



Water Affairs and Forestry
Provincial and Local Government



MUNICIPAL INDABA ACTION PLAN

1. Purpose and Context

The main purpose of this document is to highlight the adopted action plan developed at the recent Municipal Indaba 2008 and outlines further action towards implementation of the action plan.

2. Background

The Department of Water Affairs and Forestry, through the initiation of the Minister, convened a Municipal Indaba on the 11th-12th September 2008 at the Birchwood Conference Centre. The Indaba was attended by over a thousand delegates from the municipalities, national government departments and provincial government representing both senior political and administrative structures. The Municipal Indaba was conceived in the backdrop of increasing concerns about the ability of the water services sector to deal with challenges of water supply and sanitation backlogs, infrastructure asset management, regulation (especially in response to poor water quality management), water availability, skills development and financing water services programmes.

The two key outcomes of the conference were (a) the signing of a Municipal Indaba Declaration by the Presidency; Ministries Water Affairs and Forestry and of Provincial and Local Government as well as the South African Local Government Association and (b) the development and adoption of a comprehensive Programme of Action. The Programme of Action was developed from a structured process involving staging of six syndicate discussions. The syndicate work was preceded by preparation of syndicate papers, which were presented in syndicates by various experts, functional officials and political leaders. The syndicates deliberated on the issues presented, identified strategic issues and proposed actions. Six syndicate discussions were staged as follows: Sanitation, Water Resources Reconciliation Strategy, Skills, Finance, Infrastructure Asset Management, and Regulation.

3. Conclusion and Proposed Future Actions

It is envisaged that actions will be driven by a core team convened by DWAF and will report to Directors- General of the Department of Water Affairs and Forestry (DWAF), the National Treasury (NT), Department of Provincial and Local Government (DPLG) and the Chief Executive Officer of the South African Local Government Association (SALGA). Implementation plans will be developed in consultation with relevant sector partners.

Acronyms

CIPs	Consolidated Infrastructure Plans	NSTT	National Sanitation Task Team
DEAT	Department of Environmental Affairs and Tourism	NT	National Treasury
DoE	Department of Education	O&M	Operation and Maintenance
DPLG	Department of Provincial and Local Government	PFM	Public Finance Management
DWAF	Department of Water Affairs and Forestry	PGDS	Provincial Growth and Development Strategy
Housing	Department of Housing	PCC	Presidential Coordinating Committee
IAM	Infrastructure Asset Management	PLC	Provincial Liaison Committee
IDP	Integrated Development Plan	PPPs	Public Private Partnerships
IGR	Inter-Governmental Relations	PSTT	Provincial Sanitation Task Team
IHE	Institution for Higher Education	RWH	Rainwater Harvesting
IMESA	Institute for Municipal Engineering South Africa	SADC	Southern African Development Community
IYS	International Year of Sanitation	SAICE	South African Institute of Civil Engineering
KPI	Key Performance Indicator	SALGA	South African Local Government Association
LG	Local Government	SETA	Sector Education and Training Authority
MEC	Member of Executive Council	WASH	Water, Sanitation and Hygiene
MIG	Municipal Infrastructure Grant	Win-SA	Water Information Network of South Africa
MINMEC	Minister and Members of Executive Council	WRC	Water Research Commission
MIS	Municipal Information System	WSA	Water Services Authority
MTEF	Medium Term Expenditure Framework	WSDP	Water Services Development Plan
M&E	Monitoring and Evaluation	WSS	Water Services Sector

MUNICIPAL INDABA 11- 12 SEPTEMBER 2008

CONSOLIDATED ACTION PLAN

1. WATER RESOURCE RECONCILIATION STRATEGY					
No	Issue/challenge	Action	Leading institution	Supporting institution	Time frame
1.	<i>Dealing with future water scarcity</i>	Develop reconciliation strategies for metros and all other towns	DWAF	Provinces and municipalities	1 – 3 years
2.	<i>Ensure Implementation of strategies</i>	Develop detail action plans and integrate into PGDS, IDPs and WSDPs	DWAF	Provinces and municipalities	1 – 5 years
3.	<i>Climate change</i>	Strengthen linkages and joint planning with water sector and include scenarios into PGDS, IDPs and WSDPs	DWAF, Provinces and Municipalities	DEAT	Short term
4.	<i>Municipal capacity constraints</i>	Create an environment whereby the private sector can play a greater role: advocacy and possibly legislative change	DPLG	DWAF, SALGA	Short term
5.	<i>Water conservation and demand management</i>	DWAF's support scheme to be intensified, Funding for metering, Retrofitting government buildings. (N.B. better O and M and more refurbishment)	DWAF	DPLG, SALGA	Short to medium term
6.	<i>Improve integrated planning</i>	Water resources aspect in IDPs and WSDPs needs to be enhanced: develop guideline for this.	DWAF , DPLG	DPLG, SALGA	Short term
7.	<i>Achieve behavioral change with respect to water saving</i>	Use economic instruments: e.g. block tariffs and incentives	DWAF	DPLG, SALGA	Short to medium term
8.	<i>Expand rainwater harvesting</i>	Promote RWH with all sectors of society: rich and poor	DWAF	DPLG, SALGA	Short to medium term
9.	<i>Where necessary, undertake legislate review (Review of the white paper process)</i>	Harmonize water and local government legislation	DPLG and DWAF	SALGA	Medium term
10.	<i>Groundwater use</i>	Promote advantages of groundwater use more widely	DWAF	DPLG, SALGA	Medium term
11.	<i>Water reuse</i>	Investigate the potential of use of treated effluent (re-use) in all large metropolitan areas	DWAF	DWAF, SALGA	Short Term
12.	<i>Achieving effective knowledge transfer to and between municipalities</i>	Engage with City Network	SALGA	DWAF, DPLG	Short to medium term

2. REGULATORY FUNCTION AND SYSTEM					
No	Issue/challenge	Action	Leading institution	Supporting institution	Time frame
1	<i>What should be an appropriate model for regulation in the South African Context</i>	Must be separation between regulatory and support functions. A discussion on whether to pursue an internal/external regulator model needs to be finalised within DWAF	DWAF	SALAGA, WRC	June 2009
2	<i>Local-level regulation</i>	Municipalities need to clearly separate the WSA and WSP function and take ownership of its regulatory function to be able to regulate the provision function	WSAs	DWAF, SALGA, Provinces	Short Term and On-going
3	<i>The role of provinces in regulation must be clarified and magnified. Water and Sanitation services is still a challenge in many provinces</i>	Setting up of collaborative structures (eg. Mpumalanga) chaired by MEC of LG or DG of province or HOD of LG Ensure monitoring of municipal by-laws	DWAF and Provincial Departments of Local Government	DPLG, NT, SALGA and relevant municipalities in each province	September 2009
4	<i>Good information is critical for regulation</i>	WSAs need to ensure that they understand the status of their water business so that they will be able to provide the information required by the regulator	WSAs	IMESA, WISA, SALGA	Short Term and On-going
5	<i>How should regulatory priorities be determined</i>	Priorities must be determined on a risk assessment basis (short, medium and long term priorities)	DWAF	Sector Partners	March 2009
6	<i>When do we stop supporting and start regulating</i>	Monitoring of the action plans that represent the WSAs' commitment to remedy the situation towards compliance and DWAF needs to focus on regulatory role and decide how the support role can still be fulfilled.	DWAF	DPLG, SALGA	Immediate and On-going
7	<i>Policy review process on provincial and local govt</i>	DPLG white paper must include the regulation of water services and the DWAF discussion paper will be finalised to provide input Work together in respect to coordination of possible policy, governance and institutional reforms	DPLG	DWAF, SALGA	December 2008
8	<i>Compliance</i>	Strong commitment from WSAs to comply with the set water quality, water treatment and other service delivery standards and promote understanding of the mandate of DWAF to regulate	DWAF	IMESA, SALGA, Province	Immediate and On-going

3. ASSET MANAGEMENT

No	Issue/challenge	Action	Leading institution	Supporting institution	Time frame
1	<i>Establish national enabling framework for IAM</i>	Establish a Water Services Infrastructure Asset Management (IAM) Strategy, develop a consolidated national framework and programme for effective implementation of IAM & Implement, promote and enforce enabling policies utilizing DoRA, comprehensive infrastructure planning and management policies, and other legislation and regulation. (draft available)	DWAF and DPLG	In consultation with other relevant sector partners	short term
		Establish a dedicated and resourced national programme to oversee and guide the programme	DWAF/DPLG	NT, SALGA, DBSA Provinces, IMESA,	
		Establish provincial coordinating and oversight framework	Provinces/ DWAF	WSAs, DBSA,	
		Develop IAM skills and capacity programme	SETAs DWAF	IHE, etc	
		Develop support tools (information management systems)	DWAF	Sector Institutions	
		Dedicated funding programme and incentives for improved IAM (align with finance)	NT	DWAF, dplg, DBSA, other financing institutions	short term & ongoing
2	<i>Establish municipal Ownership & Commitment</i>	Establish IAM as a formal programme and KPA for municipalities, with dedicated roles and responsibilities, for political and official structures (champions) & ensure that municipal budget reflects importance of IAM	Municipal & Political leaders	DWAF, dplg	short term & ongoing
3	<i>Ensure IAMs set up as LG & provider business & priority</i>	Develop enabling policy at municipal level (by-laws) & Establish integrated institutional framework with posts, job descriptions, processes and procedures	Municipal Councils	DWAF, dplg	short term & ongoing
4	<i>Resource the IAM business</i>	Secure budgets for the IAM business & obtain and retain appropriately skilled and capacitated staff	Municipalities (CFO)	NT, dplg, DWAF	ongoing
5	<i>Implement and apply an enabling framework</i>	Manage infrastructure functionality with specific focus on asset maintenance and functional operation to achieve targeted outcome	Technical managers	DWAF	ongoing
6	<i>Drive the business</i>	Manage the overall infrastructure life-cycle plan to ensure that short, medium and long-term objectives are achieved including intervention action and recovery plans	Dedicated IA Manager	DWAF, dplg, NT	Ongoing
7	<i>Secure Support (finance, institutional & knowledge)</i>	Develop targeted IAM support services through partnership with training institutions (e.g LG SETA in collaboration with DPLG, which is providing IAM training to municipalities) & Water Boards including a programme to operate sector-wide IAM information management system and establish easy access for municipalities	DWAF as sector leader	dplg, NT, DBSA, SALGA, SAICE, CESA, LG SETA	short & medium term

4. SKILLS

No	Issue/challenge	Action	Leading institution	Supporting institution	Time frame
1	<i>Poor quality Workplace skills plans that are not geared towards effective delivery</i>	Deployment of highly experienced skills development facilitators to develop quality Workplace Skills Plans and build that capacity in municipalities. WSPs must be aligned to IDPs	SALGA	DPLG, SALGA, DWAF, WRC/WIN, SAAWU SAICE, WISA, IMESA, DBSA, DST, DOL LGSETA AND E-SETA	Immediate and on going
2	<i>Lack of innovation around the utilisation of Limited HR resources (eg. limited pool of mentors)</i>	Creating a learning & sharing culture:- <ul style="list-style-type: none"> • Shared services centres • Hubs of excellence • Communities of practice • Inter-municipal twinning • Inter-Govt secondments 	DWAF	DPLG, SALGA, SETA	Short to medium term, on going
3	<i>Reported failures-lack of guided learning, Various interventions currently underway, fragmented (uncoordinated skills development initiatives that waste resources)</i>	DWAF to lead and drive implementation of 2025 VISION HRD strategy as an integrative driver for all the initiatives (assess scale of duplication, identify niche areas and assign roles and harness resources – quantify the challenges, confirm what resources (funding	DWAF	DPLG, SALGA, DWAF, WRC/WIN, SAAWU SAICE, WISA, IMESA, DBSA, DST, DOL LGSETA	Immediate and on going
4	<i>Aging workforce with and insufficient young people coming through the system.</i>	Conduct robust and sustained campaign to inform, attract young people on careers opportunities in the water sector)	DWAF	DPLG, SALGA	Immediate and on going
5	<i>Employee turnover, staff vacancies at LG, shortage of experts and competencies at LG (Staff shortages- some people are not properly skilled at LG levels)</i>	Recruitment and selection practices to be revisited so that they are more appropriate. (Municipal readiness to absorb and retain skills from the pipeline, redefining jobs to suit the potential in the market place	SALGA	DPLG, DWAF	Immediate

5. SANITATION					
No	Issue/challenge	Action	Leading institution	Supporting institution	Time frame
1	<i>Sanitation facility technology choice</i>	Take steps to ensure that there is no wet sludge removal in servicing pit latrines	DWAF	WSAs, SALGA	Immediate – ongoing
		Rural areas – sparsely populated with communal taps (grey water not a major issue)	WSAs	DWAF	Immediate – ongoing
		⇒ Discontinue implementation of fixed structure single pit latrine	WSAs	DWAF	Immediate – ongoing
		⇒ Promote UDS, movable top structure or double pit VIP	WSAs	DoH	Immediate – ongoing
		⇒ Institutionalise and programmatise H&H promotion and appropriate use of facilities on an ongoing basis	WSAs	DWAF	Immediate – ongoing
		⇒ Plan for the servicing full pit latrines, as well as for all other technologies being implemented	WSAs	DWAF	Immediate – ongoing
Urban (densely populated with space and grey water concerns)	DWAF	SALGA, WSAs DoH	Immediate – ongoing		
⇒ Promote waterborne linked to improving water conservation and recycling	WSAs		Immediate – ongoing		
⇒ Institutionalise and programmatise H&H promotion and appropriate use of facilities on an ongoing basis					
Informal settlements (to be upgraded)	WSAs WSAs	DWAF, SALGA DoH	Immediate – ongoing		
⇒ Implement well managed communal ablution facilities			Immediate – ongoing		
⇒ Institutionalise and programmatise H&H promotion and appropriate use of facilities on an ongoing basis					
Informal settlements (to be phased out /moved)	DWAF	WRC and CSIR	September 2009		
⇒ Research and design appropriate temporary technological solutions taking into account international experience (e.g. Singapore exhibition)					

5. SANITATION					
2	<i>Dealing with existing full and filling up VIPs (2.6m by 2007 not constructed to deal with filling up)</i>	Municipalities must plan for the servicing full pit latrines, as well as for all other technologies they have implemented	WSAs	DWAF	
		Rural areas ⇒ Empty and bury on-site until they need to be replaced. ⇒ Research alternative safer methods of emptying pits ⇒ End of design life replace as per 1 above	WSAs DWAF	DWAF WRC and CSIR	Immediate – ongoing September 2009 Immediate – ongoing
		Urban Start phasing out on site technologies as per 1 above	WSAs	DWAF	Immediate – ongoing
		Informal settlements (to be upgraded) Start phasing out on site technologies as per 1 above	WSAs	DWAF	Immediate – ongoing
		Informal settlements (to be phased out /moved) Phase out informed by research recommendations	WSAs	DWAF	Immediate – ongoing
		Financing of programme of dealing with full pit latrines Mobilize national fiscus	dplg	DWAF, NT and SALGA	Immediate – ongoing
3.	<i>Health and hygiene</i>	⇒ Dept of Health must take sector leadership in terms of municipal (Environmental) health ⇒ Institutionalise and programmatise H&H promotion and appropriate use of facilities ⇒ Implement H&H and promotion of appropriate use of facilities in recently completed bucket eradication projects ⇒ Include H&H as part of municipal performance regulation	Dept of Health WSAs WSAs DWAF	WSAs and DWAF DWAF DWAF and DoH WSAs	Immediate – ongoing Immediate – ongoing Immediate – ongoing Immediate – ongoing
4.	<i>Eradication of buckets</i>	Prioritise the FS province -support is needed to enable municipalities to access adequate water sources to complete their projects.	DWAF	dplg	Immediate

5. SANITATION					
5.	<i>Wastewater treatment works</i>	<ul style="list-style-type: none"> ⇒ Quantify costs of refurbishment/ replacement of treatment works to required standard taking into the appropriateness of designs for SA conditions ⇒ Ring-fence a portion MIG – to cover portion of indigent population contribution only. WSAs to raise the rest ⇒ Refurbish/ replace using more appropriate technologies 	DWAF dplg WSAs	SALGA, SALGA, DWAF, NT DWAF	Dec 2008 March 2009 June 2009 – June 2012
6.	<i>National Sanitation policy</i>	<p>Review of national sanitation policy</p> <ul style="list-style-type: none"> ⇒ Remove refuse removal from definition of the sanitation policy ⇒ Deal with implications of growth and development in waste water management ⇒ Align definition with SFWS ⇒ Provide guidance on service levels for different settlement types while anticipating technological innovations ⇒ Clarify roles and responsibilities (DWAF, WSAs, DoH, DOE and households) ⇒ Set indicators and targets for all aspects of sanitation (incl H&H) ⇒ Define Free Basic Sanitation (FBS) ⇒ Use reviewed policy as basis for resource allocation and accountability 	DWAF	SALGA, Health, Education	Immediate - March 2009
7.	<i>Free Basic Sanitation Implementation Strategy</i>	<ul style="list-style-type: none"> ⇒ Finalise Free Basic Sanitation Implementation strategy ⇒ Roll out Implementation of Free Basic Sanitation Strategy 	DWAF	GPLG & SALGA	30 th October 2008

6. FINANCE					
No	Issue/challenge	Action	Leading institution	Supporting institution	Time frame
1	Project finance capacity building (Create an enabling environment for project finance capacity development)	<ul style="list-style-type: none"> a) Conduct viability of project financing skills and models as precondition to access funding and ensure sustainability. b) Create an integrated project management and finance skills programme for all municipalities c) Develop skills on project funding proposal and business plan through sustainable support & occasional workshops d) Ensure the development of project finance and project management skills at local level through training e) Conduct yearly conference/indaba on WSS financing aligned to others, for example, IMFO conference 	DWAF	DPLG, NT, PG, LGSETA, SALGA, IMFO, DBSA	Short to Medium Term
2	Institutional arrangement – ineffective financial collaboration between various spheres of government	<ul style="list-style-type: none"> a) Minimise gap between allocation of budget and actual transfer of funds b) Establish better communication of budgets allocation between various spheres of government c) Streamline funding application forms to establish a one stop shop for all government funding (National & provincial) to reduce bureaucracy d) Undertake alignment of financial and technical functions for WSS e) Amendments of the appropriate financial legislation eg MSA and MFMA f) Formation and use of financial reserves for WSS 	DWAF	DPLG, NT, PG, LGSETA, SALGA	Short to Medium Term
3	Financial Sustainability (alternative sources of financing depends on the ability to pay and risk rating profile of municipalities)	<ul style="list-style-type: none"> a) Create instruments to facilitate transition from public to private sources of financing b) Assist municipalities develop sound financial management systems c) Conduct regular monitoring and evaluation of financial system d) Apply for credit rating to enhance borrowing capacity e) Enhance credit worthiness of municipalities f) Prepare proper budgeting for projects g) Explore alternative sources of finance to bridge current financing gap h) Sustain current funding levels i) Applying regional resources and approach to address WSS issues 	DWAF	DPLG, NT, PG, LGSETA, SALGA, IMFO, DBSA	Short to Medium Term

6. FINANCE					
4	Integration of development projects (Financial silos in planning and execution)	<ul style="list-style-type: none"> a) Prepare integrated financial planning for all capital projects aligned to capex b) Utilise established water boards and or viable institutions to pull together to develop comprehensive sustainable capital financial solutions. 	DWAF	DPLG, NT, PG, LGSETA, SALGA, IMFO, DBSA,	Short to Medium Term
5	Financing of infrastructure	<ul style="list-style-type: none"> a) Priority investment projects aligned service delivery targets and political will (e.g. bucket) allocation system) b) Create linkage for the allocation of funds to confirmed infrastructure backlogs. c) Increase public funding to meet universal access to WSS d) Create innovative sustainable capital investments financing instruments eg debts finance e) Create opportunities for funding through PPP f) Create separate budget lines for sanitation 	DWAF NT	DPLG, NT, PG, LGSETA, SALGA, IMFO, DBSA	Medium-term to long-term
6	Financing of operational and maintenance cost (Lack of proper planning and financing of O&M resulting to dilapidating infrastructure & increase in future investment cost)	<ul style="list-style-type: none"> a) Extend local own O&M funds acknowledging equitable share. b) Maximise savings and water efficiency through accounting for water loss/water conservation and demand management c) Create a concerted effort for cost recovery 	DWAF DPLG Municipalities	NT, PG, LGSETA, SALGA, IMFO, DBSA	Medium-term
7	Special financing need of smaller municipalities (asymmetry across municipalities and related difference in their financial viability)	<ul style="list-style-type: none"> a) Recognition <i>asymmetry across municipalities</i> - very different circumstances which exist in municipalities across the country and the related difference in their financial b) Assess specific WSS financial requirements for small municipalities. c) Provide target support to small and rural municipalities 	DWAF	DPLG, NT, PG, LGSETA, SALGA, IMFO, DBSA	Long-term
8	Generation of municipality own revenue resources to support WSS (need for financial sustainability due to uncertainty in future national government funding)	<ul style="list-style-type: none"> a) Apply municipal revenue model that enhance the sustainability of WSS b) Provide incentives to municipalities promoting greater cost recovery through user charges 	DPLG/ NT	Financing Institutions (IDBSA, ABSA, INCA,) and credit rating agencies	Long-term

