and is the subject for regulation by DWAF as well as the WSA itself.

1.6 Ensure ongoing development, institutionalisation and effective implementation of monitoring, evaluation and reporting systems to inform policy development, planning and preparation of support strategies as well as sector regulation

Rationale: Monitoring, evaluation and reporting is a key element of effective management and regulation. While initial attempts have taken the sector some way towards development of M&E and reporting system, there is a need for further work in this area and institutionalisation of the systems and processes.

1.7 Continue to support and ensure the introduction, population and utilisation of information systems by municipalities and DWAF (IGIS, OSS, RICs)

Rationale: Information is crucial to planning, development of support strategies, monitoring and regulation of the performance of the sector. A clear strategy is required to ensure co-ordination in the development of the systems/concepts, their population and more importantly, their utilisation as management tools.

1.8 Improve communication and co-ordination between water resources and water services matters

Rationale: Although addressed by separate pieces of legislation, in many cases the division between the two is almost academic and can lead to undesired consequences. Increasingly there is a need to ensure that the linkages between the two are more adequately highlighted and realized.

1.9 Streamline water licensing processes

Rationale: Water licensing processes have had to be substantially rethought as a result of the new National Water Act. This has led to some delays that now need to be addressed in a systematic manner.

1.8 Ensure a strong working relationship and linkage between Project Consolidate and Masibambane, emphasizing the LG 5 Year Development Plan and MSPs

Rationale: Although much effort has been made to forge strong linkages between DWAF and DHLGTA in the past, much still needs to be done. This has become even more important with the introduction of the new LG 5 Year Development Plan and MSPs. Alignment of water sector support initiatives with the MSPs is thus a key action.

STRATEGIC OBJECTIVES SUPPORTING GOAL 2:

2.1 Institutionalise the culture of planning and ensure improved quality of WSDPs, their implementation, monitoring and reporting

Rationale: According to SFWS, the primary instrument of planning in the water services sector is the WSDP. WSDPs must be developed every 5 years, integrated into IDPs and reviewed and report on annually. Their scope needs to be extended to cover new challenges, their quality continuously improved and most importantly, WSDPs need to be used by WSAs as a management tool.

2.2 Clarify the definition of water and sanitation backlogs, investigate their extent and location through benchmarking and influence the allocation of resources to facilitate the achievement of targets

Rationale: The elimination of backlogs remains the primary objective of all current initiatives in the sector. Lack of reliable quantification poses a challenge in delivery and monitoring. It can also impact on the basis for allocation of MIG and other funding to WSA's.

2.3 Ensure that sustainability issues related to MIG funding receive more emphasis

Rationale: There is criticism at the moment that the capital grants provided by MIG are not applying the necessary due diligence around sustainability to the projects e.g. does the municipality have the capacity and resources to operate and maintain the project after it has been implemented? It is therefore necessary to raise the profile of sustainability issues in the MIG process.

2.4 Evaluate the capacity of the sector to deliver and investigate efficient delivery mechanisms

Rationale: One of the critical issues in addressing backlogs is the capacity of the sector, but particularly the WSA's, to deliver services. Unspent budgets are often the sign of this. In the absence of the delivery machine created by the BOTT Contract in the Eastern Cape, it is essential to explore the most efficient delivery mechanisms.

2.5 Capacitate WSAs to ensure that the Sanitation Delivery Chain is strengthened

Rationale: One of the critical issues in addressing backlogs is the capacity of the sector, but particularly the WSA's, to deliver services. Unspent budgets are often the sign of this. In the absence of the delivery machine created by the BOTT Contract in the Eastern Cape, it is essential to explore the most efficient delivery mechanisms.

2.6 Deliver infrastructure to address water supply backlogs to households

Rationale: key national target identified in the Strategic Framework for Water Services

2.7 Deliver infrastructure to address sanitation supply backlogs to households

Rationale: key national target identified in the Strategic Framework for Water Services

2.8 Deliver infrastructure to address water services backlogs to schools

Rationale: key national target identified in the Strategic Framework for Water Services

2.9 Deliver infrastructure to address water services backlogs to clinics

Rationale: key national target identified in the Strategic Framework for Water Services

STRATEGIC OBJECTIVES SUPPORTING GOAL 3:

3.1 Ensure that all WSPs in the province have the capability to adequately fulfill their role

Rationale: In Masibambane 1, the major institutional intervention was development of WSA capacity. In Masibambane II there is recognition that there is an important need to focus much more on WSP development. In this regard, it is important to note that, in a developing country context, this is where the greatest challenge lies, not in development of new infrastructure.

3.2 Ensure that appropriate information is available regarding important existing water services infrastructure

Rationale: Without basic information on the location, condition and other information on the water services infrastructure it will be very difficult to carry out any of the key WSP functions.

3.3 Design and implement appropriate education, communication and social marketing campaigns, which will ensure the sustainability and effectiveness of water services delivery programmes

Rationale: The delivery of infrastructure by itself is not enough to ensure that it will be used effectively and efficiently by, or that it will result in significant improvements in the health of, the recipients. It is thus important that it is accompanied by appropriate education and communication campaigns.

3.4 Ensure the successful completion of Section 78 studies and their implementation thereafter

Rationale: Section 78 assessments are very strategic studies, which speak directly to the long-term future and viability of WSP's. They are also complex (primarily due to the legislation) and as a result, municipalities need considerable support to ensure that these studies are carried out successfully.

3.5 Ensure a successful process of transfer of water infrastructure (including staff where appropriate) to WSAs

Rationale: The transfer of water services from DWAF to municipalities is a major undertaking which will require focused attention if it is to be successful. It could also have profound impacts on WSP sustainability.

3.6 Complete the Central Eastern Cape WSP Arrangements strategic study in the Amatole, Buffalo City and Chris Hani (and possibly other) municipalities, to assess the options available and agree on the best approach to institutional reform

Rationale: Institutional reform studies will be undertaken over the next few years and could have a major impact on WSP arrangements, particularly in the Amatole, Chris Hani and possibly adjacent DM's. Although these may be led by National, it is very important that the sector in the Eastern Cape is heavily involved in the process.

3.7 Ensure that plans are developed and actioned to address water demand management and conservation

Rationale: South Africa is an arid country in international terms and therefore wise and effective use of water is extremely important. It is thus a very important issue for WSPs to have a particular plan to address this issue.

3.8 Foster and encourage the use of appropriate technology throughout the life-cycle of projects

Rationale: The use of appropriate technology is acknowledged as being a best practice approach and can have a positive impact throughout the project life cycle. Experience has shown however that it is necessary to have focused approaches and strategies to ensure that it is fostered.

3.9 Put in place a mechanism whereby emergency support can be provided to WSPs, if and when necessary

Rationale: In the past ten years, there has been a huge emphasis on the delivery of additional services and infrastructure. This has clearly been necessary however; it appears likely that during this period, the issue of the long-term sustainability of water services operations may have been neglected. Indeed, there appears to be mounting evidence that sustainability is a major challenge.

3.10 Water and sanitation capital rehabilitation/refurbishment projects

Rationale: There is much evidence to suggest that the maintenance and rehabilitation of infrastructure is being severely neglected in many municipalities. In addition, MIG does not fund capital rehabilitation, so there is an urgent need to access funding from other sources.

3.11 Develop a plan to ensure the water quality management in the province is enhanced

Rationale: The fallout from the unfortunate events at Delmas has resulted in a heightened awareness about the critical need for quality control around both potable and wastewater matters. A comprehensive monitoring and support programme needs to be put in place to assist municipalities in this area.

3.12 Foster and develop Task Teams and networks around the 10 key WSP competency areas

Rationale: Many people in the industry believe that sustainability of water services providers is currently the biggest challenge facing the sector. Much needs to be done to foster best practice and focusing on these 10 key areas is a good starting point.

STRATEGIC OBJECTIVES SUPPORTING GOAL 4:

4.1 Continue to strengthen and build the effectiveness of the IWSMF

Rationale: The collaborative structure in the Eastern Cape has been very effective in encouraging better coordination, collaboration and lesson learning. Its work thus needs to continue and be strengthened where necessary.

4.2 Ensure a gender perspective is mainstreamed throughout the Programme

Rationale: Gender issues have been identified as critical in building the new South Africa and as such should receive concerted attention. In this regard, gender mainstreaming is also regarded as a best practice approach.

4.3 Identify, capture and disseminate key lesson learning opportunities

Rationale: There has been much learnt on the Masibambane Programme over the last 3 years and this trend will continue. Up until now however there has not been a concerted effort to capture and disseminate these learnings in a well-coordinated manner.

4.4 Ensure that adequate funding is available to address all of the key sector goals and objectives

Rationale: Adequate funding is clearly a crucial requirement for the programme. In order to achieve this, good planning and budgeting processes will need to be put in place, as well as excellent communications with the MIG structures.

4.5 Ongoing development and review of the sector strategy

Rationale: A well-structured sector strategy which has broad stakeholder support is an important component of the programme. In order for this to stay relevant, it will need to be reviewed on an ongoing basis.

4.6 Foster co-operative governance approaches

Rationale: Co-operative governance is a constitutional requirement of all government institutions. In practice however this is often not achieved. One of the main reasons of this is that practical strategies to achieve cooperative governance are often lacking.

4.7 Promote effective communication throughout the Masibambane Programme

Rationale: In a large and complex programme such as this, many problems can be caused by poor communication. An effective communications strategy is thus very important.

4.8 Ensure that Civil Society play a key role in the Programme

Rationale: Civil society has an important and unique role to play in all sectors of society and this has been recognized and encouraged at National government level. Much work remains to be done in the Eastern Cape to realize the particular role of civil society in the water sector and to optimise it.

4.9 Strengthen the role of SALGA in the water sector in the Eastern Cape

Rationale: As the organised voice of local government, it has always been recognised that SALGA has a critical input in ensuring an effective water sector in the province. In the past this has not always been realised, primarily due to lack of resources.

4.10 Strengthen the role of DLGTA in the water sector in the Eastern Cape

Rationale: In the past, DLGTA's role in the water sector has been low key and this was criticised in the Masibambane 1 review. With the advent of MIG, the role of DLGTA is even more critical. Strategies and approaches therefore need to be developed to increase their role in Masibambane 2.

4.11 Ensure that other relevant government departments and institutions play their appropriate role in the water sector in the Eastern Cape

Rationale: There are a number of other government departments that have a key role to play in the water sector e.g. the Departments of Environmental Affairs, Education and Health. Their participation, where appropriate, should thus be fostered and encouraged.

4.12 Optimize the role of the private sector in the water sector

Rationale: The private sector has always played a key role in the water sector and this will continue in the future. It will nevertheless be important to consider what is the most effective role(s).

4.13 Develop a strategy to ensure that there is adequate and appropriately skilled staff for the water sector

Rationale: During Masibambane 2, a number of interventions were put in place to address critical staffing issues in WSAs. Although this made a very positive impact, it became clear during this process, that attracting suitable staff to the sector is a major risk to long-term sustainability. This impacts upon all of the key institutions in the sector and thus needs to be looked at in a very holistic manner.

STRATEGIC OBJECTIVES SUPPORTING GOAL 5:

5.1 Ensure a greater emphasis on integrated intersectoral planning and stronger linkages with the PGDS and IDPs

Rationale: While great strides have been made in improving coordination within the water sector, intersectoral planning and development remains a challenge. In addition, linkages between DWAF and provincial government need to be improved. Closer linkages and alignment with the PGDS is certainly an important requirement in this regard. Closer linkages with IDPs is also very important.

5.2 Support the planning and implementation of the Mzimvubu (ASGISA) development project

Rationale: Development of the Mzimvubu Basin has been identified as an ASGISA project. It is thus a very high profile project and will require substantial involvement and resources from the water sector.

5.3 Rehabilitate, extend and operationalise non-functional irrigation schemes in collaboration with the Department of Agriculture (to prevent disuse after rehabilitation)

Rationale: These schemes, which have fallen into disrepair have great potential for job creation and food security. DWAF is thus working closely with the Department of Agriculture to ensure that these schemes are rehabilitated.

5.4 Ensure the effective rollout of WAR (Water Allocation Reform)

Rationale: Water Allocation Reform gives effect to the new National Water Act, particularly with respect to the allocation of water resources to formerly disadvantaged individuals and the support systems to assist them to use these resources wisely. It is therefore a key component of the transformation of the water sector.

5.5 Support key forestry development initiatives identified in the PGDS

Rationale: The PGDS has identified that the forestry sector is an area that has great potential for economic growth and job creation in the Eastern Cape. Support and alignment with the PGDS is thus crucial.

5.6 Continue to support the Working for Water Programme

Rationale: Historically the Working for Water Programme has made a very positive impact in terms of increasing the availability of water resources, job creation and enhancing the riverine environment. It is thus a programme that must continue to be supported.

5.7 Investigate how funding for water projects, designed to stimulate economic development can be accessed

Rationale: Currently MIG funding is only available for addressing service backlogs to the poor. In addition, many municipalities do not have the resources available to fund the many large water and sanitation projects necessary to sustain and grow economic development. Locating additional funding sources in this is very important.

5.8 Bulk water and sanitation supply projects

Rationale: There are many bulk water and sanitation projects which are of crucial importance for economic growth and sustainability. Because MIG does not fund such projects, a backlog of bulk projects is developing. These project therefore need to be identified and costed.

5.9 Ensure sufficient water resources to meet domestic needs to 13 Karoo towns

Rationale: The volume and sustainability of water supplst in these towns has been identified as a major constraint for development in the area. A major feasibility investigation is underway to assess the implications of alternative sources.

5.10 Investigate, develop and subsidize irrigation schemes for Resource Poor Farmers over the entire Eastern Cape

Rationale: As was noted above, irrigation schemes have significant potential for job creation and job security. They therefore need to be supported dn fostered wherever there is the potential.

5.11 Investigate other means whereby the water sector can contribute towards job creation

Rationale: There is very little that is more important in the Eastern Cape than job creation. The water sector should therefore carry out an exercise to determine what other options there are, in addition to those noted above.

5. COLLABORATION AND INTERGOVERNMENTAL RELATIONS

The Constitution of the Republic of South Africa sets out important principles regarding cooperative governance and intergovernmental relations. The decentralization, institutional reform and transformation occurring within the water services sector, as well as the large number of stakeholders involved in the sector, creates a complex environment. A major challenge therefore is to develop an enabling and supporting environment, which fosters collaboration, mutual support and learning. The Strategic Framework for Water Services supports the promotion of an environment where decisions are jointly made by all relevant stakeholders to ensure coordination and effective delivery of water services. DWAF in conjunction with other stakeholders, has sustained a process of integration and collaboration of stakeholders in the province through a forum called the Integrated Water Services Management Forum.

The following is an illustration of the current design of the collaborative structure for the water sector in the province as of October 2006.

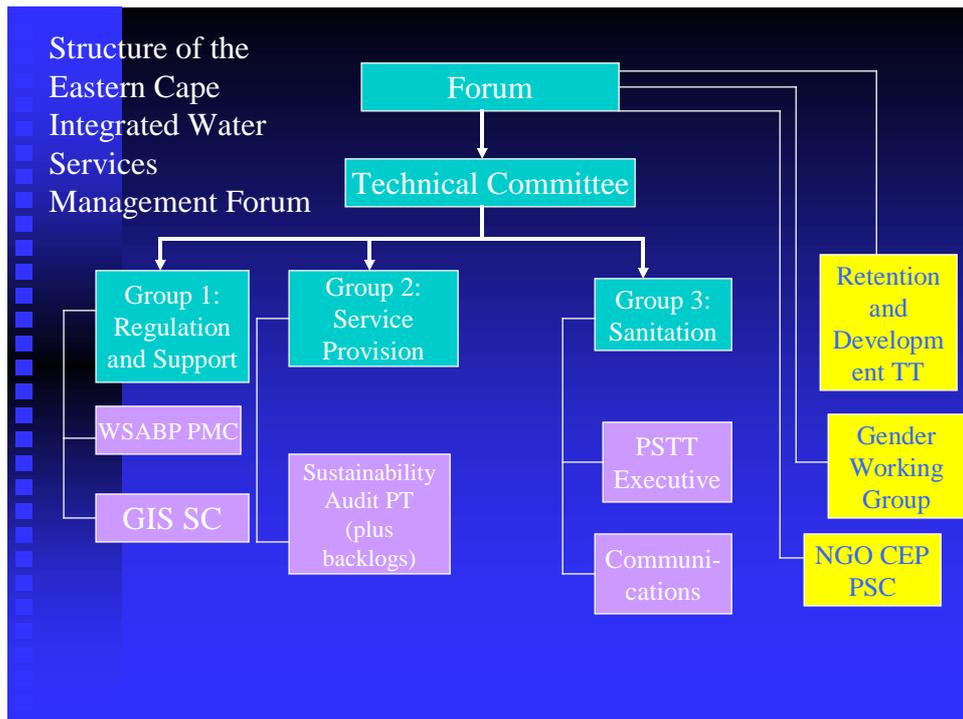


Figure 2: Current Collaborative Structure Design

The main objective of the Forum and its substructures is to guide the transformation of the management of water services in the Eastern Cape Province, and in particular to facilitate and support those local authorities which are designated as Water Services Authorities, in assuming their responsibilities in terms of the Water Services Act and National Water Act and other relevant

legislation. In this capacity, the Forum will also oversee the implementation of the Masibambane Programme in the Province.

To achieve this global objective, the Forum and its substructures will need to perform the following functions:

- Determining the scope of the functions of the forum and its substructures with regard to water services management in the province. This will broadly comprise:
 - planning
 - institutional requirements
 - budgetary arrangements
- Identifying milestones for measuring progress and objectives in terms of time frames for achieving these milestones.
- Assessing budgetary requirements, sources of funds, and arrangements for making funds available.
- Providing guidance and co-ordination with regard to levels of service.
- Assisting in the procurement of goods and services, and optimising systems to facilitate this.
- Evaluating the implications, financial and otherwise, of all proposed actions or lack of actions and striving for solutions that are in the best interests of the Province as a whole.
- Assisting in the assessment of institutional and human resource requirements for the functioning of WSAs.
- Co-ordinating and integrating all water services related planning, implementation and operation.

In order to respond to the dynamic environment in the water industry in South Africa, the Forum has had to undertake a number of different reviews and redesigns, since its inception in 2000. Often this was necessary to respond to the changing needs of stakeholders. The recent strategic review is no different and this was the subject of the second day of the sector strategic review held on 10 November. Very good quality discussions occurred and a range of suggestions made. At the end of this, it was agreed that a major rethink was needed and this will occur in early 2007. In particular, key strategic imperatives that need to be addressed include:

- Integration of water resources
- Closer linkages and participation of sector partners
- Responding to the new IGR Act and forging closer linkages with provincial structures
- Responding to the imperative of WGD
- Addressing the consumer voice
- Exploring closer links with the private sector

6. WORKPLAN

The 5 year workplan is attached as a separate document. It is structured around the sector strategy and specifically the 5 Goals and supporting Strategic Objectives (SO). Each SO is supported by a number of interventions or projects. Institutional responsibilities are indicated in relation to these actions as well as performance indicators. Two funding scenarios are presented as follows:

1. Current funding scenario – projected for the next 5 years
2. Realistic funding needs – attempting to scope and quantify what funding is really needed to run the sector properly, while at the same time trying to be realistic about what can be done, and spent, within the time frames

In order to respond to the numerous new requirements for the PWSP, the workplan contains many new initiatives and actions. In addition, for the first time, the workplan attempts to incorporate the activities of sector partners. Hence MIG funding is included.

As has been noted repeatedly, this PWSP represents a quite fundamentally different approach in many respects and much work thus still remains to be done to improve it in later drafts (in 2007). With regard to the workplan specifically, key areas that require more work are as follows:

- The participation of key sector partners, particularly other government departments, remains a challenge.
- Alignment with the PGDS and responding to the WGD challenge
- Listing, scoping and analysis, of potential bulk projects
- Listing, scoping and analysis, of potential capital rehabilitation projects
- Water services and water resources alignment, particularly with respect to a number of the SOs under Goal 5
- Refinement of budgets and the potential projects/interventions

7. CONCLUDING REMARKS