



External Evaluation of the  
**Water Services Sector Support Programme**  
**(WS-SSP)**  
**(Project No. 73200 - 00/030)**

**Mid-Term Review Final Report**

**24 January 2003**

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**LIST OF ACRONYMS**

AT	Appropriate Technology
BOTT	Build Operate Train and Transfer, a form of contract entered into between DWAF and private sector partners with the objective of delivering cost effective water services to rural areas rapidly.
CBG	Capacity Building Grants
CBO	Community-based organisation.
CMA	Catchment Management Agency.
CMIP	Consolidated Municipal Infrastructure Programme.
CWSSP	Community Water Supply And Sanitation Programme.
DMs	District Municipalities
DORA	Division of Revenue Act, Act 5 of 2002.
DPLG	Department of Provincial and Local Government.
DWAF	Department of Water Affairs and Forestry.
EIMS	Environmental Impact Management System
IDP	Integrated Development Plan, a local government plan in terms of the Municipal Systems Act 32 of 2000.
KPIs	Key Performance Indicators
LM	Local Municipality
MAAPs	Multi Annual Action Plan / s
MIG	Municipal Infrastructure Grant, a proposed consolidated grant from national government to support investments in municipal infrastructure.
MSB	Masibambane
MSB	Masibambane Programme
NGO/s	Non-government Organisation/s
OVI	Objectively Verifiable Indicators
PMU	Programme Management Unit
SPIPs	Sanitation Project Implementation Plans
SWAP	Sector-Wide Approach Programme
TLC	Transitional Local Council.
WSA	Water Services Authority, as defined in Water Services Act 108 of 1997.
WSDP	Water Services Development Plans, a plan for water and sanitation services in terms of the Water Services Act 108 of 1997.
WSI	Water Sector Institution.
WSP	Water Service Provider, as defined in the Water Services Act 108 of 1997.
WS-SSP	Water Services Sector Support Programme

## **EXECUTIVE SUMMARY**

### **Introduction**

The Mid-Term Review (MTR) of the Water Services Sector Support Programme (WS-SSP), also known as the Masibambane Programme, was conducted to assess the progress of the three-year programme during its first eighteen months, the period April 2001 to September 2002. The aim was to make recommendations based on its logical framework (Logframe) outputs and indicators. The programme is aimed at addressing water and sanitation services backlog, improvement of service levels and, in general, contributing to sustainable development. Activities include supporting strategic policy development, water and sanitation services provision to selected poor rural communities in three provinces (Limpopo Province, KwaZulu Natal and the Eastern Cape).

Overall, the programme has been successful and is exemplary in the region and beyond. In particular, it is unique in proactively setting up a sector-wide programme into which government and donor resources are pooled as opposed to trends where interventions are donor-driven. Based on the programme approach, in contrast to the previous project approach, the general indication is that there has been value for money. However, there is need for more data (including the defining of the dimensions of value) in order to generate a more definitive position on the matter.

The programme shows success in respect of the introduction of the sector approach to water services and shows incremental success in the decentralisation of the programme to provincial and local government institutions. There is varying success with regard to efficiency and effectiveness. In general, the efficient delivery of water services is not always matched by effective utilisation and benefits to the target groups. The efficient planning and implementation of service delivery is generally due to outsourcing and reflects the great need for capacity building of local institutions and communities. In terms of relevance, the programme remains very much relevant within the South African context. It faces significant challenges related mainly to the changing landscape of local government and the integration of cross cutting issues that include the participation of civil society, gender mainstreaming, the environment and appropriate technology. In virtue of the scale of the challenges being addressed by the programme, there are several areas requiring improvement and these have been identified and incorporated in the recommendations. The findings and recommendations are summarized below, using headings drawn out of the main report.

### **Masibambane's Sector Wide Approach to Water Services**

Based on the government's overall sector approach and programme management best practice, Masibambane adopted an implementation process that emphasises the active coordination and collaboration among relevant sector partners. Further, the programme

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adopted principles of decentralisation, both in support of devolution of functions to the local sphere of government and, in general, to ensure effective participation of community members and organs of civil society in developmental programmes.

The key areas of success established by the evaluation team in respect of the Sector Programme Approach are as follows:

- The three provinces of the programme all have well established collaborative processes and structures linked to provincial processes, especially the utilisation of joint committees and task teams
- Planning processes and tools are now established
- Capacity building processes aimed at supporting the sector approach and strengthening of local level is also evident, especially the placement of key water services personnel in District Municipalities. The appointment of WSA managers has also enhanced the District Municipalities' ability to address options for the Water Services Provision (WSP) function, as they do not restrict deployment to WSA functions only.
- Policy positions and initiatives on crosscutting issues have been adopted. DWAF and other partners have policy positions on gender mainstreaming, civil society participation, environment and appropriate technology.

Issues to be addressed include the following:

- Collaboration at national level, within DWAF and between DWAF and other role players needs to be reviewed, with a view to accelerating assumption of the agreed roles and responsibilities for the programme by role players. A framework of accountability needs to be formalised and implemented in a consistent fashion to support the sector orientation of MSB.
- The current restructuring of DWAF needs to be formally incorporated into the planning and reporting cycle of MSB to avoid alienation of the programme
- The Masibambane Programme Management Unit (PMU) needs to be reorganised to effectively support and promote the sector, utilising best practice in programme management.
- Alignment of role players' capacity building strategies with that of DPLG will enhance the decentralisation process and sustainability of the role of local government in service provision
- Collaborative forums – there is a need to review commitment, capacity and effort demanded for the participation of district municipalities to determine further support
- Issues related to decentralisation and the legal status of collaborative structures in provinces needs to be examined. These may provide part of the “modelling” for options to be considered by other provinces
- Documentation of lessons learned is needed, especially on the nature of collaborative structures just cited

- Sustainability and cross cutting issues need to be addressed both in terms of formal incorporation in the planning and implementation processes as well as substantive issues specific to their content.
- The weaknesses at a policy and operational level for mainstreaming gender in the sector may be summarised as:
  - The lack of a champion for gender mainstreaming;
  - The lack of a sector-wide strategy;
  - Absence of tools and checklists for ensuring that gender considerations are built into every dimension of project planning and implementation;
  - Lack of key performance indicators for ensuring that gender is mainstreamed.

### **Programme Efficiency – Organisation and Management**

Issues identified as constituting success in respect of programme efficiency are as follows:

- Collaborative processes and structures are enabling decision-making for implementation
- Collaborative structures were established in the three provinces, with terms of reference also generated for task teams and working groups. The latter cover technical, planning and development, transfers as well as sanitation activities
- Except for the Eastern Cape, actual figures for the provision of water far exceed planned targets, averaging over 120% of the planned targets
- Decentralisation is being reinforced by the Masibambane's bottom up approach which, when strengthened, will provide a framework for sustainability of decentralisation
- The interdepartmental (DWAF, DPLG, SALGA, Treasury) transfers task team's Joint Policy Position Paper makes it possible to address all the issues related to transfers
- There is now alignment of the program with the normal budgeting process of DWAF
- A sector resource flows approach has emerged from the programme
- The sector now has increased government resources allocated due to the programme's approach
- Policy positions on all cross cutting issues are in participation are in place

Issues requiring to be addressed include the following:

- Limited capacity among municipalities at this stage of the programme significantly retards aspects of decentralisation. Greater focus should be given to WSP functionality
- The transfer of retail infrastructure should be accelerated and the functional and financial assessment should address issues that ensure municipalities receive assets that are functional and financially viable
- The slow progress on sanitation is an issue that needs to be addressed
- It appears that the budgeting process relies far too much on centralised decision-making for final selection of 'projects'. In anticipation of the greater reliance on direct cash transfer to DMs in the future, the 'projects' approach will need to be reviewed. DWAF

should transfer its competencies to DMs to facilitate the decentralisation of the decision-making and explore other ways of leveraging service delivery

- There is a need for better alignment of monitoring and reporting of financial performance by program themes / KFAs
- There is a need for a dedicated process for documenting lessons learned from provincial processes and DM transfers
- Formalising and standardising of interventions related to cross cutting issues may have to be a dedicated process as the problems are common to all

### **Effectiveness of the Programme**

The main areas of success identified may be summarised as follows:

- Assumptions of the sector orientation have largely been realised, especially the assumption of responsibility for water and sanitation services by local government
- Capacity building of local government is picking momentum through support of key positions by the programme and also support to DPLG and SALGA
- Sanitation White Paper is in place, espousing the correct principles
- High levels of awareness in respect of health and hygiene as responsibility of sector
- Water service delivery high relative to targets
- Identification of good environmental practice as critical to the sustainability of the Programme
- Development of a generic environmental impact management system to operationalise environmental policy
- Incorporation of environmental considerations in business planning
- Gender policy is in place at DWAF and there are also structures at DPLG and SALGA
- The policy framework and commitments by role-players on the involvement in civil society has been made
- That in so far as Mvula Trust has been participating projects have been successful, although this may not have necessarily been the original intention
- There is an understanding amongst all role-players that there is a need to consider alternative strategies to ensure the full involvement of civil society

Key issues to be addressed include:

- Key policy positions are in place and there are processes initiated to address gaps in implementation.
- Collaborative structures are now informing decision-making on issues for focus and prioritisation at local level, thereby engendering sustainability of the programme.
- Increased DM functionality is facilitating the decentralisation process.
- Developments towards integrated funding for sector initiatives have been put in motion.
- Through support of key posts, MSB has strengthened local government structures and SALGA in making their water services role more sustainable.

- Engagement with the LGWSETA has been initiated, creating a basis for better development and implementation of training at local level in the long run.
- DPLG's capacity

### **Programme Relevance and Sustainability**

Key success areas may be summarised as follows:

- Key policy positions are in place and there are processes initiated to address gaps in implementation.
- Collaborative structures are now informing decision-making on issues for focus and prioritisation at local level, thereby engendering sustainability of the programme.
- Increased DM functionality is facilitating the decentralisation process.
- Developments towards integrated funding for sector initiatives have been put in motion.
- Through support of key posts, MSB has strengthened local government structures and SALGA in making their water services role more sustainable.
- Engagement with the LGWSETA has been initiated, creating a basis for better development and implementation of training at local level in the long run.
- DPLG's capacity building strategy for local government support is now in place and should enhance sustainability of the water services sector.

Issues requiring to be addressed include the following:

- Greater guidance is required from DWAF Head Office and DPLG in respect of policy implementation at local level; Masibambane risks alienation from DWAF activities if this is not addressed
- Several areas of policy need greater clarification, including transfers (as mentioned earlier), free basic water, gender mainstreaming and future financing mechanisms.
- The future role of water boards needs to be clarified and addressed through processes set in motion by the leadership group.
- Strengthened support programmes and particularly the M&E system will be critical in successful transition towards operational sustainability.
- There is a need to formalise the use of a training and development cycle in local level training, utilising the Sector Skills Plan and LGWSETA processes.

### **Key Recommendations**

The key recommendations briefly stated here are drawn from the evaluation assignment as a whole and are intended to contribute to decisions on the way forward for the programme.

An attempt has been made to avoid duplication in the recommendations, which can be further considered in a separate process by the PSC as part of the way forward for the programme. The recommendations are drawn from the issues indicated as requiring to be addressed in Sections 2,3,4 and 5 and cover all the issues and questions cited.

#### **1. National Level Collaboration and Leadership**

A framework of accountability for the programme needs to be formalised in line with the roles and responsibilities already agreed to by the sector partners and be implemented within the planning and reporting cycle of the programme.

Whilst sector orientation is generally accepted, greater guidance is required from DWAF Head Office and DPLG in respect of policy implementation at local level. Most of the issues cited below can be resolved through implementation of the framework of accountability.

The relationship between DWAF and DPLG – limited capacity in DPLG at the inception of the programme at times resulted in missed opportunities for consultation on programme issues. Among major areas now requiring alignment are the need for DWAF to drive implementation utilising DPLG's developmental local government frameworks and capacity building strategy.

The relationship between DWAF and SALGA – with SALGA gaining more capacity, there are issues being raised on behalf of local government, including addressing the absorptive capacity of receiving municipalities and resources from treasury that were previously allocated to DWAF. This is an area that demands intense engagement to ensure long-term harmonisation of relations. The relationship between DWAF and Local Government in general is linked to this. In particular, where DWAF transfers programme has conducted audits from the viewpoint of refurbishment and skills audit from related to the “migration” of DWAF staff and not from the viewpoint of municipalities, alignment is required with the processes and viewpoints of municipalities. This will strengthen the assumption that local government will accept responsibility for service delivery.

Whilst decentralisation is emphasised in the programme, it is important, as indicated in section 4 regarding financial sustainability, to obtain a balance between decentralisation and leveraging of service delivery by DWAF as the sector leader. There appears to be limited leveraging of service by DWAF in the future. At present, decision-making in the business planning process of municipalities seems to be the main point of leverage.

The role of other departments e.g. Department of Health (Sanitation), Department of Environmental Affairs (Regulation), Department of Labour (Training at local level) needs to be addressed to ensure that resources available to the sector are fully utilised. This links to the role of the Programme Management Unit in co-ordinating sector resources and functions based elsewhere.

## **2. Provincial and Local Government Level Collaboration**

The legal status of collaborative structures in provinces needs to be formally examined and appropriate provisions be made for their recognition in order to entrench decentralisation of the programme. Further, there may be lessons that can be applied elsewhere.

The commitment, capacity and the demands for participation in respect of DMs needs to be reviewed in order to ensure that local government institutions derive benefit from the collaborative processes

The issue of CMIP having different subsidies and procedures from those of MSB also needs to be addressed, with a view to consolidation in anticipation of the MIG.

The relationship between MSP and the Municipal Support Programme (MSP) needs clarification for future sustainable capacity building initiatives.

### **3. Reorganisation of Programme Management Support**

The Programme Management Support Unit (PMU) needs to be reorganised to better support the sector approach and also to utilise programme management best practice.

### **4. Formal Incorporation of Sustainability Issues and Consistent Implementation**

Whilst policy DWAF and the government in general have well documented policy positions on the matter, there is a need for the formal incorporation of sustainability and crosscutting issues in planning, implementation as well as monitoring and evaluation cycles of the programme. In particular, gender mainstreaming has to be guided through implementation guidelines at local level. The approach to NGOs and community-based organisations should be focused on their role of facilitating community participation. This role should be formally incorporated into the planning, implementation and monitoring and evaluation processes of the programme. There is a tendency at present by consultants and to some extent DWAF regional office to view sustainability issues simply as project requirements and not involve communities substantially in the programme. The major recommendation regarding gender mainstreaming is that there be a national strategy workshop on gender mainstreaming and social sustainability for water services and sanitation that devises a gender policy, KPIs and implementing structures for the sector as a whole.

### **5. Transfers Programme**

The transfer process has been slow, undermining the principles of decentralisation. The programme should accelerate implementation of transfers, addressing all the issues in the Joint Policy Statement and findings of the functional and financial assessment undertaken by DWAF to ensure that municipalities receive assets that are functional and financially viable. Further, clarification is required on the relationship between the transfers programme (DWAF perspective) and the implications of the viability audits being undertaken by some municipalities. The position of SALGA in the matter is particularly important to address.

Operationalisation of the Joint Policy Position document will require an action plan defining roles and responsibilities and binding time frames. It is recommended that the action plan be developed as soon as possible to fast track implementation.

Current capacity building initiatives are focussed on WSA functionality. While this effort is maintained, similar effort should be placed on WSP functionality especially for the transfer of retail infrastructure.

The human resources management component of the transfer process is lagging behind yet it forms the core of the process. An all encompassing HR migration plan that addresses the needs of DWAF staff as a transferring, as well as those of municipalities as receiving institutions.

### **5. Monitoring and Evaluation**

There is a need for the programme to monitor and evaluate water services on a sector-wide basis, report on actual vs. targets, and align information management between DWAF's Monitoring & Evaluation Unit with those of sector partners, especially the District Management Information System (DIMS). This includes the need for better alignment of monitoring and reporting of financial performance by program themes / KFAs and resources from sources other than DWAF and donors. Scope, capacity and incentives for monitoring should cover incentives for sustainability, value for money and operational sustainability. Reporting on training should in future focus on impact rather than input data. Key Indicators, and Monitoring and Evaluation for sanitation and hygiene promotion need to be rethought. They must be simple, but look at outcomes as well as inputs; at present, all indicators are of inputs. *The project is absolutely right not to be looking at disease statistics*, but should still look for better indicators of hygiene than attendance at hygiene promotion sessions. It is recommended that a program of spot checks on hygiene status (e.g. on every 20<sup>th</sup> project) be effected on an annual basis to determine "access to and use of facilities, access to and use of soap for hand washing etc." For gender mainstreaming to be effective, it should feature, as a KPI in all relevant areas of programme implementation. Crosscutting issues need to be incorporated in the sector-wide monitoring and evaluation system.

### **6. Documentation of Lessons Learned**

It is currently not possible to determine the extent to which the MSB approach has been institutionalised within the sector due to lack of formally documented lessons from the programme. E.g. it is not clear how non-MSB provinces are likely to benefit from "models" for collaboration processes / structures, materials developed or the pooling of sector resources that have emerged from MSB provinces. The impression from the evaluation is that there is potential for MSB to provide direction on issues relating to future processes of the Municipal Infrastructure Grant (MIG)

### **7. Institutional Capacity of Municipalities**

There is a need for the institutional capacity of municipalities to be addressed utilising the DPLG strategy as the main frame of reference and formalised linkages to the LGWSETA and the Sector Skills Plan in the planning and implementation of local level training. Limited capacity among municipalities at this stage of the programme significantly retards aspects of implementation of decentralisation, especially transfers

### **8. Demand Led Service Delivery**

Greater attention to the White Paper's first policy principle of a demand-responsive approach would go a long way to improving the quality of the outputs, both from the user's point of

view, and the long-term impacts. It seems likely that while many toilets will be built, a substantial fraction may not be used, or may not be used hygienically. Again this links to the role of NGOs and civil society participation in the project cycles of the programme.

### **9. Sanitation Delivery Targets**

The sanitation and hygiene components should be re-oriented to assure the quality of what is delivered. At the very least, each province should be asked to readjust its targets to what it can realistically deliver, rather than “doubling the pressure” to rush production to “catch up” on a slow start. It is better to readjust targets now than to have a final evaluation criticise the program for neglecting clear warning signs that goals were over-ambitious.

Local government is aware of its sanitation and hygiene promotion responsibilities, and recognises the role played by the Masibambane Programme in helping them fulfil them.

Key Indicators, and Monitoring and Evaluation for sanitation and hygiene promotion need to be rethought. They must be simple, but look at outcomes as well as inputs; at present, all indicators are of inputs. *The project is absolutely right not to be looking at disease statistics*, but should still look for better indicators of hygiene than attendance at hygiene promotion sessions. It is recommended that a program of spot checks on hygiene status (e.g. on every 20<sup>th</sup> project) be effected on an annual basis to determine “access to and *use of* facilities, access to and *use of* soap for hand washing etc.”

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### **10. Appropriate Technology Programme**

The evaluation has shown that the investigation and implementation of appropriate technologies were very limited on the Masibambane programme. Although there has been some indication that technological options have been considered on specific project feasibility studies, significant improvements are possible in ensuring that appropriate technologies are adequately considered in the programme.

The first 18 months of the programme has concentrated to a large extent on service delivery and specifically expenditure on capital works. It is considered that the next 18 months should focus on consolidation of achievements and on areas that have generally been neglected to date. With regard to the use of appropriate technology it is vital that the consideration of appropriate technologies be advocated on the programme. Programme managers need to make appropriate technologies an integral part of their work, as it is critical to the

sustainability of infrastructure projects. A comprehensive appropriate technology plan is required to 'kick-start' and reporting should include specific KPI's that monitor and evaluate the use of appropriate technologies on the programme.

### **11. Specific Policy Issues**

Several areas of policy need greater clarification, including transfers (as mentioned earlier), free basic water, gender mainstreaming, the role of NGOs and civil society participation, the future role of water boards and future financing mechanisms. The processes being driven by the Leadership group at national level should address all of these.

### **12. Gender mainstreaming**

Senior officials interviewed in the sector concur that there are major weaknesses at a policy and operational level for mainstreaming gender in the sector. These include:

- The lack of a champion for gender mainstreaming;
- The lack of a sector-wide strategy;
- Absence of tools and checklists for ensuring that gender considerations are built into every dimension of project planning and implementation;
- Lack of key performance indicators for ensuring that gender is mainstreamed.

### **13. Environmental Management Strategy**

There is broad understanding and appreciation of the principles of environmental sustainability, and environmental legislation and policy among stakeholders. However, this is not reflected in the implementation of the Programme. Environmental considerations are well articulated in the planning phase of projects. It is not clear what happens during implementation and operations. There is need to develop more elaborate indicators for environmental planning and practice, that go beyond the current EIMS, but also provide a basis for monitoring and auditing. This will require that the necessary capacity and financial resources be put in place to ensure that the Programme complies with environmental legislation and regulations.

The Programme does not have a strategy for environmental capacity building and institutional support in municipalities. It is recommended that environmental capacity building be incorporated into the broader capacity building and institutional support given to local government. This should be reflected on the work-plan and capacitated accordingly. Regional DWAF capacity has to be augmented with personnel that would give reasonable attention to environmental practices and also provides support to Local Government.

The Programme relies heavily on the EIA as a tool for environmental assessment. This has been shown to be inappropriate in an environment where there is a multitude of projects, especially what are considered to be small projects. As a result the feasibility studies become expensive, further draining project and Programme resources. It is recommended that the programme should switch to strategic environmental assessments, which can be

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incorporated into the broader planning process of a municipality. EIA should be carried out only on large projects, or in areas where the SEA has identified as sensitive

## **1 INTRODUCTION**

### **1.1 PREAMBLE**

This document constitutes the final report of the Mid-Term Review of the Water Services Sector Support Programme (WS-SSP), also known as the Masibambane Programme. It is based on the requirements of the terms of reference for the review. This external evaluation attempts to give the reader a reliable view of the status of the overall programme in respect of programme components during the period April 2001 – September 2002. It examines relevance, planning and design, effectiveness, overall outcomes and sustainability. Based on requests subsequent to the inception of the project, the individual reports that this document is based upon are combined into a reference document and are available as Volume Two under the same title.

Whilst Masibambane is designed as a programme, it is referred to as a project in the context of the collaborative framework of the Government of South Africa and the European Union as well as other bilateral partners. Some sections of the report thus refer to Masibambane as a “project”.

### **1.2 BRIEF BACKGROUND OF THE PROGRAMME**

The Water Services Sector Support Programme (WS-SSP) is a 3-year multifaceted support programme to the government of South Africa in the water and sanitation services sector. The objective of the programme is to provide basic water supply and sanitation services through a variety of activities including the support of strategic policy development, water and sanitation services provision to selected poor rural communities in three provinces (Limpopo Province, KwaZulu Natal and the Eastern Cape) and through institutional support to assist various levels of public sector institutions.

The programme partnerships involve government departments in all spheres as well as civil society role players and stakeholders. These include the Department of Water Affairs and Forestry (DWAFF), the Department of Provincial and Local Government (DPLG) and the National Treasury at national level, Provincial and Local spheres of government, as well as civil society organisations.

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

The main expected results over the three-year period are as follows:

- Reviewed and updated policy and legislation for the water and sanitation services sector in South Africa.
- Demand-driven interventions in the water and sanitation services sector

- Approximately 2.4 million people in the Limpopo Province, KwaZulu Natal and the Eastern Cape provided with sustainable water infrastructure.
- Health and hygiene education included in all infrastructure projects.
- Technical, managerial and administrative capacity of key role players improved.
- Integrated planning and co-ordinated management within the sector strengthened.

The assumptions are:

- That relevant ministries at national and provincial government levels would support the programme
- At the completion of the programme, local government structures would have been empowered and ready to assume and continue with their constitutional responsibility of water supply and sanitation services to communities
- The Department of Provincial and Local Government (PDLG) would have internalised the sector approach to service delivery and would take the lead in supporting local government with the decentralised programme.

### **1.3 OBJECTIVES OF THE MID-TERM EVALUATION**

The overall objective of the mid-term review was to assess the progress of the programme and make recommendations, based on its logical framework (logframe) outputs and indicators.

In this regard, the following issues were critically evaluated:

- 1) Implications of the sector-wide approach programme (SWAP)
- 2) Effectiveness and strategic impact of Masibambane as a whole
- 3) Achievement of Theme outputs and progress in meeting strategic objectives, which include:
  - a) An assessment of the sector orientation (Theme 1) impact, results and activities.
  - b) An assessment of the service delivery (Theme 2) results and activities.
  - c) An assessment of the institutional support results and activities (Theme 3).
  - d) An assessment of the integration of crosscutting issues such as gender, environmental impact and appropriate technology into the programme.
- 4) Appropriateness of approach and strategies including the appropriateness of the approach and strategies for the above sub-points 3a, 3b, 3c, and 3d.
- 5) The institutionalisation of Masibambane (its approach, objectives and *modus operandi*).
- 6) Review of the strategy – within the context – and appropriateness of the changes made in order to make recommendations for future implementation of the programme.
- 7) The extent to which the programme results has been entrenched on a sustainable basis.

### **1.4 APPROACH TO THE EVALUATION – TIMEFRAME, METHODS USED, CONSTRAINTS**

A Project Steering Committee (PSC) was put in place by the programme to oversee the conduct of the evaluation assignment. The PSC was composed of the stakeholders cited in

1.2 above, chaired by the Deputy Director-General: Operations (DWAF). The organogram showing the PSC and the evaluation team is attached as Appendix 1.

The evaluation was carried out at national level, KwaZulu Natal, the Eastern Cape and Limpopo Province.

Given general constraints in relation to time and available resources, the evaluation was based upon a review of relevant documents (e.g. policy documents, Programme proposal, Financing proposals, financing agreements, logical framework and work plans, project business plans and progress reports), complemented with interviews of representatives of the various stakeholders and field visits to project sites.

The evaluation was structured as follows:

- Review of policy documents, programme proposal, financing proposals, financing agreements, logical framework and work plans, project business plans, progress reports and other programme reports at national level. (See Appendix 5)
- Interviews with stakeholders at national level and EU officials from the Delegation in Pretoria. (See Appendix 3)
- Interviews with stakeholders in the Limpopo Province, KwaZulu Natal and the Eastern Cape. (See Appendix 3)
- Review of provincial strategies/MAAPS, work plans, project business plans and other project related documents at a provincial level. (See Appendix 4)
- Field visits in the Limpopo Province, KwaZulu Natal and the Eastern Cape including interviews with representatives of local governments, members of water committees and beneficiaries. (See Appendix 3)
- Preparation of draft report.
- Presentation of draft report and recommendations.
- Preparation and submission of final report.
- Workshop to report findings to stakeholders.

The time frames for the project were as follows:

- The evaluation commenced on the 28<sup>th</sup> October 2002, with this report being submitted on the 24<sup>th</sup> January 2003
- An inception report was submitted on the 1<sup>st</sup> November 2002
- The Interim Report was submitted on the 26<sup>th</sup> November 2002
- A presentation to the PSC's Debrief Meeting of 6<sup>th</sup> December 2002 on the Interim Findings, Conclusions and Recommendations took place in Pretoria
- This first draft report was submitted on 6<sup>th</sup> January 2003 and revised between 13<sup>th</sup> and 16<sup>th</sup> January 2003
- The stakeholders' workshop was held on the 17<sup>th</sup> of January 2003, and revisions of the draft report undertaken between then and 23<sup>rd</sup> January 2003
- This final report was submitted on 24<sup>th</sup> January 2003 with worked-in amendments from both the workshop and written post-workshop submissions

## **1.5 KEY ISSUES AND QUESTIONS ADDRESSED**

In line with the objectives outlined in 1.3 above, the main issues covered by this evaluation are as follows:

- (Theme 1) An assessment of the sector orientation impact, results and activities. Specific emphasis is on the sector co-ordination structures and the quality of involvement of other sector stakeholders in terms of ownership and joint (or decentralised) decision-making.
- (Theme 2) An assessment of the quantity and quality of the preparation and implementation of the infrastructure projects implemented under the programme. Among others, this includes a detailed review of the quality of the project business plans, choice of technology, cost estimates in relation to current market prices, quality of end-products and the participation of women and men of the communities involved.
- (Theme 3) An assessment of the institutional development and support results and activities. The appropriateness of the approach taken and the support provided to local authorities involved is examined. The existence and quality of transfer policies and strategies has also been examined.
- An assessment of the management support programmes, designed to strengthen the administration and implementation activities of DWAF.
- An assessment of whether or not the strengths of the different players (i.e. Government, NGO's and the private sector) have been optimally utilised in order to achieve maximum benefits and strategies to strengthen participation of the NGO/CBO sector.
- An assessment of cross-cutting issues and especially how gender sensitivity, environmental impact and appropriate practice are taken into account
- An analysis of the impact and implications of the sector wide approach including an assessment of the appropriateness of the approach and strategies
- An analysis of the institutionalisation of the water services sector support programme.
- An analysis of the project and program management techniques and tools utilised together with an analysis of the monitoring and evaluation systems and an analysis of the reporting tools and processes

## **1.6 REPORT STRUCTURE**

The rest of the report has been structured to reflect the logical flow of the investigation as well as to ensure coverage of the issues cited in 1.3 and 1.5 above. The sections are as follows:

- Masibambane - Background and Approach
- Program Efficiency - Organisation and Management
- Effectiveness of the Programme
- Changing Context and Relevance of Masibambane
- Recommendations for the Way Forward
- Appendixes

## **2 MASIBAMBANE - BACKGROUND AND APPROACH**

In this section the MSB programme is discussed in terms of the sector background in which the Masibambane project needs to operate (subsection 2.1). In subsection 2.2 a discussion follows on the evolution of the MSB project which will be reflected against the objective that were stipulated at the conception of the MSB in subsection 2.3. Observations are made in subsection 2.4 on how the MSB could adapt to the sector context. Subsection 2.5 evaluates DWAF's strategy and KFA approach in terms of the MSB. The section is then concluded in subsection 2.6 by addressing the key areas of success and issues emerging in programme relevance.

### **2.1 SECTOR BACKGROUND OF MSB WITHIN THE SOUTH AFRICAN CONTEXT**

The Masibambane Programme is considered by the Government of South Africa to be a flagship sector initiative in the delivery of basic services to the poor. It is designed in accordance with the sector approach adopted by government in the late 1990's, championed by the Department of Public Service and Administration (DPSA). It provides for an implementation process that emphasises active co-ordination and collaboration among relevant partners, leading to efficient and effective service delivery.

The programme has also adopted the principles of decentralisation. In addition to alignment of interventions with relevant regulatory frameworks supporting decentralisation of functions and developmental local government in general, the programme makes an effort towards effective participation of community members and organs of civil society in the delivery of water and sanitation services. The IDP and WSD processes are the key local government tools utilised for achieving the decentralisation of water and sanitation services. Further, the sector approach is intended to support cross cutting issues through the delivery of basic services. In addition to the participation of civil society, gender mainstreaming, appropriate technology and environmental impact are key in the Water Services Sector.

The Masibambane Programme document refers to the need for generating policy and integrating all cross cutting issues into the planning, implementation, monitoring and evaluation of interventions. Civil society participation and gender mainstreaming are backed by policy positions in respect of proportions of resources that must be utilised by the target groups, civil society organisations and women, respectively.

Further, the sector approach is intended to enable the delivery of basic services to address crosscutting issues. Gender-sensitive development and environmental impact are key among these in the Water Services Sector.

Gender equality is a cornerstone of the Constitution. All government departments are required to take measures to promote gender equality through their institutional practices and in their service delivery.

DWAF adopted a gender policy in 1996 that is divided into internal and external functions. The South African Water Services Support Programme June 2000 recognised that the engagement of women in all aspects of water services delivery remained inadequate: specifically that *“although DWAF has a gender policy there exists no strategic plan for the implementation of the policy.”*

There is no gender policy for local government, although there has been a gender audit of local government and the 1999 SALGA Annual General Meeting in Port Elizabeth adopted several general resolutions affirming local government’s commitment to achieving gender equality.

There is also no overarching gender policy for the water services sector. The draft white paper on Water Services (October 2002) makes references to advancing gender equality through the sector, but is inconsistent and weak on the mechanisms by which this is to be achieved.

No gender criteria are spelt out in the transitional arrangements for local government to take over the day-to-day management of water services or the drawing up of Water Services Development Plans. Gender, furthermore, does not feature in the key performance indicators to be reported by water service authorities in terms of the annual water audit.

The overall finding is that, whilst the issues were well formulated in the programme document, implementation is a major challenge, with issues related to commitment, intervention design, capacity and management requiring to be addressed. Efficiency, effectiveness and sustainability are weakened by the inconsistent and uneven incorporation of cross cutting issues in planning and implementation. Monitoring and evaluation of the issues is also generally weak. There is limited or ineffective use of indicators and generally no link between reporting and the performance management system of relevant institutions. The specific issues are discussed in detail in sections 3, 4 and 5 below.

One of the primary features of the sector, which has an extensive influence on the provision of services, is the lack of capacity in rural communities and in local government. This has meant that although the function of service provision is the responsibility of local government, these functions can generally not be adequately fulfilled in rural areas. This has resulted in the need for DWAF to make extensive use of the private sector through the Build Operate Train and Transfer mechanism (BOTT). The need for capacity building at local level linked to a sector competency framework is thus a great priority for the viability and sustainability of the sector approach.

## **2.2 EVOLUTION OF THE MSB APPROACH AND DESIGN PROCESS FOR THE PROGRAMME**

This subsection examines the evolution of the MSB approach in terms of transforming from project to sector approach, the levels of collaboration between the sector players as well as the provincial Multi-Annual Action Plans (MAAPs) and the strategies that should support the evolution of the MSB.

### 2.2.1 FROM PROJECT TO SECTOR SUPPORT

Major achievements have been posted in respect of the delivery of water and sanitation services since the new dispensation in South Africa. Since 1994, DWAF has provided clean potable water to some 7 million rural people. The National Sanitation Task Team (NSTT) has assisted over 540 000 people in improving health and hygiene and has built over 58 300 toilets.

The Sector Support model was born out of the realisation that the project based approach had elements of inefficiency such as duplication, provided no opportunity for the rationalisation of resources and did not take advantage of the economies of scale as presented by a sector wide approach.

A key challenge regarding sector support (as opposed to project support) is capacity building. It was noted by the team that issues of the history of local government and the timing of MSB had affected capacity building support to local government.

The development or adoption and utilisation of an Integrated Local Government Capacity Building Model for the Water Services Sector by Theme 3 of the Masibambane Programme is taking place along the following lines:

- The Department of Provincial and Local Government (DPLG) is in the process of finalising its capacity building strategy for local government, in anticipation of a future single source of funding for capacity building. Masibambane is engaging with relevant role players at national level. At provincial level, this is not yet incorporated into the planning and reporting cycle of MSB
- Recruitment and placement of WSA and other critical personnel is successful, with reports of over 80% placement
- DWAF has various initiatives through different directorates aimed at supporting local government capacity building, generally through the regional office. The use of a sector orientation approach is uneven among directorates and, in many cases, absent. Co-ordination of initiatives remains a major challenge. For instance, Masibambane has not formally engaged with the Directorate: Local Institutional Development Support (LIDS) on the framework of accountability for sector capacity building support. The latter is presumed to be the programme manager for sector capacity building, according to the Director.
- SALGA has a capacity building programme aimed at strengthening governance as well as management competence. Masibambane has funded relevant posts at head office and provincial level.

Timing seems to be a key issue. MSB has started formally addressing shortcomings related to sector and programme approach in respect of capacity building through consultative processes within DWAF, between DWAF and DPLG as well as DWAF and SALGA and other stakeholders such as the NCWSTI.

### **2.2.2 COLLABORATION AMONG SECTOR PLAYERS**

The development of Masibambane identified the need for a consultative process that would lead to the completion of Multi Annual Action Plans (MAAPs). These provided the basis for the development of annual work plans.

A programme support structure was established and accepted by key role players. Their responsibilities were clarified and accepted by all. Their responsibilities during the implementation of the programme were clarified and accepted as follows:

The Department of Water Affairs and Forestry (DWAF) would be the custodian of the programme. It would be responsible for its overall implementation.

DWAF and DPLG would manage the programme jointly

DWAF, DPLG and SALGA would co-operate closely in the implementation of the programme  
Treasury Department would co-ordinate budget processes and activities to enable their effective utilisation.

Generally, the involvement of district municipalities in the management forums requires more attention. In addition to the effort demanded by the consultative processes, commitment and capacity need to be reviewed, as district municipalities are not participating fully in the forums.

### **2.2.3 PROVINCIAL MAAPS AND STRATEGIES**

In as much as Masibambane has shifted the water services business from project to sector approach, the Programme has also created a shift from single year planning to multi-year planning and budgeting in the provinces. The Multi Annual Action Plans (MAAPs) facilitates further efficiency in resource utilisation and regionalisation of the Programme. Among other things, the MAAP ensures that the support programme is aligned to Integrated Development Planning and to Water Services Development Planning. The IDP also provides an indication of institutional arrangements within the region that are necessary to achieve co-ordinated planning and development.

The MAAPs in all the provinces have addressed the objectives of the programme by including the following in their plans:

1. Improved institutional capacity of water services sector
2. Sustainable reduction of the water supply backlog
3. Addressing problems with sustainability in the operation and maintenance phase of water supply schemes
4. Reduction of the sanitation supply backlog
5. Foster an integrated intersectoral approach
6. Ensure appropriate strategic themes are applied to the MAAP programme

The above provincial objectives in the MAAPs differ in application detail from province to province.

## **2.3 KEY OBJECTIVES OF THE MSB PROGRAMME**

The issues in this sub-section are:

- Programme objective
- Approach
- Key features (log frame, main themes, activities and special cross-cutting issues)

### **2.3.1 PROGRAMME OBJECTIVE**

The programme's objective is to ensure efficient and effective water supply and sanitation services in the three provinces of KwaZulu Natal, Limpopo and the Eastern Cape. These three provinces received implementation priority since they constituted 80% of the national backlog in water supply and sanitation. The intention is to draw lessons for rollout in the other provinces. The programme needs to document formally the lessons and examine the efficacy of its approach and methodology for rollout to other provinces.

### **2.3.2 PROJECT PURPOSE**

The purpose of the programme is identified as follows: "To assist each sphere and level of government, and other role-players including the private sector and NGOs, to fulfil their respective functions within the current policy and legislative framework".

The programme was viewed as part of the overall government priority of providing basic services to the poor.

### **2.3.3 ORIGINS AND PREPARATION OF THE PROJECT**

The Water Services Programme was initiated by DWAF in 1994 with the aim of improving access to basic water and sanitation services to all South Africans. The Programme has resulted in approximately 5.3 million people being served. Based on experience, DWAF initiated the preparation of Multi-Annual Action Plans (MAAPs) to guide the planning, budgeting and implementation of water and sanitation service delivery in the Limpopo Province, KwaZulu Natal and the Eastern Cape. The MAAPs were utilised for a Programme Proposal for a Sector Support Programme. A National Steering Committee comprising stakeholders from government, civil society and the donor community guided the project preparation.

### **2.3.4 EXPECTED RESULTS**

The support programme is divided into three main theme areas: Sector Orientation, Water Services Delivery and Institutional support. The expected results in each of the three theme areas are:

2.3.4.1 Results area 1: Sector orientation.

- Review and update policy and legislation, incorporating issues in the water services and other sectors, particularly the local government sector.
- Sector orientation towards consumer-driven interventions in water and sanitation services. The key outputs identified are an orientation towards customer satisfaction, efficiency (in quantity and quality) in the provision of the service, revenue collection, operation and maintenance, the development and extension of service levels and integration with other local services within the framework of local government.

Key challenges are discussed in sections 4 and 5 below regarding implementation of policy and demand-driven service delivery.

2.3.4.2 Results area 2: Service delivery in the three Regions<sup>1</sup>.

- Water Services Development Plans (WSDPs) – these are at different stages of completion and approval but generally expected to be expedited with the appointment of WSA managers in relevant local authorities
- Sustainable water infrastructure to RDP standards provided to approximately 2,4 million people (800 000 in the Northern Province, 804 000 in KwaZulu Natal and 850 000 in Eastern Cape). In addition, rehabilitation and extension of existing water schemes and water and sewage treatment plants was expected.
- Health and Hygiene education provided to approximately 2.4 million people (800 000 in the Limpopo Province, 804 000 in KwaZulu Natal and 850 000 in Eastern Cape).
- Basic sanitation facilities provided to 240 000 people in the Limpopo Province, 260 000 people in KwaZulu Natal and 140 000 people in the Eastern Cape.
- 480 water schemes transferred to Water Service Authorities (WSA)

The issues cited here are discussed in detail in sections 3 and 4 below.

2.3.4.3 Results area 3: Institutional support.

- Improved capacity for the relevant public and private sector institutions to perform their functions adequately and in a sustainable manner.
- The programme will result in strengthened management and in further development of critical Head Offices functions including planning and monitoring and evaluation.

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<sup>1</sup> For a detailed list of results per region please refer to the Regional MAAPs, available on request from DWAF  
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- In DWAF regional offices the focus will be on strengthened regulatory functions, support to the sector at regional level, the transfer of resources and schemes where local government is functional, the operation and maintenance of existing schemes which are yet to be transferred and monitoring and evaluation.

Local Government functioning as Water Service Authorities in at least 50% of each region. Capacity and skills will have been built at local government level to enable this to happen. Support will have been provided through the Implementation of Sustainable Water Services Institutions Programme (ISWIP). In some instances new institutions such as District Councils, catchment management agencies and community structures will be established.

Water Services Providers will have been established in terms of a variety of different models involving local government, the private sector and communities as appropriate and will be providing sustainable services in at least 80% of the identified communities. Support Agencies, including NGOs, the private sector and Water Boards, will be effectively engaged as appropriate.

The social consultant fraternity will be strengthened which is of critical importance in ensuring community participation in the development of water services.

### **2.3.5 ACTIVITIES**

Activities were identified for implementation through the sector support programme in order to achieve the planned results. The activities outlined below only reflect a proportion of the activities being undertaken in the programme as a whole. For a more detailed overview please refer to the programme proposal.

#### **2.3.5.1 Activities related to Result Area 1: Sector Orientation**

- Assistance in the development of a new policy white paper.
- Creation of public awareness on the water policy through road shows and dissemination of information leaflets in local languages.
- Stimulation of stakeholder participation in the policy formulation process through workshops and provincial and national steering committees.
- Recruitment of technical assistance through a TA-framework contract.

#### **2.3.5.2 Activities related to Result Area 2: Service delivery**

- Support to planning and management activities within DWAF and Local Government structures (e.g. review of designs and development of water service development plans).
- Preparation and implementation of Environmental Impact Assessments
- Implementation of water supply projects, including health and hygiene education
- Transfer of schemes to Water Service Authorities (WSAs)

- Recruitment of technical assistance through a TA-framework contract.

#### 2.3.5.3 Activities related to Result Area 3: Institutional support

- Support to DWAF senior management to strengthen the leadership role of the Department in the sector
- Establishment of a gender unit within the water services chief directorate.
- Strengthening of the DWAF function to provide technical assistance to Local Government structures, Water Service Authorities, Water Boards and Community Water Committees.
- Strengthening of local government structures to provide functions related to water service delivery (e.g. management training and capacity building in technical and admin areas)
- Capacity building for Water Service Providers.

#### 2.3.5.4 Indicators

Main indicators for successful implementation of the programme are:

- Water and sanitation services policy prepared and adopted and a "service orientation" generally accepted within the sector.
- Sustainable water and sanitation services established in the three targeted provinces
- Functions being performed and responsibilities being accepted by each level and sphere of public institution responsible for water services in terms of the Water Services Act.
- Strategic leadership provided to the sector by DWAF Head Office and Regional Offices.
- Effective models of water services providers established where appropriate including the use of the private sector.

Indicators for each specific theme have been developed and are reflected in the log-frame (Appendix 6). The methods for collecting relevant information will be mainly through the M&E system, national and international evaluations, national and international statistical bureau's and publications. Furthermore specific field visits surveys and interviews will be undertaken when necessary.

### **2.3.6 CROSS-SECTORAL ASPECTS**

Economic appraisals have explored the payment and cost-recovery issue, as well as possible cross-subsidisation mechanisms. While the government policy is still under discussion, the general principles and mechanisms envisaged should ensure sustainability of the programme once the infrastructure has been made.

There are a number of cross-sectoral aspects to the programme, which will contribute in general to the development of the sector and through which the programme will contribute to the achievement of broad development objectives, particularly in the three targeted provinces. These include the following:

#### 2.3.6.1 Poverty alleviation

The Integrated Sustainable Rural Development Strategy (ISRDS) initiative was established to address rural poverty in South Africa. The focus of the ISRDS is on the delivery of infrastructure and social services and on achieving viable and sustainable economic activities in rural areas. The programme will be a major contribution to that goal through linkages with agricultural and other production activities.

#### 2.3.6.2 Gender and other socio-cultural aspects

Women are almost exclusively responsible for the sourcing and cartage of water. The role of women in development has been acknowledged in policy and legislation in South Africa. As stated earlier, there is a need for consistent implementation of these policies to address the needs of women and development in general.

#### 2.3.6.3 Environmental protection

Water and sanitation services provided by the programme were expected to have an impact on the environment. In this regard, environmental considerations are included within the framework of the MAAPs for the three provinces. Environmental considerations are also required in the Integrated Development Plans (IDPs), the Land Development Objectives (LDOs), Water Services Development Plans and Area/Project Business Plans. As part of the Business Planning process, EIAs are required for all new initiatives.

### **2.3.7 LINKAGE WITH OTHER OPERATIONS**

This programme is a continuation and integration of former EC programmes and is being implemented in collaboration with other donors, especially EU member states. The private sector, NGO's, beneficiaries and other stakeholders are expected to be actively involved in supporting the water sector. The support from various stakeholders was also expected to take place within the framework of identified government priorities.

### **2.3.8 PHYSICAL AND NON-PHYSICAL MEANS**

The EU grant of 75 million Euro is being used as a direct financial support to the government budget for the implementation of the programme. The programme is based on the Multi Annual Action Plans (MAAPs) cited earlier. Financial inputs were divided as follows: 1.5 MEURO ( 0.5 %) for sector orientation, 299.3 MEURO for service delivery (89.5 %) and 33.8 MEURO for institutional support (10.0 %). Approximately 5% of the overall budget was to be invested in technical assistance (TA) at various levels. Procurement of TA was to be done through a framework contract managed by the DWAF Head Quarters in Pretoria. One senior technical advisor was to be attached to the office of the Deputy Director-General: Water Services and would be responsible for liaison with and reporting to the Commission.

### **2.3.9 MEASURES TO ENSURE SUSTAINABILITY**

Ownership by the beneficiaries depends on commitment to ongoing co-ordination and joint planning procedures by all role players at regional level for the successful implementation of the sector support program. Particular support was to be provided to community water committees, which would act as local water services providers. Support to community-based organisations would generally be provided through NGOs and organisations such as the Mvula Trust. An important activity in many instances would be the provision of support for the establishment of water service providers, which could also include establishment financing. The programme was to result in improved co-ordination between national, provincial and local government, NGOs, communities, the private sector and other role players.

The strengthening of the social consultant sector was a specific objective of the programme in order to ensure that there would be an adequate interface between the providers of services and the consumers and to ensure that consumers participate fully in decisions which affect them such as levels of service and tariffs.

At the time of the programme formulation, Government was in the process of reviewing the role, mandate, powers and responsibilities of local government and its relations with provincial and national governments to ensure sustainable service delivery. DWAF was to take the strategic leadership in the programme.

### **2.4 ADAPTING THE APPROACH TO SECTOR CONTEXT**

The programme was to adapt to the sector context through issues discussed extensively in section 5 below. The changing local government landscape appears to be the most significant contextual issue for the programme. The changing of DWAF's role to a regulatory one is also a significant contextual issue, especially in so far as it demands new appropriate strategies for continued leveraging of service delivery.

### **2.5 DWAF STRATEGY AND KFA APPROACH**

DWAF's Key Focus Areas (KFAs) address both the sector approach and the specific core business of the Department. These are as follows:

- Sector leadership
- Regulation of water services sector
- Access to basic water supply and basic sanitation
- Effective institutions
- Effective operations and management of water services schemes

## 2.6 KEY AREAS OF SUCCESS AND ISSUES EMERGING IN PROGRAMME APPROACH

Key areas of success:

The key areas of success established by the evaluation team in respect of the Sector Programme Approach are as follows:

- Initiation of collaborative processes and utilisation of structures is advanced in the three provinces of the programme
- Incorporation of the approach into planning processes and tools has commenced, especially the utilisation of joint committees and task teams
- Capacity building processes aimed at supporting the sector approach and strengthening of local level is also evident, especially the placement of key water services personnel in District Municipalities. The appointment of WSA managers has also enhanced the District Municipalities' ability to address options for the Water Services Provision function, as they do not restrict deployment to WSA functions only.
- Policy positions and initiatives on crosscutting issues have been adopted. DWAF and other partners have policy positions on gender mainstreaming, civil society participation, environment and appropriate technology.

**Issues to be addressed** include the following:

- Collaboration at national level, within DWAF and between DWAF and other role players needs to be reviewed, with a view to accelerating assumption of the agreed roles and responsibilities for the programme by role players. A framework of accountability needs to be formalised and implemented in a consistent fashion to support the sector orientation of MSB.
- The current restructuring of DWAF needs to be formally incorporated into the planning and reporting cycle of MSB
- The role of the Masibambane Programme Management Unit (PMU) needs to be reviewed. In particular, it is important to formalise its role of promoting the sector and supporting relevant role players in the implementation of the programme interventions utilising best practice. The team recognised that the original terms of reference did not place this requirement
- Capacity building for the sector approach - alignment of role players' strategies with that of DPLG will enhance the decentralisation process and sustainability of the role of local government in service provision
- Collaborative forums – there is a need to review commitment, capacity and effort demanded for the participation of district municipalities

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- Issues related to decentralisation, and the legal status of collaborative structures in provinces needs to be examined. These may provide part of the “modelling” for options to be considered by the other provinces
- Lessons learned, including the nature of collaborative structures just cited need to be documented
- Formal incorporation of sustainability and crosscutting issues is required in the planning and implementation processes of the programme. There is a particular need for consistency in the implementation of policy by DWAF and the government in general in respect of gender mainstreaming and community participation.

### **3 PROGRAM EFFICIENCY - ORGANIZATION AND MANAGEMENT**

Programme efficiency is examined in terms of the relationship between programme inputs and outputs. Sub-section 3.1 examines the organisational arrangements and the management of the programme. Sub-section 3.2 reflects on the efficiency of the transfer of schemes from DWAF to local government. Financial arrangements and performance of MSB in terms of its organisation and management are evaluated in sub-section 3.3. Sub-section 3.4 focusses on the mainstreaming of gender issues in the MSB programme organisation and management. The role of civil society in the programme organisation and management is discussed in 3.5 and 3.6 concludes with the key areas of success and issues in program organisation and management.

#### **3.1 ORGANISATIONAL ARRANGEMENTS AND MANAGEMENT OF THE PROGRAMME**

The organisational arrangements and management of the programme deals with the issues surrounding the responsibilities of the players that are tasked to deliver on the MSB. These tasks had been designed to achieve very particular objectives, which are grouped into three themes. Two of these themes will be discussed in this section. Theme one (3.1.1) deals with the roles of the MSB team at head office level and Theme two (3.1.4) covers the issues surrounding the delivery of services. The expected results have already been presented in 2.3.4 above and will not be repeated here.

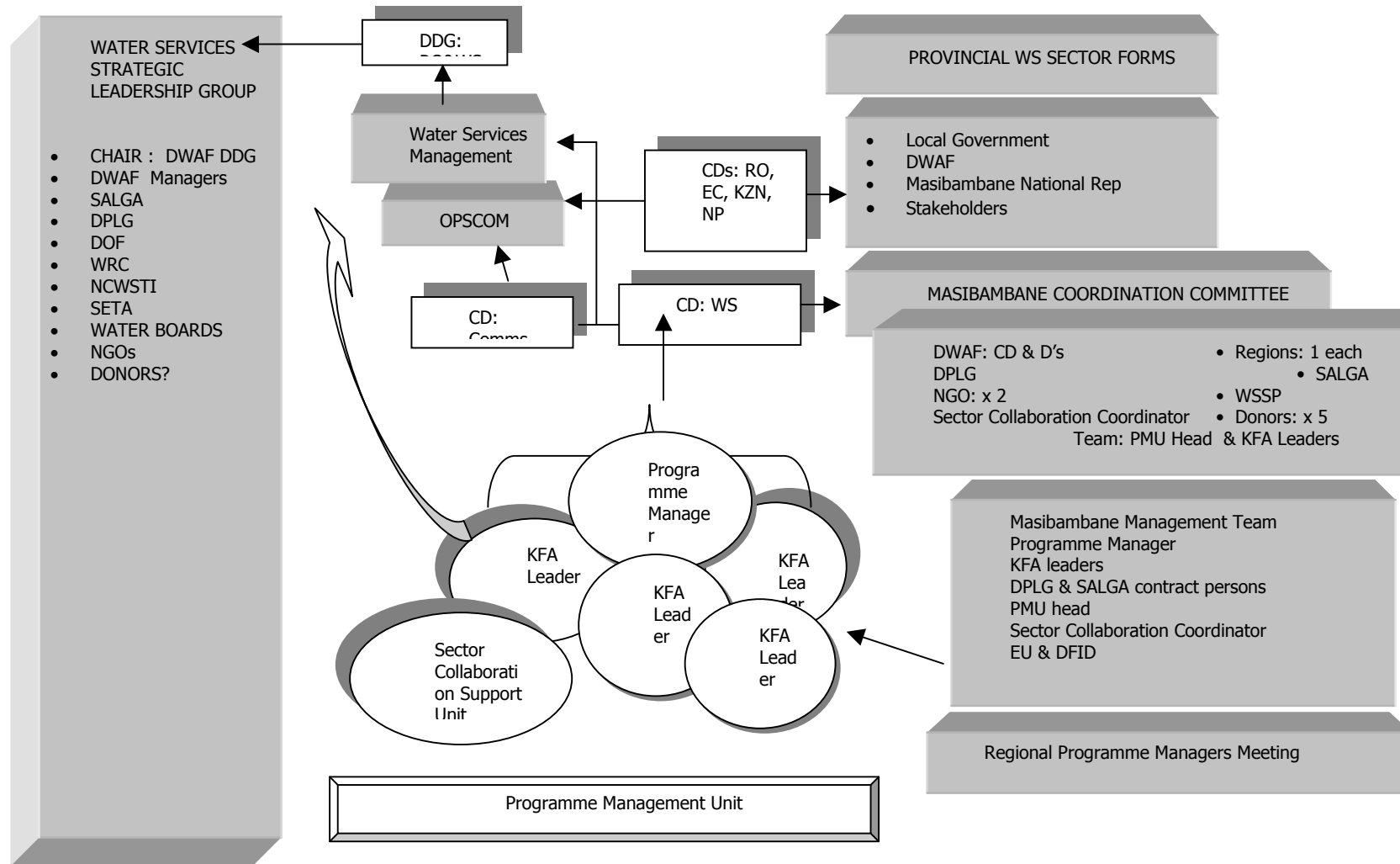
Generally, it was also noted here that cross cutting and sustainability issues did not have champions, in spite of the programme's recognition of their importance. Civil society organisations, issues of gender mainstreaming, appropriate technology and environment have frequently been treated as project compliance issues rather than programme and sector issues. It appears, therefore, that greater focus should have been given to formalising approaches to the issues that enhance the sector and programme orientation of Masibambane. This should, at the very least, be reflected in organisational arrangements incorporating championing for the cross cutting issues

##### **3.1.1 ORGANISATIONAL ARRANGEMENTS AND MANAGEMENT AT HO AND PROVINCIAL LEVEL**

A programme support structure was established and accepted by key role players at national level. Their responsibilities were clarified and accepted as indicated in section 2 above. Figure 3.1 on the next page provides the programme's management and co-ordination arrangements at national level.

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Figure 3.1: Masibambane Management and Co-ordination - National level



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Collaborative structures were established in the three provinces. These are the Collaboration Committee of Limpopo, the Integrated Water Sector Management Forum of the Eastern Cape and WATSAN of KwaZulu Natal. Membership to these structures includes DWAF Regional Office, Provincial Departments of Local Government and Housing, district municipalities, NGOs and CBOs. SALGA also sits on some of the above-mentioned structures. In addition, task teams or working groups representing technical, planning and development, transfers and sanitation activities were established. All working groups were provided with clear terms of reference. Dedicated chairpersons to lead working groups were elected from team members other than DWAF personnel. The objective was to expedite the move towards local autonomy.

The issue of addressing the involvement of district municipalities in the management forums has already been raised.

### **3.1.2 KEY SUCCESS AREAS AND ISSUES TO BE ADDRESSED IN ORGANISATION ARRANGEMENTS AND MANAGEMENT**

The main success areas are those already indicated in respect of creating a platform and processes for a sector-wide approach to the programme management of water and sanitation services. Further, collaborative processes and structures at national level have reinforced decentralisation through the creation and utilisation of collaborative structures at provincial level.

The key issues to be addressed relate to monitoring and evaluation as well as the consolidation of roles and responsibilities among sector partners. A sector-wide monitoring and evaluation system is not currently in place. The constraints engendered by this gap in supporting a sector programme approach are highlighted elsewhere in this report.

Whilst the roles and responsibilities at national level seem self-evident and initiatives on policy implementation are being driven and supported from that level, there does not appear to be a formal framework of accountability that is systematically linked to the planning and reporting cycles of the sector partners.

### **3.1.3 CONCLUSIONS AND RECOMMENDATIONS ON ORGANISATION ARRANGEMENTS AND MANAGEMENT**

The primary conclusions and recommendations to ensure the efficiency of the program are:

- There is a need to align sector planning and implementation through a formal framework of accountability at national level
- A sector-wide monitoring and evaluation system is required for the programme. This will allow the leadership group processes to be further aligned to planning and reporting cycles of the sector as a whole.

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- Collaborative structures at provincial level may need further support in respect of alignment with provincial priorities and processes

### **3.1.4 ARRANGEMENTS FOR THEME 2 - SERVICE DELIVERY**

For Sanitation services, the regions are responsible for:

- Developing and implementing mass health and hygiene campaign and developing integration initiatives with health sector
- Establishment of regional co-ordination mechanisms for sanitation
- Allocation of dedicated human resources for sanitation within District Municipalities
- Development of sanitation strategies of District Municipalities
- Development and implementation of capacity building programs
- Implementation of sanitation projects
- Adoption of suitable methodologies and approaches
- Emergency preparedness (contingency planning), and
- Establishment of sanitation information centres

At provincial level, DWAF regional offices would be responsible for the direct implementation of Multi-Annual Action Plans. They would provide technical assistance to support local governments, i.e. DMs and implementing LMs. Water service providers were identified as capacitated local municipalities, water boards, non-governmental organisations, community-based organisations and construction units.

There has been consistency with actions taken by DWAF at national level. These have included support to regions by way of:

- Allocation of Technical Assistants at regional levels
- Providing policy framework within which the programme was being implemented
- Monitoring the implementation of action plans to achieve outputs as indicated in logical framework

Organisational and management arrangements for specific elements of the water and sanitation service delivery project cycle are outlined below.

#### **3.1.4.1 Water and Sanitation Project Identification and Prioritisation**

Development of the Masibambane proposal included a consultative process leading to preparation of provincial multi annual action plans (MAAPs) that provided a strategic base for annual work plans. Actual project identification project identification and approval is aligned to the annual DWAF planning process with districts preparing preliminary project lists, submitting them

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to a provincial co-ordination team for approval and then to DWAF for funding based on predetermined provincial allocations. In essence DWAF produces the final funded project lists.

Currently, district municipalities (DMs) identify and prioritise water and sanitation projects based on criteria that are defined by and for each municipality. The criteria are outlined in water and sanitation services development plans, which are under preparation in most district municipalities and complete in a few. These plans are, among other things, to guide service provision processes and provide a basis for improved project planning by better defining project prioritisation criteria and elaborating a framework for more sustainable management of the facilities. The process is efficient but the extent to which established criteria have been developed and are applied varies and involvement of consumer communities is limited. While final project identification is still done by DWAF, Masibambane has reinforced this bottom up approach which, when strengthened, will provide a framework for decentralisation of decision making and resource allocation to DMs and water services authorities in line with current institutional reforms.

#### 3.1.4.2 Project Planning, Design and Construction

Planning, design and implementation for water services is carried out by appointed consultants and contractors. For sanitation services, this function is by designated implementing agents based on agreed sanitation project implementation plans (SPIPs). In both cases, a role is foreseen for a project steering committee (PSC), elected by the community and trained by the implementing agent or consultant as the case maybe. There are other agents at community level (technical and social promotion agents, community development facilitators, quality assurance agents, community health workers, etc.) who are involved in the project cycle.

*Table 3.1: Target Outputs for Masibambane Programme*

K Z N	8 0 4 0 0 0 persons	w a t e r
	2 6 0 0 0 0 persons	s a n i t a t i o n
	8 0 0 0 0 0 persons	h e a l t h & h y g i e n e e d u c a t i o n
E C	8 5 0 0 0 0 .0 0	w a t e r
	1 4 0 0 0 0 .0 0	s a n i t a t i o n
	8 0 0 0 0 0 .0 0	h e a l t h & h y g i e n e
N P	8 9 0 0 0 0 .0 0	w a t e r
	2 4 0 0 0 0 .0 0	s a n i t a t i o n
	8 9 0 0 0 0 .0 0	h e a l t h & h y g i e n e e d u c a t i o n
W S A s f u n c t i o n a l i n 5 0 % a r e a s s e r v e d		
W S P s f u n c t i o n a l i n 8 0 % a r e a s s e r v e d .		

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### 3.1.4.3 Project Operation and Maintenance

Operation and maintenance of completed water projects is planned to be carried out by the Water Services Associations either directly or through appointed water service providers. The establishment of WSPs is still at its early stages. Meanwhile, water projects are currently operated by different agents including DWAF, for pre 1994 projects, communities with support from NGOs or DWAF, and WSAs. The operational status of a number of projects leaves much to be desired. While the establishment of WSPs is still on time according to the program logframe, the speed with which new projects have been implemented calls for a much higher prioritisation of this activity to ensure that newly completed schemes will not need immediate rehabilitation before the new operators can take them over.

## **3.2 PROGRAMME OUTPUTS AND PERFORMANCE EFFICIENCY**

### **3.2.1 OUTPUTS AND PERFORMANCE EFFICIENCY IN SERVICE DELIVERY (THEME 2)**

#### 3.2.1.1 Outputs

Target outputs are stated in the three-year program logframe as summarised in Table 3.2.1. In the first year of operation of the program (2001/02), the monitoring activity concentrated on tracking inputs (budget versus actual expenditure) with relatively little attention paid to monitoring delivered outputs<sup>2</sup> (4<sup>th</sup> Quarterly Report 2001/02). As a result, only limited program components have 'planned versus actual' output figures for the initial year. This has been an area for improvement in subsequent years.

Nonetheless, the 4<sup>th</sup> quarterly report contains some indication of outputs achieved by the program for each Theme. Theme 2 outputs can be divided into provision of water and the provision of sanitation.

The table and graph below give the outputs in terms of the number of people provided with water in 2001 /02.

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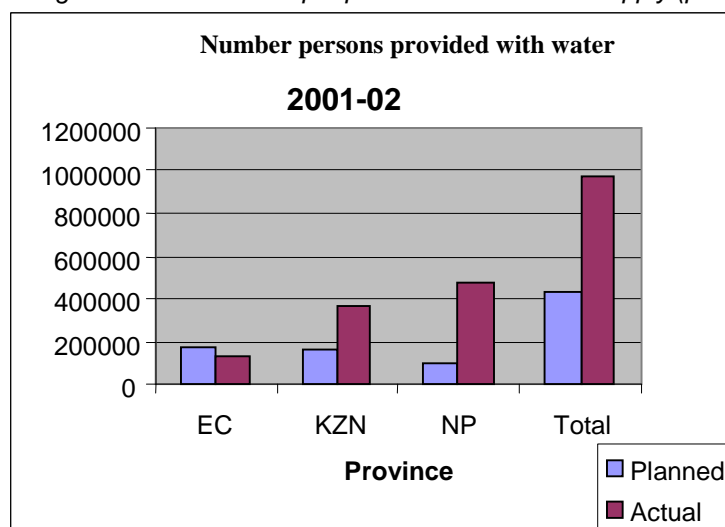
<sup>2</sup> "While a number of achievements have been noted and it is evident that progress is being made it is difficult to determine at this point whether progress is being made against what was originally planned. During the next financial year, greater emphasis will have to be placed on program outputs such as KPIs and OVIs etc. rather than programme inputs such as expenditure" (Programme Overview, 4<sup>th</sup> Quarterly Report 2001/02).

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*Table 3.2: Number of persons with Water*

Province	EC	KZN	NP	Total
Planned	173,195	163,488	99,596	436,279
Actual	128,043	367,321	475,579	970,943
Variance	-45,152	203,833	375,983	534,664
% variance	-26.07	124.67	377.5	122.6
% of target achieved	73.9	224.7	477.5	222.6

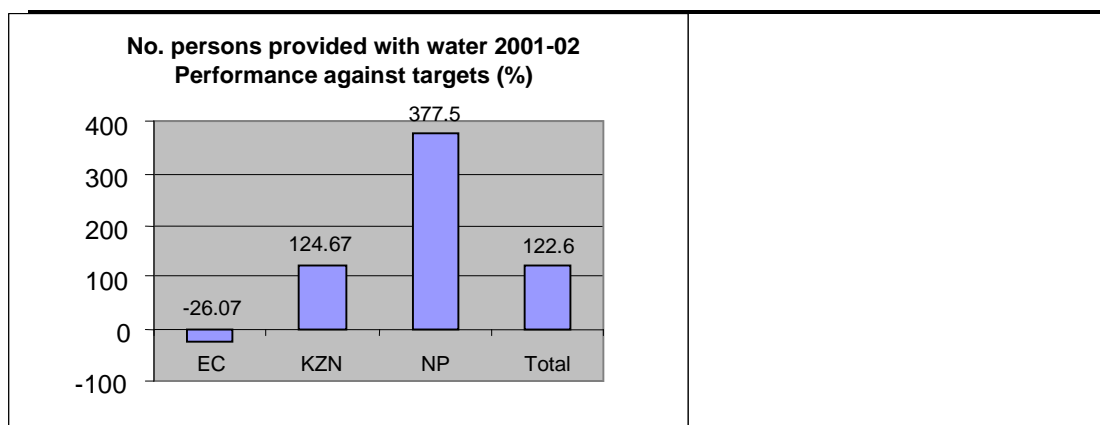
*Figure 3.2: Number of people served with water supply (planned vs. actual) 2001/02*



As the table and graph illustrates, the Eastern Cape failed to meet its targets for 2001/02 by 26%, likely related to problems with the implementation of DORA within the region, whereas the other two provinces exceeded their targets by a significant amount. Progress is obviously being made towards other targets, although as noted above, direct planned versus actual information is not available, particularly for Sanitation projects whose national outputs as per September 2002 are indicated in table 3.3 below:

Figure 3.3: Provision of water supply (regional performance) 2001/02

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### 3.2.1.2 Efficiency of Interventions

The planning, design and implementation stages of **water services** projects are efficiently carried out almost exclusively by the contracted agents. The role of the PSC and other agents in water services provision is limited to assisting the consultants in appropriately locating standpipes while that in sanitation services involves getting to know the implementing agent planned work schedules. Their contribution to the efficient delivery of the services is limited and their existence appears to be aimed fulfilling a project requirement that in fact is perceived as a distraction.

Establishment of water services authorities (WSAs) is ongoing in most districts. In many, the DMs are to be the authority while in some, local municipalities (LMs) formed their own authorities. In both cases, there is a general tendency towards establishing the water services provider (WSP) function within the municipal structure either, as a department with a general manager at the same level as finance, corporate services and planning, or, as a section within one of these departments. This is consistent with the desire to maintain water services functions within the public rather than the private sector domain.

While the above work is going on, operation, maintenance and management of completed projects is carried out by different institutions, community based organisations, DWAF DMs and NGOs. In all cases, due to lack of clarity on the eventual responsibility arrangements, the water services operation, maintenance and management function is generally inefficiently and poorly performed and many of the schemes will require rehabilitation before handing over to the right institutions when these are eventually defined.

**Sanitation services** delivery arrangements are torn between a turn key project with a contractor that provides the maximum number of toilet units in a given time, consistent with the desire to reduce the backlog in the shortest time possible, and a community implemented project that involves community structures, promotes hygiene and generates demand for sanitation. In the circumstances, the implementation efficiencies possible in turn key projects are severely undermined while at the same time, inadequate attention is paid to hygiene promotion and demand creation. . Work quality on sanitation infrastructure is generally poor and in some cases

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not linked to the payment approval processes, progress is slow (physical targets not met) and hygiene education very limited.

Quality, cost, and speed of implementation often define a triangle of tradeoffs faced by projects, and Masibambane sanitation and hygiene is no exception. It is virtually impossible to achieve sanitation and hygiene interventions that are good, cheap, and fast. To an external reviewer, the sanitation and hygiene interventions do not seem particularly efficient or cost-effective, but a large part of this is the natural response to the pressure to reduce the backlog quickly, (as well as to meet targets for expenditure!)

As already noted, some of these issues are inherent in the national policy, but the following points came up during visits to Eastern Cape and Kwazulu Natal:

Resources, both within DWAF and within the private sector, to manage the sanitation intervention are extremely limited. Expenditures have been very slow, as the sector tries to grapple with the problem.

The available resources are asked to do more than they know how to do. A social science consultant, without previous experience of sanitation project management, finds himself in the position of accepting recommendations from an engineering consultant to sign off acceptance of latrines that are, in fact, technically unsatisfactory. The sanitation committee formed to ensure good linkages between “the program” and “the community” is in fact ignorant of “what happens after the pit is full”.

Quality control suffers under pressure to build. On the one sanitation project site we visited in Eastern Cape, the latrine cabins were too small. The “Standard VIP” design violated the basic principles of the VIP as understood by the Review Team, in that there was free unscreened access to the cabin at the top, and a nearly-sealed vent that blocked the entry of light that attracts flies up the vent pipe. The design thus appears to eliminate the fly control aspect of the VIP. Sanitation contracts and projects need to be consolidated into larger areas (at least in Eastern Cape) in order to take advantage of economies of scale, and minimise the bureaucratic burden. This opinion was held both inside and outside the project.

### **3.2.2 OUTPUTS AND PERFORMANCE EFFICIENCY FOR TRANSFERS**

#### **3.2.2.1 Introduction**

The process of transfers in the water services sector of South Africa refers to the actual change of ownership of assets and the movement of people from DWAF to Local Government. Transfers form an integral component of water services governance in South Africa for a number of reasons. Firstly, the Constitution of the Republic of South Africa vests the responsibility for water and sanitation services limited to potable water supply systems and domestic wastewater and

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sewage disposal systems, in Local Government. However, during the inception of the CWSS programme in 1994, DWAF became the interim owner and operator of a large number of water and sanitation schemes. In addition DWAF also operates some of the early projects implemented through the Community WSS Capital Programme. With the establishment of local government these (about 443 water works and projects) are now to be transferred as provided under the DORA over a three-year period starting from July 2003. DWAF provided support for the development of the Transfer Program, initiated first through a detailed inventory of all the 'projects' including functional and financial assessments\*. Financial assessment of each scheme included detailed financial modelling to assess financial viability. Based on some of the preliminary outcomes of this assessment, and in consultation with DPLG, SALGA and national treasury a joint policy statement has been prepared and approved by the interdepartmental transfer task team.

### 3.2.2.2 Development of the decentralisation framework

The decentralisation framework comprises among others the creation of an enabling environment for transfers. Components of the enabling environment include human resources issues such as skills audits, gap analysis training and negotiations with staff to be transferred. Successful implementation of the framework should be measured in terms of the success of each of the components as described in the logframe and other programme documents. The decentralisation process requires a consultation of all parties involved so that all concerns can be addressed in the development of the decentralisation policy. A major weakness of the decentralisation framework since programme inception to date has been the absence of a transfer policy that is agreed upon and supported by all parties concerned. A Joint Policy Position Paper<sup>10</sup> that has recently been developed forms a major step towards the resolution of issues that are currently constraints to the transfer process. This is a major step towards creating an enabling environment that will allow the transfer process to proceed much smoother than before. Development and completion of the document further reinforce the principles of collaborative planning and management.

A highlight of the decentralisation framework is the completion of the skills audit involving about 1800 personnel linked to priority schemes. Training of some of the personnel has commenced, with the hope of ultimately placing them with receiving municipality / s. The skills audit is just but a component of the personnel transfer process. The successful negotiations with, and placement of staff in receiving institutions will measure the success of the process. Experience with the negotiation processes of staff transfers between institutions reveal that this may be a long protracted process if not handled carefully. The inclusion of HR professionals very early in the process is critical to provide labour relations inputs that would mitigate against potential negative impacts (whether perceived or real) on staff.

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\* Draft reports of the functional and financial assessment could not be made available to the team as they had not been finalised yet.

### 3.2.2.3 The transfer of DWAF WS schemes to appropriate WS institutions

The transfer process has been slow mainly because of the processes and structures that have to precede the actual transfer. The transfer of retail infrastructure in particular has been very slow, impacting negatively on service delivery. The functional and financial assessment mentioned earlier revealed huge challenges that DWAF has to deal with to ensure that municipalities receive assets that are functional and financially viable. There is currently no agreement between DWAF (as the transferring institution) and Local Government (as receiving Institutions). The major area of disagreement is the lack of clarity on who is going to finance the operations and maintenance of existing infrastructure, and the capital investment required to address the current deficiencies in the system. DWAF expects municipalities take over the water provision function and operate sustainably. In the mean time assessments of the viability of water provision in many areas show that the municipalities would require a huge cash injection in order to remain financially viable while providing an acceptable level of service. The financial sustainability of these schemes is being questioned on the basis that DWAF has been subsidising operations and maintenance, and thus there has never really been financial viability and sustainability. Municipalities expect DWAF to maintain subsidies in operations and maintenance in order to allow municipalities to provide acceptable levels of service.

Another point of contention has been the transfer of personnel from DWAF to municipalities. Issues contested by labour representatives include conditions of service, job security etc. The operationalisation of the Transfers policy is still has major human resources management challenges. Human Resources Management Practitioners at DWAF believe that human resource issues form 80% of the transfer process and that the Department should allocate appropriate resources to deal with the issues accordingly. At this point in time the Joint Policy Position Paper does take into consideration concerns raised around personnel, and notes all the relevant provisions of legislation applicable to staff transfer issues. The challenge will be the development of an action plan to implement the policy. This should be developed as a matter of urgency to help fast track the transfer process.

### 3.2.2.4 Sustainability of the transfer process

There are a number of requirements that must be met in order to ensure long-term sustainability of the transfer process. These include the establishment and strengthening of the transfer structures, and the building of capacity both within DWAF and the receiving municipalities. With the realisation that the transfer process is not peripheral but fundamental to the operationalisation of decentralisation policies, DWAF has appointed a National Transfers Manager at a level of decision making that will fast track the process. Contract staff at DWAF HO have been placed to support the Transfers Manager. While the Transfers Manager and contract staff have been placed at HO, DWAF Regional offices are still dependent on Transfer Task Teams which comprise operational staff who have to perform their day to day functions and also deal with the transfer issues as well. The establishment of the Task Teams has been criticised by staff and HR

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personnel on the basis that operational managers are not in a position to deal with HR issues that form the core of the transfer process.

The capacity development plans of municipalities (where they exist) are linked to the IDPs and WSDPs. While the WSDP guideline document makes provision for information on schemes to be transferred, together with proposed dates of transfer, the resultant WSDP documents are generally silent on the type and level of capacity and financial support required to sustain the transferred schemes. This is one indicator for the lack of readiness for the transfer process by a number of municipalities. It should be noted here that the development of capacity building plans are not just for the WSDP or the transfers process, but are a legislative requirement as per Section 13 of the DORA. In providing support to municipalities for the development of capacity building plans related to the WSDP, DWAF should ensure that the capacity implications of the impending transfers are well understood and incorporated into municipal capacity building plans.

The current on-going institutional support to WSAs and WSPs provides a portion of the required capacity for receiving municipalities. In the past 18 months a lot of effort was placed on the establishment of and support for WSA functionality. Particular attention was paid to the development of WSDPs. Lesser effort was placed on developing capacity to regulate the WSP environment. This is critical for the long-term sustainability of the transfer process, taking into consideration that the WSA as a receiving government institution has to take decisions on the appropriate WSP, be able to enter into contracts with WSPs and manage and monitor those contracts. The WSP environment is more complex as it involves a broader range of stakeholders including NGOs, CBOs and the private sector. DWAF's institutional support should therefore pay special attention to the transfer process, noting peculiar problems facing municipalities.

Further issues related to water provision include tariff determination and the implementation of the free basic water policy. Such experience is generally lacking in local government, especially in the newly established DMs. Many DMs are dependent on technical assistance provided by consultants, while ideally such experience should reside in municipalities where decisions are taken. This is an area of support that DWAF should intensify its efforts on, especially in providing guidelines based on an ongoing needs analyses in municipalities. The preparation of WSDPs should make provision for more detailed analyses of the municipal environment within which water provision decisions have to be taken.

### **3.2.3 KEY AREAS OF SUCCESS AND ISSUES TO BE ADDRESSED REGARDING TRANSFERS**

#### **3.2.3.1 Key successes**

A Joint Policy Position Paper that has recently been developed is a major step towards addressing stakeholder concerns, especially the receiving municipalities.

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Completion of the skills audit lays a foundation for developing a for conducting a gap analysis that will lead to the placing of staff in receiving municipalities

Transfers Manager and contract staff has been placed at DWAF Head Office to manage the process at reasonably high level of decision-making.

By establishing and supporting WSA functionality the Programme has managed to create some form of readiness in receiving institutions.

#### 3.2.3.2 Issues for the Program

Capacity development and financial support for receiving institutions have to be addressed. Efforts to capacity building should focus on the following:

- Tariff determination
- Decisions concerning free basic water
- Decisions concerning appropriate WSP
- Ability to enter into, manage and monitor contracts with WSPs

There is a need to develop a binding action plan to implement the joint policy position paper. The action plan should among other things define and clarify roles and responsibilities, identify points of accountability and provide a guide for stakeholders on how to implement the various components of plan.

The transfer process needs to develop a human resources management plan that deals with the conditions of transfer (Human resources challenges). The human resources issues seem to be addressed mainly from the DWAF perspective, and it is not clear what the receiving municipalities are doing.

Among other things the plan should:

- Be guided by appropriate legislation
- Go the route of negotiated transfers
- Deal with employment guarantees

#### 3.2.4 CONCLUSIONS AND RECOMMENDATIONS REGARDING TRANSFERS

The transfer process has been slow, undermining the principles of decentralisation. The programme should accelerate implementation of transfers, addressing all the issues in the Joint Policy Statement and findings of the functional and financial assessment undertaken by DWAF to ensure that municipalities receive assets that are functional and financially viable. Further, clarification is required on the relationship between the transfers programme (DWAF perspective)

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and the implications of the viability audits being undertaken by some municipalities. The position of SALGA in the matter is particularly important to address.

Operationalisation of the Joint Policy Position document will require an action plan defining roles and responsibilities and binding time frames. It is recommended that the action plan be developed as soon as possible to fast track implementation.

Current capacity building initiatives are focussed on WSA functionality. While this effort is maintained, similar effort should be placed on WSP functionality especially for the transfer of retail infrastructure.

The human resources management component of the transfer process is lagging behind yet it forms the core of the process. An all encompassing HR "migration" plan that addresses the needs of DWAF staff as a transferring, as well as those of municipalities as receiving institutions. This will include issues of parity of service conditions for migrating staff.

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### 3.2.5 PROGRAMME FINANCIAL ARRANGEMENTS AND PERFORMANCE

#### 3.2.5.1 Introduction

The Masibambane Programme (MSB) represents the first large-scale sector-wide approach (SWAP) linked to budget-based donor support for rural water and sanitation in South Africa. Table 3.3 provides brief highlights of the program and the planned financing arrangements for a total size of about 2.2 billion Rand equally distributed over the three-year programme period<sup>3</sup>. The share of Government of South Africa's own resources is about 72 percent and the remaining is through budget-based donor support. Support from different donors is pooled through this arrangement, which enables easy co-ordination and overall strategic support to the Government of South Africa. It also makes it possible for donors to provide funds with lower management costs.

The MSB is structured around three main themes: 1) sector orientation, 2) service delivery for water and sanitation, and 3) institutional support to local government linked institutions. While themes 1 and 3 are of greater strategic importance for the sector, in financial terms a large proportion of the funding (90 percent) is for service delivery. Though, even within this, it is estimated that about 10 percent will be for project development and management support.

*Table 3.3: Proposed Program Financing through Budget Support*

*(In million SA Rand)*

Theme / Location	Source of Funds			
	Government of South Africa	Donors	Total Program	Share of Total (%)
Theme 1: Sector Orientation	0.0	10.0	10.0	0.5
Theme 2: Service Delivery				
Eastern Cape	554.1	88.0	642.1	28.9
KwaZulu Natal	425.5	301.0	726.5	32.7
Limpopo	531.5	87.0	618.5	27.8
Sub-Total	1511.1	476.0	1987.1	89.5
Theme 3: Institutional Support				
Eastern Cape	15.0	29.0	44.0	2.0
KwaZulu Natal	19.1	19.0	38.1	1.7
Limpopo	14.3	46.5	60.8	2.7
Head Office	48.4	33.0	81.4	3.7

<sup>3</sup> While the program proposal as illustrated in Table 1 shows donor funds for activities, due to the nature of budget support such differences across donors will not be maintained.

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Sub-Total	96.8	127.5	224.3	10.1
Total Programme	1607.9	613.5	2221.4	100.0
Share of total (%)	72.4	27.6	100.0	

Source: Based on DWAF, Government of South Africa (2000), South African Water Services Support Programme: Programme Proposal, Table 2.

Key highlights of MSB Financial Performance

Based on available information from the quarterly reports, Table 3.4 provides an overview of the actual expenditure against the planned program allocations<sup>4</sup>. Key highlights are:

*High Level of Utilisation and Leveraging:* During the first year, the program has achieved 93 percent utilisation in relation to the allocations as per the annual work plan. This is commendable especially as the allocation was more than planned, and thus utilisation represents over 125 percent of the target as per the original program proposal<sup>5</sup>. At the given rate of allocation and utilisation, the limited budget support from donors seems to have helped leverage larger government resources. If the current trend is maintained, the share of government in total resources under the MSB will be about 82 percent as compared with the planned 72 percent;

*Table 3.4: Masibambane – Financial Allocation and Utilisation*

Theme / Location	Planned Allocation (Million SA Rand)			Actual /FMS Expenditure as a Percent of Planned Allocation	
	Total Budget	For 2001- 02	For 2002-03	2001-02 By March 2002	2002- 03 By Sep 2002
	Theme 1: Sector Orientation				
Head Office	10.0	47.3	169.9	14.6	14.5
Theme 2: Service Delivery					
Eastern Cape	642.1	208.5	280.2	99.1	33.8
KwaZulu Natal	726.5	320.7	292.5	88.4	51.1
Limpopo	618.5	240.7	265.3	101.1	34.4
Other Provinces	0.0	0.0	246.2	0.0	33.5

<sup>4</sup> It has not been easy to get a good summary perspective on financial performance against the original proposal as neither the annual nor the quarterly reports provide such a summary in a ready manner. Analysis in Table 2 and A1 was based on the information from quarterly reports given to the review team. However, the total estimated utilization of 867.6 million SA Rand is less than the reported 890 million SA Rand as per the audit report indicated in the MSBP Annual Report.

<sup>5</sup> The original program proposal envisaged that 31.3 percent of the total allocation (695 million SA Rand) would be utilized the first year. Thus, the allocation as per the work plan for 2001-02 at 933 million SA Rand was 1.3 times the original proposal.

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Head Office	0.0	3.8	na	15.8	na
Sub-Total	1987.1	773.7	1084.2	94.9	38.6
Theme 3: Institutional Support					
Eastern Cape	44.0	33.5	24.4	111.9	11.1
KwaZulu Natal	38.1	35.9	40.2	104.7	58.7
Limpopo	60.8	12.1	21.6	408.3	16.7
Other Provinces	0.0	0.0	na	0.0	na
Head Office	81.4	30.8	na	6.8	na
Sub-Total	224.3	112.3	86.2	112.7	34.7
Total Programme	2221.4	933.3	1170.4	93.0	35.3

*Notes: The reasons for the high reported planned allocation for the Theme 1 are not very clear.*

*Lagging Performance on Strategic Themes and Sanitation:* In terms of financial performance by theme and at the province level, the main areas of concern are the low level utilisation for themes 1 and 3 at the head office during the past 18 months, and for theme 3 in Limpopo and Eastern Cape provinces during the current year. This is of particular concern as in the emerging decentralisation scenario these themes represent the new roles that will be required of DWAF as a sector leader. Under Themes 1 and 2, greater focus is needed to support innovations in technology, cost reduction and alternative service delivery systems. Particularly, emphasis is needed on developing effective and equitable subsidy systems at the local level within the framework of free basic water policy and ensuring financial sustainability in operations as discussed in the next section.

On the other hand, it also suggests the reality that efforts under these themes require more co-ordination and process support, which take a long time to set up. And, it is to the credit of the program that it has not simply gone ahead with activities without taking its sector partners along. MSB has responded by identifying innovative arrangements to place staff through contractual positions to focus on WSS in partner institutions such as SALGA and DPLG. Similar arrangements are also being explored at the WSAs or WSPs to provide the necessary assistance and incentives to the district municipalities.

As highlighted in Table 3.2.4, financial performance on sanitation has been poor in Eastern Cape (45 percent) during 200102 and across all the provinces in the current financial year (ranging from 0 to 27 percent)<sup>6</sup>.

*Table 3.5: Province-wise Financial Performance for Sanitation  
(In Million SA Rand)*

Province	2001-02	2002-03
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<sup>6</sup> Refer to Annex Table A2b.

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	Planned Allocations	Percentage Utilization	Planned Allocations	Percentage Utilization
Eastern Cape	15.5	45.2	54.0	7.4
KwaZulu Natal	36.0	126.3	74.4	27.1
Limpopo	27.3	137.1	32.0	14.1
Sub-total	78.8	114.1	160.4	17.9
Other provinces	45.4	85.7	100.6	7.8
Total	124.2	103.7	260.9	14.0

*Cash Transfers to the District Municipalities:* During 2001-02, the level of utilization was lagging till the end of the third quarter. For example, the annual report suggests that the utilization in the fourth quarter was as high as 60 percent of total expenditure during the year<sup>7</sup> and helped to achieve the overall high performance for the year. This probably reflects the delays in approvals due to the business planning procedures and during the fourth quarter pressure is mounted to achieve targets. However, the main contribution to the fourth quarter spending seems to have also been from the transfer of over 170 million SA Rand to the district municipalities (DMs). While this has been carried over to the next financial year, it would have helped to develop the local capacity and linked procedures for cash transfers to the DMs<sup>8</sup>. Thus, a measure taken mainly to meet the targets did fall within the emerging framework under the Division of Revenue Act (DORA) where the emphasis is to move towards cash transfers to DMs<sup>9</sup>.

### 3.2.5.2 Budgeting Process and Programme Allocations

The budget-based support by the donors required that the programme be integrated with the Government's usual budgeting and allocation process. The budgeting process within MSB is, therefore, aligned with the normal process followed by the Department for Water Affairs and Forestry (DWAFF) and meets the Public Financial Management Act (PFMA) and Division of Revenue Act (DORA) requirements. The budgeting and work-plan process along with expenditure reporting ensures compliance with international agreements and provides a base for the quarterly reporting to DWAFF, donors and all sector partners. Development of the MSB proposal was preceded by a consultative process of preparation of Multi-Annual Action Plans (MAAPs) in each province, which provided a strategic base for of annual work plans. Actual identification and approval of projects is, however, aligned with the normal process followed by DWAFF. This involves six steps as illustrated in Figure 1.

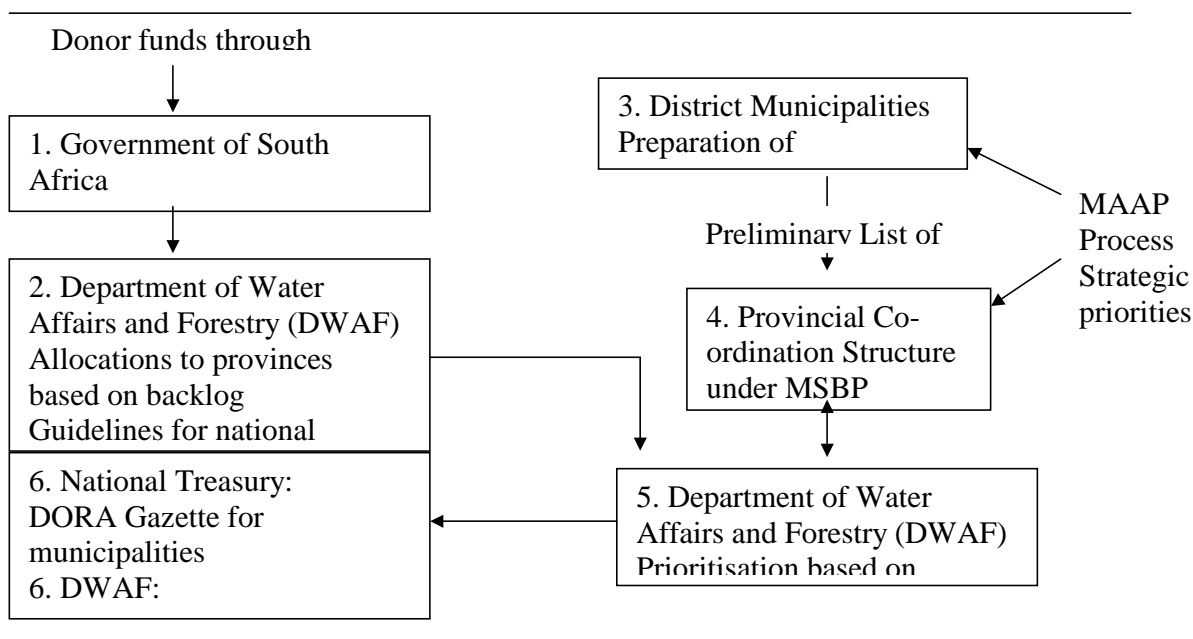
<sup>7</sup> Based on information in the Income and Expenditure Statement in the MSBP Annual Report. Transfer to the DMs (109.8 million Rand) is also included with the other fourth quarter expenditure (417.3 million Rand). The total expenditure during 2001-02 was 890.7 million Rand as per this statement.

<sup>8</sup> Transfer to DMs was possible because the financial year of local government is from July to June.

<sup>9</sup> See the discussion later in Section 3.

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*Figure 3.4: Alignment of MSB with Normal DWAF Budgeting Process*



The main contribution of MSB has been to align the program with the normal budgeting process of the department and to introduce a more participatory and bottom-up process of project selection. However, the approaches that need to be strengthened include:

*Decentralising Decision-making to DMs and WSAs:* The budgeting process illustrated in Figure 1 relies far too much on centralised decision-making for final selection of ‘projects’, as the financial delegation is being given in terms of these ‘projects’. However, in reality all the ‘projects’ are not necessarily finalised at the time of selection and undergo significant changes during detailed design and implementation. Also, in the future, there will be greater reliance on direct cash transfer to DMs and therefore, the ‘projects’ approach will need to be reviewed. During the final year of MSB, it would be useful to explore more decentralised decision-making. In this respect, DWAF needs to share its methods and procedures with DMs, which have earned it the reputation as a department that is able to deliver on fund utilisation.

*Planning for ‘Sector Resources’ in Provinces:* During the development of the MAAP process in the three provinces under the MSB some efforts were made to identify all different sources of funds for different ‘projects’. However, during the first year of implementation the focus has essentially been on using the MSB’s own resources. The different sector wide consultative and co-ordination structures set up in each province have started to review all the potential sector resources that are potentially available and plan to include this in the next work plan. Within the emerging framework of integrated municipal infrastructure and capacity building grants this needs to be developed further, as DWAF needs to be responsive to the needs of the municipalities in order to retain its influence as a sector leader in the longer term.

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*Lessons from MSB Experience:* More attention is needed to document the lessons learned from the MSB experience with the consultative budgeting process and sector resources approach, as this would provide useful guidance for the management of the proposed MIG.

### 3.2.5.3 Monitoring Financial Performance

Under the MSB, donor funding is through the budget and hence the normal government procedures are employed for expenditure authorisation, financial reporting and audit. This is a significant advance that permits an enhancement of overall government planning and financial management systems, as compared to the enclave project based systems typically associated with donor projects. While many improvements are still needed in appropriate linking of MSB logical framework and planning to the government expenditure reporting through the Financial Management System (FMS) as discussed below, this approach represents the way forward.

Expenditure management and reporting for government expenditure in South Africa is done through the FMS in line with the Public Financial Management Act 1999. Under the MSB, expenditure reporting through the FMS is by projects and an attempt is being made to realign this with the MSB themes, activities and key focus areas (KFAs)<sup>10</sup>. However, this system has still not been systemised and hence appropriate and consistent analysis is not available for timely management review. Due to this, the analysis reported in Table 2 above may not provide a completely accurate picture. Over the next few years, however, Government of South Africa intends to move towards an integrated municipal infrastructure grant (MIG) and to also integrate the various capacity building grants. Systems for monitoring financial performance will need to be developed within this emerging framework. Key issues to be addressed in this regard are:

*Linking Expenditure to Outputs and Outcomes:* There is a critical need to improve the project management systems to link the expenditures through the FMS with the key themes and activities (or KFAs) under the MSB to enable easy and timely senior management review of performance. This would require an appropriate IT link between the expenditure reported for projects under the FMS and themes and activities in relation to the MSB work-plan and log frame. However, it needs to be recognised that this approach will undergo major changes with the proposed Municipal Infrastructure Grant (MIG)<sup>11</sup> and therefore the systemisation for the remaining MSB period should only be through appropriate simple measures.

*Monitoring Sector Resource Flows:* Looking further to a situation where a major share of expenditure management will be taken over by the district municipalities, it would be necessary to initiate conceptual planning for DWAF to monitor wider sector performance including resources from different sources. This can possibly be linked to ongoing programs of the Department of Provincial and local Governments (DPLG) and South African Local Government Association

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<sup>10</sup> From the second year onwards under the MSBP, an attempt has been made to link the themes and activities to the Key Focus Areas identified under the DWAF WS Strategy.

<sup>11</sup> See the discussion on MIG in Section 3.1.

(SALGA). It would probably necessitate developing appropriate links with the FMS to identify allocations and expenditure for water and sanitation.

### **3.2.6 KEY AREAS OF SUCCESS AND AREAS TO BE ADDRESSED**

#### 3.2.6.1 Key Areas of Success

##### *3.2.6.1.1 Water and Sanitation Services Delivery*

Except for the Eastern Cape, actual figures for **water services** delivery exceeded planned targets, in terms of numbers with potential access to improved service based on the infrastructure put in place, averaging over 120% of the planned targets.

For **sanitation and hygiene**, a process is in place for delivering a large number of toilet facilities in communities and institutions. Both local government representatives and program staff appeared well aware of responsibilities for sanitation and hygiene, and recognises the role played by the Masibambane Programme in helping fulfil these responsibilities

##### *3.2.6.1.2 Program Financial Arrangements*

By pooling donor funds, the program budgeting and work-plan process along with expenditure reporting has ensured compliance with South Africa's government financial management arrangements while meeting the requirements of international agreements. This process provides a base for the quarterly reporting to DWAF, donors and all sector partners. It has also introduced a more participatory and bottom-up process of project selection and implementation, facilitated improved sector resource flows and leveraged more funding from government resources.

#### 3.2.6.2 Issues to be Addressed

##### *3.2.6.2.1 Organisational And Management Issues To Be Addressed*

Generally, the involvement of district municipalities in the management forums requires more attention. The participation of some district municipalities at these forums appeared to have been minimal. This was attributed to uncertainties about which local municipalities would be authorised as water service authorities as well as the protracted local government transformation initiatives. The commitment from some district municipalities to the programme was also a concern raised by some Masibambane regional structures. It was stated that members of some DMs failed to attend crucial meetings. The following eighteen months will be crucial for addressing these concerns.

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While it was expected that health and hygiene campaigns would be implemented, the activities of other role players, e.g. the Department of Health, appear to have been reactive. For example, the cholera outbreak in Kwa-Zulu Natal resulted in the department formulating and implementing health and hygiene education in the region. Despite this, the collective approach by various departments, including the Department of Health, in addressing the cholera problem resulted in contributions to strengthening a sector approach to service delivery. When rolling out this programme to other provinces, a clear strategy for health and hygiene programmes, with clear performance indicators, will have to be formulated at project design stage.

In view of the leading role the Department of Provincial and Local Government will play in rolling out the sector approach to service delivery, its involvement in the programme requires serious attention. It is encouraging to note that the South African Local Government Association (SALGA) has begun to address this concern. Financial allocations have been made for the appointment of dedicated persons to the programme within DPLG. The intention is to strengthen DPLG's capacity to become actively involved in the programme and in leading some programme initiatives. This will ensure its greater involvement as a sector player, thereby providing relevant support to provincial and local governments. DPLG's active involvement during the next eighteen months will be vital for the sustainability of the programme.

#### 3.2.6.2.2 *Water and Sanitation Services Delivery*

Quality of Plans and Designs **Water Services** which is sometimes poor and cases of construction works carried out without feasibility studies and designs for reason of political pressure to build) need to be addressed. The choice of technology and service levels also needs to be more closely related to cost effectiveness and "effective" demand of the consumers. In all cases, capacity building for contract (consultant and construction) management particularly at provincial and DM levels should be accorded a higher priority than has been hitherto the case.

There is need to address the quality of **Sanitation** Designs which are unacceptable because of:

- Inadequate capacity at all levels
- Expensive solutions that ignore local capacity and materials
- Limited technical solutions
- Inappropriate contract packaging

In both cases, the quality of supervision is generally low because DWAF regional is understaffed and available consultants have little capacity, particularly for rural sanitation. There is an urgent need to capacity for supervision at regional and district level.

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3.2.6.2.3 *Program Financial Arrangements*

The issues that need to be addressed are:

Better alignment of monitoring and reporting of financial performance by program themes / KFAs

Improved performance on sector orientation (themes 1) and institutional support (theme 3)

Documenting lessons learned from provincial process and DM transfers

### 3.2.7 CONCLUSIONS AND RECOMMENDATIONS

#### 3.2.7.1 Program Management

##### 3.2.7.1.1 *Water and Sanitation Services Delivery*

For **Water Services**, it is recommended that greater attention be paid to:

- Quality of plans and designs
- Implementation processes and procedures and management
- Technology selection and demand responsiveness
- Capacity building at different levels for carrying out all the

On **sanitation and hygiene**, while local government is aware of its promotion responsibilities and recognises the role played by the Masibambane Programme in helping fulfil these, the physical targets planned by the program have not been met, despite pressure to reduce the backlog and meet expenditure targets.

It is recommended that the **sanitation and hygiene** components be re-oriented to assure the quality of what is delivered. At the very least, each province should be asked to readjust its physical targets to what it can realistically deliver, rather than “doubling the pressure” to rush production to “catch up” on a slow start. It is better to readjust targets now than to have a final evaluation criticise the program for neglecting clear warning signs that targets were over-ambitious and impact unattainable.

#### 3.2.7.2 Program Financial Arrangements

It is recommended that:

- Better alignment of monitoring and reporting of financial performance by program themes / KFAs be introduced;
- Improved performance on sector orientation and institutional support be the focus of the next phase with theme 2 activities reduced to those consistent with improved sector orientation and institutional capacity, and;

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- Lessons learned from provincial process and DM transfers be documented to inform future programme scaling up.

### **3.3 GENDER MAINSTREAMING IN PROGRAMME ORGANISATION AND MANAGEMENT**

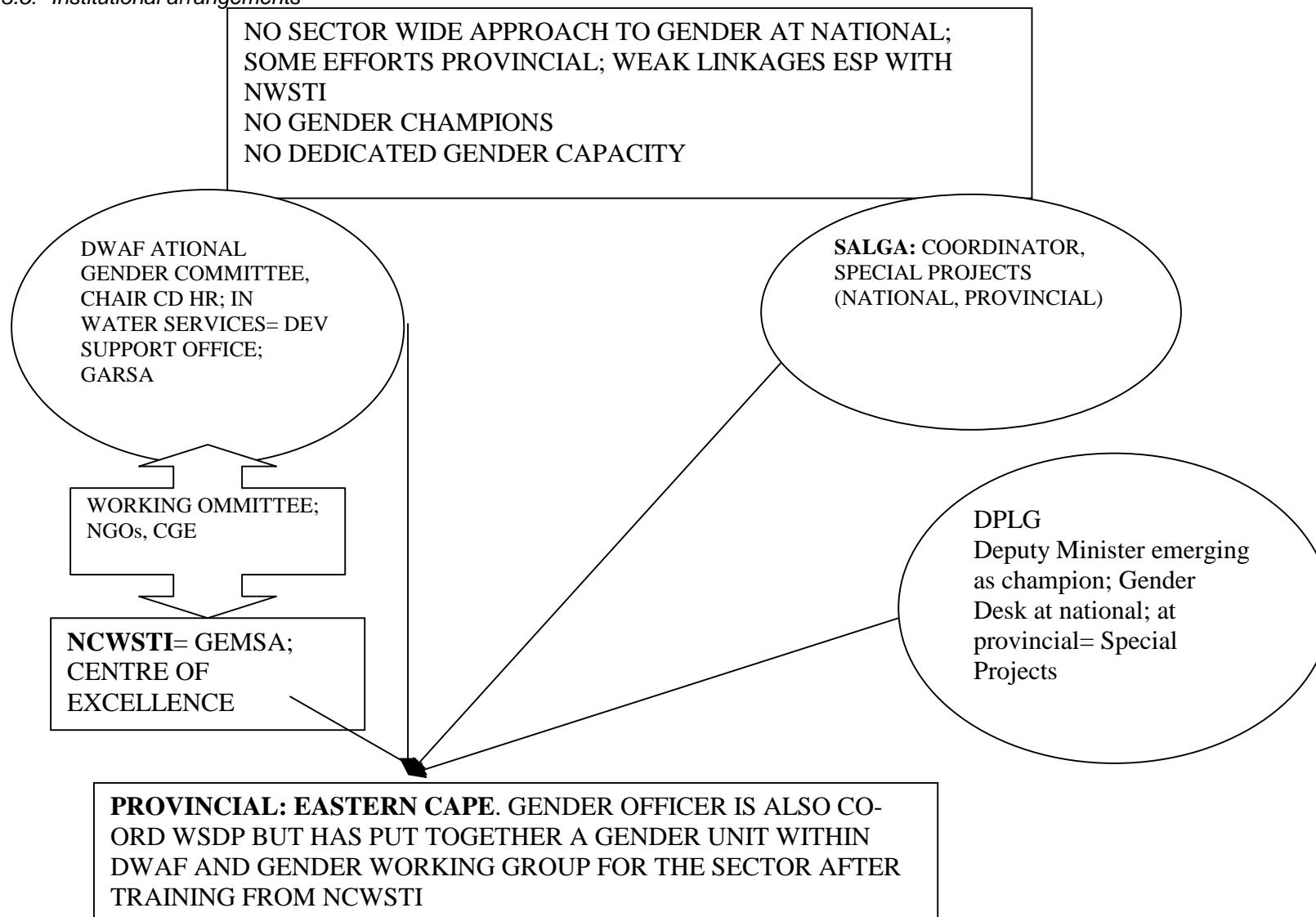
#### **3.3.1 GENDER MANAGEMENT SYSTEMS**

##### 3.3.1.1 Background

As indicated earlier in 3.1 above, institutional mechanisms are critical for ensuring that gender mainstreaming takes place. In theory, each government department should have a gender unit tasked with ensuring that gender is integrated into policies and planning. This unit should work with a committee consisting of focal points within different divisions of the department, to ensure that gender is mainstreamed both in the institutional practices and service delivery of the department.

Typical weaknesses of gender management systems are to concentrate on internal, work place issues rather than the operational functions, the absence of dedicated personnel for gender mainstreaming and their marginalisation within the organisational structure. Such systems also often fail to form synergies across sectors. Many of these pitfalls are unfortunately evident in the structures in place for promoting gender equality in the water services sector. This is illustrated in Figure 3.5 on the next page.

Figure 3.5: Institutional arrangements



### 3.3.1.2 DWAF National

Historically, the gender unit in DWAF resided in the human resources division. The Development Support Office of the Water Services Division that is also responsible for NGO liaison and poverty alleviation is also now responsible for gender mainstreaming in DWAF operations. The Chief Director responsible for human resources has recently convened a gender committee for the whole department and is co-ordinating a gender action plan.

So far, however, only the water services division has drawn up such a plan. This consists largely of awareness-raising among senior managers under the GARS project and has not yet touched on the need to integrate gender into planning, monitoring and evaluation tools (interview, Simelane). The Development Support Office has one staff member. A gender specialist had been recruited, but due to delays in making an offer by DWAF could not be employed.

### 3.3.1.3 DWAF Provincial

The DWAF Water Services one-year gender work plan (August 2001) includes the establishment of gender units in each region, and initially the Masibambane provinces- Limpopo, Eastern Cape and KwaZulu Natal. However, to the extent provincial DWAF structures are in place, these appear to have been initiated provincially, rather than as a result of any direction or guidance from national level. The structures in place take various forms:

**Limpopo** – The Co-ordinator of the DWAF Technical Assistance Consultancy is also responsible for gender. He described gender as a line function for the position. Another interviewee indicated that in effect this means that no-one is specifically tasked with dealing with gender – “it is just an add-on”;

**KZN** – there is no gender desk or focal point in the DWAF office. There is a gender activity leader within the department who works with the national office, but this is one of several tasks. This regional office considers itself to be highly reliant on the national office for guidance around gender issues. No one in this office has had any gender training from the NCWSTI. The interviewee was not aware that the NCWSTI had been set up as a center for excellence in gender mainstreaming.

**Eastern Cape:** The assistant director responsible for the co-ordination of Water Services Development Plans (WSDPs) has also been tasked with gender mainstreaming. This does not form part of her job description or of her work plan. However, she and several others in the department have received training through the NCWSTI. She has formed a gender unit consisting of representatives of each division within the department and a sector Gender Working Group (see sector arrangements below).

### 3.3.1.4 Local government

The DPLG has a gender unit, but co-ordination of gender in SALGA falls within the Special Projects Unit that includes gender, HIV AIDS, disability and youth. As far as could be

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ascertained, at provincial level gender is also part of special projects units both in SALGA and in the government departments responsible for local government.

Some municipalities have gender desks, but this is not the case with all and the function of the gender desks is not very clear. For example at the Ilembe Municipality in KZN, the function of the gender desk is to provide advice to callers on “women’s issues” e.g. domestic violence. The desk has no influence on policy and its main role seems to be the referral of callers to appropriate organisations. An NGO interviewee expressed doubt about whether municipalities are genuinely concerned about gender. There are serious concerns about whether local government has the capacity to deal with gender issues in water and sanitation (see sustainability).

### 3.3.1.5 Structures at sector level

As mentioned, DWAF has a close working relationship with the NCWSTI through the GEMSA/GARSA initiative. These have established a working committee that meets quarterly. SALGA and the DPLG have so far not participated actively in this forum. The result is that there is no mechanism for co-ordinating gender mainstreaming across the water services sector.

### 3.3.2 INSTITUTIONAL TRANSFORMATION

The main concern of this evaluation is gender mainstreaming in the delivery of water and sanitation services. However gender is not likely to be effectively integrated into service delivery if it is not also recognised as a factor in institutional transformation. At present, both DWAF and local government is heavily male dominated, especially at decision- making level and in the technical/operational side.

#### 3.3.2.1 DWAF

The White Paper on the Transformation of the Public Service sets targets of 30 % women and 50 % blacks in senior management by 1999. While DWAF staff is now predominantly black, and that close to the 50 percent of senior managers are black, gender still lags behind. Overall, women comprise only 28.91% of DWAF staff. There are only 20.28 percent of women at senior management level (DWAF Annual report 2002).

*Table 3.6: Profile of DWAF Staff*

	Total black	%	Total white	%	Total female	%	Total male	%
Overall	18 636	92.4	1532	7.59	5830	28.91	14 333	71.07
Management	34	49.2	35	50.72	14	20.28	79.71	79.71

The situation in some provinces is even bleaker. For example, in the Eastern Cape, there are no women from director level upwards. Women comprise 13. 7 percent of overall DWAF staff in the province.

### 3.3.2.2 Local government

Local government consists of elected officers and administrative staff. Women constitute 25 % of elected councillors (17 % on ward seats; and 30 percent through the proportional representation system). Current legislation encourages but does not oblige political parties to field 50 percent women candidates and to adopt the zebra system of one man, one woman for the "list" seats. The SALGA national conference in November 2002 called for this legislative provision to be strengthened and given teeth. Presently, of all the political parties, only the ANC has a thirty percent quota for women's representation both at national and local level.

There are no precise figures on the number of those employed by local government, but this figure is estimated at 240 000. In December 1997 women constituted ten percent of local government management staff. The majority of technical professionals such as engineers, accountants and planners are men (van der Burg: 2002). There does not appear to be any quota system in place for transforming the gender profile of local government staff.

### 3.3.2.3 Gender in the performance management system

As far as the evaluators could assess, gender is absent from the job descriptions and performance agreements of senior managers. Indeed, it even appears to be absent from the job descriptions/work plans of those responsible for gender.

## 3.3.3 PROJECT PLANNING

For gender to be effectively integrated into service delivery it should be integral to project planning and the project cycle. In the Masibambane logical framework for 2002/2003, gender forms one of three cross cutting themes (including the environment and increased capacity among civil society partners). The weakness of this approach is that gender is not reflected under each of the three themes: sector orientation, service delivery and institutional development as well as transfers- all crucial areas for gender to be taken into account.

The objectively verifiable indicators (OVIs) are given as:

DWAF advocacy and training programme for managers and staff implemented;

Tools and indicators developed and

Job creation statistics.

There are no Key Performance Indicators (KPIs) for these OVIs or any other aspect of gender. Ironically, the one specific target set in DWAF policy papers- a fifty percent representation of women in local decision- making structures, is not reflected as an OVI or a KPI. The danger, to quote the adage, is that "what is not counted does not count".

## 3.3.4 LOCAL STRUCTURES

In general, officials appeared to be aware of the policy that women should be equally represented on PSCs. In all three provinces, DWAF officials interviewed said that they believe

that the 50% quota is being met but could not verify this with statistics. One provincial head of ISD said he had only heard of the quota being raised from thirty to fifty percent at a DWAF workshop in November, raising questions as to how this policy has been communicated.

The policy does not appear to have been well canvassed with colleagues in local government. In an interview, the water services manager and a councillor in Ilembe District Municipality (Kwa Zulu Natal) expressed opposition to the quota, arguing that “the participation of women will happen anyway.” They questioned if women really want to be part of these structures, or if they are being forced onto them: “the real issue is whether the woman wants to play a leadership role on a committee or whether she just wants water in the house?”

In all provinces, it became apparent that social consultants play a critical role in ensuring that communities buy into the idea of the participation of women in the projects. There is no requirement however that these consultants undergo gender training, so there is no guarantee that they will be sensitive to gender issues. In the Masakhane Middledrift water supply project in the Eastern Cape where six out of twenty PSC members are women, the PSC had never heard of, nor discussed the quota. When asked why this was so the social consultant responded: “*women are not yet ready to participate. Everywhere they are not ready. I don’t know which medicine must be used.*”

In contrast, in the Alfred Nzo area of the Eastern Cape, the evaluators came across a number of PSCs in which women are in the majority. Matcom, the NGO there that has been contracted as service provider, has played an active role in promoting participation by women.

The area borders Lesotho and has a long tradition of men working on the mines. Thus women are more numerous and have traditionally been more involved in development. But the upshot of this is that water and sanitation are seen as a “woman’s thing”. This is also detrimental to a gender approach that seeks to harness the energies of both men and women at local level.

The business plans for water and sanitation require that PSCs state the percentage of women both on the committees and in decision- making structures. But the forms do not require them to state to what extent they have achieved the fifty percent target.

It is not clear how business plans are being used as a tool for ensuring equal representation by women and men, though it does seem to be an important factor in the gains made to date. We were advised that a new data capturing system to be implemented in 2003 will make it possible to readily access data on women’s representation in the PSCs.

Until then, one can only rely on anecdotal evidence. This suggests that while some important gains have been made, these are still quite erratic.

### **3.4.5 Employment**

None of the policy documents states categorically that equal numbers of women and men are to be employed on the water and sanitation projects. But this understanding appears to have flowed from the directive regarding affirmative action for the PSC. Case studies reveal some

consciousness about the need to give women a fair chance in the jobs being created by water and sanitation projects.

Figures show that gender parity has not yet been achieved in employment creation. Field observations revealed that women are still excluded from certain types of work. For example, in Molepo water treatment project in the Capricorn district of Limpopo women said they are not allowed to receive training for driving tractors.

At Tutuza in the Eastern Cape, a contractor said the community had “decided” that only men employed could be employed on the project. The area falls under the Maskakhane Middledrift Water Supply Project. The PSC said the work is too onerous for women. In the contractor’s view the only work that is too onerous for women is laying steel pipes. This did not form a significant part of the project. The conclusion in both these two cases is that there are still instances of blatant discrimination against women.

A possible hidden source of discrimination is the type of work that women perform. DWAF gives figures for women and men employed, rather than amounts earned. The latter is far more revealing as it reflects the types of work performed and differences in earnings. Training and capacity building figures are also not disaggregated by gender in routine reporting.

#### 3.3.4.1 Monitoring and evaluation

Business plans for water and sanitation require that PSCs report the percentage of women’s representation on the PSC as well as the sub committees, and to describe roles and responsibilities. The Per-Form Developer system being put into place will make this data more readily available.

Business plan as well as operations and management appraisal sheets include some gender criteria but these are often quite vague, for example: “Briefly state whether the involvement of women in the present structures and communities are adequate or not.” This does not spell out what adequate means, either in terms of representation or participation.

The Sanitation Project Implementation Plan (SPIP) generic format is a bit more probing. It asks questions such as: what is the prevailing attitude with regard to the involvement of women in various structures in the community? What are the present practices/ perceptions/ attitudes/ understanding within the community of women’s involvement in projects? How could this be overcome or maximized?

Such data is, however, not regularly analysed for its policy implications. In particular none of the M and E forms raises any questions regarding changing the attitude of men. One M and E official at provincial level pointed out that the minister seldom requests data that is gender disaggregated or analysed for its gendered impact. This is a good illustration of how the lack of political drive to mainstream gender results in this aspect of the work slipping down on the list of priorities.

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A key weakness of the M and E system is that it does not measure the more qualitative aspects, including the extent to which women are able to effectively participate. An example of who this might be done is illustrated in the framework below, used by the UNDP for measuring effective participation.

*Table 3.9: Barometer for level of influence by women in water and sanitation*

No right to have a say	Right to express an opinion	Right to participate in a group discussion	Right to make a decision, subject to review	Right to veto a decision made by others	Final unquestioned authority over decisions
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*Source: Involving Women in Sanitation Projects, UNDP 1990*

A detailed checklist of the kinds of questions that should be asked for gender to be effectively integrated into all aspects of water services delivery is attached to the stand alone document. This may be of value to the M and E unit in designing data capture on gender.

### 3.3.5 KEY SUCCESSSES

DWAF has a gender policy; DWAF, SALGA and DPLG all have some structures in place for addressing gender.

DWAF has achieved important successes in increasing the representation of women in local structures as a result of first its thirty then fifty percent quota for the representation of women in VWC and PSCs. However, there are no overall statistics to indicate the extent to which this policy is being achieved.

### 3.3.6 KEY ISSUES TO BE ADDRESSED

- There is no dedicated capacity for addressing gender issues and this is frequently an “add on” to other responsibilities.
- There is no sector wide strategy for gender. The fifty percent quota policy is insufficiently understood and articulated.
- Gender considerations are not systematically incorporated into planning and implementation.
- Gender is not adequately addressed in the monitoring and evaluation system. At the least this should be able to reflect the extent to which the quota for women is being met, as such data is required in the submission of business plans.

### **3.4 ROLE OF CIVIL SOCIETY IN PROGRAMME ORGANISATION AND MANAGEMENT**

The Programme developed an approach to enhance meaningful involvement of civil society through a multi-pronged strategy that was to address both contextual and structural factors. The approach focused on:

- Enhancing the technical and institutional capacity of existing CBOs and NGOs to deliver consistent and quality services
- Provide an environment for the emergence of new CBOs and NGOs and the entrance of existing civil society organisations into the water and sanitation sector
- Promote the profile and role of CBOs and NGOs with local government
- Promote the engagement of NGOs, CBOs and communities with planning and delivery processes at a local level
- Increase procuring and contracting service providers from civil society
- Promote greater awareness and recognition of NGO and CBO roles in the water and sanitation sector amongst government and private sector

Based on a review of the quarterly reports and regional interviews held, it has been discovered that in practice, a number of other problems were not resolved which have become visible during implementation. The primary challenge that has arisen is related to the understanding and implementation of the national policy and the European Union's policy.

The assessment shows that there are currently different views regarding the involvement of NGOs, CBOs and civil society organisations amongst stakeholders, with particular reference to national level and municipalities.

DWAF, DPLG and the European Union have ensured the participation of civil society, as it makes a contribution to the sustainable and effective delivery of services (water and sanitation services). Importantly civil society organisations are further understood to be the cornerstone of democratic consolidation and the creation of a vibrant civil society. This understanding is coupled with the sector wide approach as espoused by national level role players and as stated in the policy frameworks for the provision of water and sanitation services.

District municipalities, on the other hand, are necessitated to deal with and interface with civil society organisations to give practical effect to the policy frameworks and rationale of the National level role players and the European Union. Some of these municipal structures are relatively young and have not been involved from the inception of the programme based on the fact that they were only established after the programme were already in existence. As a result these structures have to cope with, in most cases, a large backlog of services as well as community pressures for service delivery. This together with the policy frameworks of water and sanitation services within which they are guided by, creates tensions. Despite these tensions and pressures the municipalities remain eager to engage with "partners" such as NGOs and CBOs.

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The municipalities are quite clear that civil society organisations have a critical and vital role to play within the sector. The rationale of the involvement of civil society organisations in this instance is based on the assistance that such organisations can provide in relation to municipalities ability to meet their statutory obligations, their programme milestones, and their delivery pressures.

Municipalities believe that it is more difficult for them to manage “unnecessary and aggressive lobby groups” that are perceived as opposing in their approach. What municipalities have experienced is that civil society organisations are not necessarily prepared or equipped to meet their needs and the demands of their mandates. This has created the situation whereby NGOs are viewed as service providers competing with established and professional service organisations.

This has meant that NGOs are not able to meet the requirements stipulated by municipalities as a result of inherent challenges still faced by such organisations, these being:

- Loss of expertise and personnel to the private sector and government
- No history of mass involvement in the water and sanitation services sector
- Fiscal pressures relating to core versus project funding
- Lack of business culture and ethos
- Lack of capability to market and profile themselves

On the other hand, NGOs have themselves misunderstood their role by positioning themselves as service provider organisations. This is compounded by the absence of core funded and capacitated civil society organisations (NGOs and CBOs) to meet the requirements of municipalities. This situation questions the impact that civil society organisations may have on sustaining the building of a vibrant society and water and sanitation services sector and therefore the sustainability of the Programme itself regarding civil society involvement.

Municipalities therefore are of the opinion that the involvement of NGOs and CBOs is not necessarily prudent and that civil society is perceived as an imposition from national level structures.

The analysis therefore ascertains that there are two different and at times conflicting conceptual and structural understandings of the role and involvement of civil society organisations, NGOs and CBOs at play.

There remain inherent gaps concerning the profiling of civil society organisations with local government in terms of the role and services that may be provided, as well as a general lack of collaboration and partnering in this regard.

The policy support measures on a macro level are in place although it needs to be engaged on a local level. The appropriate systems, such as information, monitoring and evaluation, are not necessarily in place to assist in supporting sustainability issues.

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**3.5 KEY AREAS OF SUCCESS AND ISSUES IN PROGRAM ORGANISATION AND MANAGEMENT**

**3.5.1 KEY AREAS OF SUCCESS**

The following are the key areas of success:

- Roles and responsibilities were formally adopted at the outset, allowing for future collaborative processes and structures
- Collaborative structures were established in the three provinces, with terms of reference also generated for task teams and working groups. The latter cover technical, planning and development, transfers as well as sanitation activities
- The consultative processes at national and provincial levels provided a basis for the development of Multi Annual Action Plans (MAAPs).
- Except for the Eastern Cape, actual figures for the provision of water far exceed planned targets, averaging over 120% of the planned targets
- While final project approval is still done by DWAF in respect of service delivery, Masibambane has reinforced a bottom up approach which, when strengthened, will provide a framework for decentralisation of decision making and resource allocation to district municipalities and water services authorities in line with the appropriate institutional roles
- A Joint Policy Position Paper that has recently been developed and approved by the interdepartmental (DWAF, DPLG, SALGA, Treasury) transfer task team forms a major step towards the resolution of issues that are currently constraints to the transfer process
- MSB has enabled alignment of the program with the normal budgeting process of DWAF and to introduce a more participatory and bottom-up process of project selection
- A sector resource flows approach has emerged from the programme
- Increased government resources are being allocated to the sector as a result of the programme's approach
- Policy positions on gender and civil society participation are in place

**3.5.2 ISSUES TO BE ADDRESSED**

The following issues need to be addressed:

- Limited capacity among municipalities at this stage of the programme significantly retards aspects of decentralisation of implementation, especially transfers
- Reporting on service delivery initially focused on input indicators (such as expenditure) as opposed to Key Performance Indicators (KPIs) and Objectively Verifiable Indicators (OVIs). This makes it difficult to determine the extent to which delivery met targets set in the logframe and original plans. However, as indicated earlier, the latest quarterly reports indicate actual provision of water exceeding planned targets. This reporting should be maintained for the future
- The transfer of retail infrastructure in particular has been very slow, impacting negatively on service delivery. The functional and financial assessment revealed huge challenges

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that DWAF has to deal with to ensure that municipalities receive assets that are functional and financially viable

- The slow progress on sanitation is an issue that would need to be addressed
- The budgeting process relies far too much on centralised decision-making for final selection of 'projects'. In anticipation of the greater reliance on direct cash transfer to DMs in the future, the 'projects' approach will need to be reviewed. DWAF should transfer its competencies to DMs to facilitate the decentralisation of the decision-making
- There is a need for better alignment of monitoring and reporting of financial performance by program themes / KFAs
- There is a need for a dedicated process for documenting lessons learned from provincial processes and DM transfers
- Formalising and standardising of interventions related to cross cutting issues may have to be a dedicated process as the problems are common to all

#### 4 EFFECTIVENESS OF THE PROGRAMME

Most of the findings suggest that the programme is strong on policy and planning but weak on implementation. In the following subsections the programme effectiveness is reported on in terms of:

- Outcomes
- Appropriate technology in service delivery
- Value for money and financial sustainability of services
- Environmental assessment of programme components
- Social sustainability issues
- Key areas of success and issues in program effectiveness

##### 4.1 PROGRAMME PERFORMANCE IN TERMS OF OUTCOMES

In this subsection, evaluation of outcomes focuses on:

- Theme 1: Sector Orientation
- Theme 2: Water and Sanitation Services Delivery
- Theme 3: Institutional Development and Support

###### 4.1.1 THEME 1: SECTOR ORIENTATION

The assumptions of Theme 1 have, to a large extent, been or are being realised. Reference has been made to this in Section 2 above regarding agreement on roles and responsibilities as well as the establishment of collaborative processes and structures.

A sanitation White paper has been finalised and is being used for implementation of the component within Masibambane and the sector as a whole. There is, however, wide divergence between what the paper advocates and its implementation in the field.

The White Paper on **Sanitation** is very clear about the need to adopt a demand-responsive approach. In outlining its Policy Principles, it states:

“Sanitation improvement must be demand-responsive, supported by an intensive Health and Hygiene Programme. Household sanitation is first and foremost a household responsibility and must be demand responsive. Households must recognise the need for adequate toilet facilities for them to make informed decisions about their sanitation options. For users to benefit maximally, they must also understand the link between their own health, good hygiene, and toilet facilities.”

This paragraph reflects certain basic truths, not all of which are reflected in DWAF national policy, or, in Masibambane design and implementation.

Sanitation is not about “simply building toilets” but about changing behaviour, which is extremely difficult.

“Demand” implies the investment by the household of a stake in the investment that is significant to them. While the household stake may be small to reflect the economic and social context, it must still be significant to them.

Demand-responsive approaches also emphasise choice at the household level, and focus on the householder as a customer who chooses, (or does not choose) to invest in the sanitation technologies on offer.

Demand-responsive approaches also recognise that people want and use toilets for many valid reasons, and not just prevention of disease. Toilets offer people comfort, dignity, privacy and status; these are valid drivers of demand that need to be recognised.

Indicators should focus on hygienic use of toilets, and not (only) the number built. (See below) This seems not only desirable from a “theoretical” standpoint, but bears scrutiny on the basis of the field visit, where a number of toilets were seen that were probably not used.

A review of the Framework for the National Sanitation Strategy, and the work done in the Eastern Cape and Kwazulu Natal, however, reflects an approach that appears to run counter to “stimulating and responding to demand”. The emphasis of the Framework is on the “need to clear the backlog” stressing a 1200 Rand subsidy per household facility; 900 Rand for the infrastructure, and 300 Rand for the “health, hygiene education and capacity building”. While suggesting that this should be adequate for most situations, the Framework also points out variations in topography soil conditions etc where this amount may not be sufficient to cover all the costs. It was also clear that the working assumption in the Eastern Cape and Kwazulu Natal was that the household contribution was minimal or non-existent. “Clearing the backlog” in such a context very easily deteriorates into “simply building toilets” rather than creating sustainable changes in human behaviour.

The White paper is effective in ensuring a well co-ordinated and managed sanitation services sub sector with a service orientation and it clarifies the policy and regulatory framework, which is the purpose of Theme 1. It is NOT effective in creating sustainable changes in human behaviour, which is a key objective of sanitation, itself.

Review of the White Paper on **Water Services** has been carried out a draft is under discussion. This paper will go a long way in clarifying the sector policy and regulatory framework, enhancing collaboration, information sharing and communications and in ensuring a well co-ordinated and managed water supply and sanitation services sector. In particular, it is expected that service orientation of water boards and other service providers throughout the sector will be strengthened.

As indicated in the section above, collaboration mechanisms have been established at national, regional and district municipality levels. The effectiveness of these mechanisms, particularly at district and regional levels has been negatively affected by capacity limitations, which make it difficult for effective representation in all meetings. Strengthening of capacities

at these levels through different Program interventions and review of the composition and roles of the co-ordination forums are addressing this issue.

#### **4.1.2 THEME 2: WATER AND SANITATION SERVICES DELIVERY**

The delivery of **water services** infrastructure meets expectations in quality and quantity and as a result, the required increase in number of people served has been achieved and generally exceeded. As indicated earlier, the infrastructure delivery is based on MAAPs prepared by district municipalities with support and approval from an interagency integrated water services development forum (called different names in different provinces) in place at provincial level and, after some teething problems, providing leadership and guidance. To the extent that collaborative processes and structures have been put in place, the program is providing water services to the target communities in a decentralised framework.

The effectiveness with which these services are provided is undermined by two related and unfulfilled assumptions. While refurbishment and transfer of pre 1994 schemes is separate from new infrastructure delivery, the assumption that new infrastructure would be automatically handed over to district municipalities has not been realised and many of these projects are, in most of the districts, considered “dumped” with no clear responsibility for their operation and maintenance. The increase in number of people served refers more to the capacity of the completed schemes than to the actual access by beneficiaries to improved water services. Because of poor or, in some cases, absence of maintenance, some of the newly completed schemes will require refurbishment and rehabilitation before being handed over to new service authorities and providers. Separation of new schemes from refurbishment and transfer schemes is, in this respect misleading as some new schemes are increasing the numbers of those requiring refurbishment before and transfer. Most district municipalities visited express the view that clarity of the share of water in the DORA and the equitable share financing mechanisms and establishment of cost sharing/cost recovery mechanisms are key to the solution of this problem.

In general, therefore, the efficient delivery of **water services** is not matched by effective utilisation and benefits to the target groups.

A major strong point of the Masibambane program is that both local government representatives and program staff appeared well aware of responsibilities and programs for **health and hygiene**. In many similar programs outside South Africa, it is evident that health and hygiene are viewed only as an afterthought or a distraction. By contrast, all those involved in Masibambane seemed very well aware of the work in health and hygiene promotion, and recognised its importance in discussions.

On the project site visit, however, the level of understanding was disappointing. The DWAF representative, the onsite consultant, and the members of the community sanitation task force were all unaware that either the pit would have to be emptied or that a new pit would have to be dug. Knowing this certainly affects one’s decisions about technologies to be adopted. Worse, the DWAF representative and the committee were operating on the naive hope that such maintenance could be funded from the minimal household “contribution” to the project of

10 Rand per household. If the DWAF representative and the Village Sanitation Committee do not understand these issues, what hope is there for the long-term sustainability of the project?

#### **4.1.3 THEME 3: INSTITUTIONAL DEVELOPMENT AND SUPPORT**

The assumption that the programme would support DWAF regional office to drive decentralisation has largely been realised. The programme is providing support to strengthen capacity at regional level. This is particularly evident within DWAF where its national office has ceased to be directly involved in operational activities. Instead, regional offices have assumed the responsibility of managing operational activities at regional level. An inclusive national committee has been formed to guide and monitor the implementation of the programme.

Further, the sector support unit of the programme, which is directly responsible for strengthening institutional capacity, has assisted by:

- Providing guidelines for the development of WSDPs
- Assisting DMs with the development of Water Service Authority Capacity Development Business Plans (WSACDBP)

The roles played by water boards and local municipalities will become clearer once WSP arrangements have been finalised.

##### **4.1.3.1 Progress against the log frame**

###### *4.1.3.1.1 Improved access to water*

One of the aims of the programme was identified as improved access to water. If access to water is measured by the number of taps constructed, then the objective may have been realised. However, if access to water implies uninterrupted access to water by consumers in required quantities and quality, the objective has not yet been realised. Examples of interrupted supply were found during site visits in Limpopo and KZN.

###### *4.1.3.1.2 Performance of functions by public institutions*

The performance of WSA functions by DMs in terms of the Water Services Act has been partially achieved due to the following:

- Uncertainty about which LMs would be authorised as water service providers
- Broader local government transformation
- Lack of capacity within some district municipalities

These issues will require priority during the next 18 months of the programme.

*4.1.3.1.3 Development of WSDPs*

Commendable progress has been achieved in the development of Water Service Development Plans. A few have been completed and most are in the process of finalisation. DWAF regional offices played a key role in facilitating this process. The appointment of WSA managers also contributed to the process gaining momentum.

*4.1.3.1.4 Transfers*

Preparations for the transfer process have commenced. The Department of Water Affairs and Forestry, Provincial and Local Government, Treasury as well as the South Africa Local government Association have concluded the Joint Policy Position document referred to earlier. Currently, skills audits are being undertaken in all the provinces by DWAF. The results of the audits will provide direction for future placements within the programme. The need for examining the absorptive capacity of receiving WSA's is a major issue. SALGA indicated that it would be critical for the "migration" of DWAF personnel to be linked to the needs of WSA's rather than to an "exit plan" in DWAF's interests.

*4.1.3.1.5 Local governments functioning in at least 50% of each region*

The process towards finalising the DM WSA arrangements is in progress. The process has been affected mainly by time lag in the appointment of key staff by the programme and the general lack of capacity within local government.

Water Service managers have been appointed by the majority of DMs in all three provinces. They are currently being provided with on-the-job training through the use of technical advisers and consultants. Members of various task teams at regional level include representatives from DMs.

Their exposure at these meetings has contributed to the enhancement of their capacity to function as WSAs.

*4.1.3.1.6 Sustainable services being provided through functioning WSPs in 80% of instances in each region*

Negotiations on WSP arrangements have commenced. The 80% target can only be assessed after a period of at least nine months. The programme is halfway towards completion. Thus, there is time to focus on addressing the functionality of WSPs. If this occurs, it is likely that the target will be realised.

*4.1.3.1.7 Support agents established and functioning as appropriate*

The involvement of CSOs and the private sector, in particular, social consultants does not appear to be adequate. This was attributed to the general lack of capacity within the civil

society organisations. Local social consultants lack managerial capacity to provide services as required. It may be necessary to review data and identify skills of selected NGOs, CBOs and social consultants. The objective will be to provide the necessary training to enable them to participate more effectively in the programme. This will result in the programme becoming more sustainable. Detailed discussion is presented in 4.5 below.

#### 4.1.3.1.8 *Consumer involvement in the programme*

It is not possible to assess whether consumers are satisfied with the services provided. There are no records of meetings with consumers in all three provinces. Generally, consultation with communities appears to be poor. There is the need for DWAF's ISD unit to assist in addressing this anomaly.

It is suggested that an independent consumer survey to assess the impact of the programme be conducted. Issues to be addressed could include customer satisfaction, benefits of services provided and suggestions on service delivery approaches. These would provide valuable information to evaluate the impact of the programme for consumers.

#### 4.1.3.2 Assumptions realised

The following assumptions were realised:

Local government accept their responsibilities of providing water services. While there may be a lack of capacity within local government, there is the general acceptance of local government being responsible for water services.

Funds from donors, local governments, equitable share allocations, and DWAF are transferred without undue delays. Funds are transferred within specific conditions of the various funding sources. District municipalities are fulfilling these conditions.

It is difficult to assess whether DWAF regional offices have adequate staff to fully undertake regulatory and support functions. This is due to the fact that in Limpopo and Eastern Cape in particular, the programme appears to be driven mainly by consultants. It may be necessary to establish a skills transfer programme for DWAF regional offices to take over the functions currently undertaken by consultants. Should a decision be that these services are out-sourced to consultants, staff at regional offices will require training in managing services provided by such consultants.

## 4.2 APPROPRIATE TECHNOLOGY IN SERVICE DELIVERY

In this sub-section, the findings with regards to Appropriate Technology (AT) are discussed in terms of:

- Extent to which Appropriate Technologies were considered
- Appropriateness of Free Basic Water

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- Labour Intensive Construction
- Development of Emerging Contractors
- Training
- Expenditure
- Relevance of Labour KPI
- Use of Local Labour and Materials
- Local Economic Development Initiatives
- Appropriateness of Reporting Systems
- Monitoring and Evaluation
- Sustainability Issues
- The Backlog in Services
- Information Systems
- Difficulties with Appropriate Technologies
- Examples of Inappropriate Technologies
- Capacity Building Programmes
- Delivery Mechanisms

Consistently, the main findings are:

- There is a lack of planning for the implementation of an Appropriate Technology programme
- Sustainability issues are not formally addressed
- There is no formal implementation of objectives anticipated for an Appropriate Technology Programme

The evaluation has clearly shown that the investigation and implementation of appropriate technologies were very limited on the Masibambane programme. The availability of funding and the workability of the technology from a technical point of view have largely decided technology choice.

The implementing agents, together with the engineering consultants, did consider alternative technologies for water and sanitation infrastructure, but the engineers to provide schemes that were within budget based this analysis on a concerted effort.

Little consideration was given to the sustainability of the scheme/s in terms of operation and maintenance. This does not necessarily reflect inappropriateness of technology in a technical sense but it relates to non-sustainability in terms of financing of operation and maintenance of water and sanitation schemes. Many schemes are unable to sustain themselves due to a lack of cost recovery from consumers and/or a lack of funding for operation and maintenance of systems.

With regard to labour, the programme succeeded in providing temporary employment on a project basis, as projects were generally labour intensive. However, the emphasis has been on unskilled labour, and understandably so. Limited skills training and development of emerging contractors was also practised.

The effectiveness of projects outlined in the quarterly reports indicates that the projects have achieved their purpose. The results are measured in terms of numbers of toilets built or the number of people served with water, etc. These measures however do not necessarily give a good indication of project effectiveness in terms of underlying purpose. With the current government focus being on delivery, it is clear that delivery is succeeding. However it appears that the delivery is at the expense of sustainability. It is virtually impossible to effectively capacitate local government, train officials, undertake community liaison and facilitate meaningful community participation within the extremely tight timeframes. The overall assessment would be that it is not possible to deal with the softer issues in any greater detail given the strong emphasis on delivery of visible infrastructure projects.

#### **4.2.1 EXTENT TO WHICH APPROPRIATE TECHNOLOGIES WERE CONSIDERED**

Cost has been a major issue in as much as that, business plans, where these include AT, attempt to restrict the technical options to the subsidy. It is generally the DWAF-initiated projects that are 'first -world', e.g. Water treatment plant in Limpopo. Appropriate technology is classed as 'rudimentary services' and a relaxation of standards.

#### **4.2.2 APPROPRIATENESS OF FREE BASIC WATER**

Many municipalities have implemented, or are in the process of implementing, a Free Basic Water policy. The equitable share that is provided to counter the financial effects of Free Basic Water is reported to be inadequate to operate and maintain systems. This situation is considered to be even more serious if one considers replacement costs.

#### **4.2.3 LABOUR INTENSIVE CONSTRUCTION**

The programme has largely succeeded in applying labour-intensive means of construction on projects. Most projects have succeeded in creating temporary employment for locals. The KPI for employment indicates that targets are generally being met in terms of labour days created. Although most of the labour has been unskilled casual labour, there has been some training and development of labour in certain construction skills.

#### **4.2.4 DEVELOPMENT OF EMERGING CONTRACTORS**

Although not properly documented, it appears that most projects are done using emerging contractors. In Limpopo, for example, the Build, Operate, Train and Transfer (BoTT) contractor has completed only two projects in five years with the remainder done by emerging contractors. Management of emerging contractors is done using a Consultant or a Contractor.

#### **4.2.5 TRAINING**

There has generally been a satisfactory level of community participation in projects with the Project Steering Committees chaired by community representatives. The project offered community members training in the areas of management, store-keeping, meeting procedures, finance, municipal services, etc. and the communities have been very thankful for the training provided. PSC members have achieved certain skills. Community education in terms of conservation of water resources and pollution of water resources is urgently required.

#### **4.2.6 EXPENDITURE**

R80 million/ week expenditure may indicate that expenditure is not properly appropriated. Unit costs across the provinces are erratic indicating, that funds may not be appropriately used. This may indicate inefficiencies or that technology choice had an impact on costs or that the cost of water services infrastructure is simply more expensive in Limpopo.

#### **4.2.7 RELEVANCE OF LABOUR KPI**

The KPI is relevant in as far as monitoring is concerned in terms of the log frame. It is understood that the creation of sustainable employment on water and sanitation projects is almost impossible.

#### **4.2.8 USE OF LOCAL LABOUR AND MATERIALS**

Significant progress has been made on the use of local labour but more can be done in terms of using local materials. For example, the sanitation project in the Eastern Cape uses corrugated steel sheeting (assembled in a factory 50 km from the site). This could have been done using locally available mud bricks or the structure could have been assembled on site. In contrast, the Archloo used in Ilembe (KZN) effectively uses all local labour and materials.

#### **4.2.9 LOCAL ECONOMIC DEVELOPMENT INITIATIVES**

No apparent consideration given to economic development of communities with the introduction of water supply to these communities. Communities are not using water for economic benefit. However, in Ilembe this is starting to happen.

#### **4.2.10 APPROPRIATENESS OF MONITORING AND EVALUATION AND REPORTING SYSTEMS**

The KPIs are not necessarily appropriate in terms of providing a good frame of reference for monitoring and evaluation. All evaluations are based on numbers and inadequate attention is given to quality of deliverables, the use of appropriate technologies and addressing the underlying goals of the programme. Reporting system to be refined with appropriate information for good management and control, avoid duplication:

- KPIs are poor – measures only number of households provided with water and sanitation and number of temporary jobs created.
- Existing KPIs tend to measure outputs and not outcomes, which will give a better indication of impact.
- Reporting formats and mechanisms are too time-consuming and unfriendly
- Regions believe that the Business Plan pro-forma is too cumbersome
- No adjudication criteria for appropriate technology.

#### **4.2.11 SUSTAINABILITY ISSUES**

- Lack of equitable share to operate schemes
- No apparent consideration is given to operation and maintenance of completed systems, especially in light of FBW.
- In KZN, an investigation is in progress to assess the success of completed projects.
- Chasing the backlog occurs at the expense of sustainability

#### **4.2.12 INFORMATION SYSTEMS**

Significant progress has been made in this regard although a lot more can be done. The need for DM's to have access to DWAF's planning information was identified and is available to DM's in KZN. Integration of new systems with existing systems is problematic, e.g. DWAF's business plan package is not integrated with DIMS.

#### **4.2.13 DIFFICULTIES WITH APPROPRIATE TECHNOLOGIES**

- No champion for A.T.
- Poorly defined, not owned, not integrated
- Communities perceive A.T. to be inferior; they prefer the same level of service as the urban centres.
- Design standards are in terms of 'first world' specifications.
- Little support for pre-paid systems
- Funding flows tend to dictate the appropriateness of technology choice.

#### **4.2.14 EXAMPLES OF INAPPROPRIATE TECHNOLOGIES**

At least 4 projects have been visited during the study period, 2 in Kwazulu Natal (Ilembe District Municipality, 2 in East London and 1 in Limpopo Province. The projects generally appear to have the desired impact on the beneficiary communities at this stage. In discussions with the relevant Project Steering Committees, largely driven by the beneficiary communities and individual members from these communities it is clear that the general sentiment within communities is one of enthusiasm. Communities are appreciative of the infrastructure delivery within their communities.

However, specific problems have been identified with the projects, which bring the sustainability of these projects into question. The following observations have a direct impact on sustainability:

In Kwazulu Natal the community advised that their water scheme is based on receiving piped water from an adjacent surface water scheme. However, it was reported that that source scheme had been non-operational for at least 2 months due to pumps that had failed.

In the Limpopo Province, a water purification works that was visited by the MTE team was found to be non-operational due to a pump failure. According to the local operator, this recently completed Works had been non-operational for a week. In addition the design consultant advised that the plant was dependent on electricity supplied by Eskom, which appeared to be unreliable. No provision has been made for an emergency power supply for the plant, bringing into question the appropriateness of the solution.

These projects have succeeded in providing infrastructure that effectively improves the quality of life for people in the short term. It is unclear whether the quality of life is improved in the long term as a result of apparent sustainability issues.

#### **4.2.15 CAPACITY BUILDING PROGRAMMES**

People appointed/ seconded to certain posts in municipalities to support.

In EC, funds are spent capacitating ISD consultants to manage projects whereas that money could be better spent using project managers on the infrastructure projects.

Posts are filled following a need assessment.

#### **4.2.16 DELIVERY MECHANISMS**

- Funding should occur through CMIP
- Implementation should be by the District and Local municipalities – DWAF should focus on WSDPs.
- Appropriate design criteria should be included in the MIG
- Approval process needs to be addressed
- Development of useful tools by DWAF for inclusion in MIG process

#### **4.2.17 RECOMMENDATIONS**

- Advocacy of Appropriate Technology
- Best Practice adoption
- DWAF need to develop tools for application of Appropriate Technologies
- Continuing research needs to be funded, in terms of pilot projects.
- Use of indigenous material
- Collaboration and co-operation is critical to sustainable development of the water services sector.

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- Monitoring and evaluation needs to go beyond reporting of numbers, consideration must also be given to quality of outputs.
- Approval of business plans and feasibility studies must be scrutinised more carefully to ensure that appropriate technologies had been adequately considered.
- More consideration needs to be given to the use of appropriate technologies.
- Reporting needs to be appropriate to the underlying goals and not geared towards specific outcomes. KPIs must therefore be properly formulated.

#### **4.2.18 CONCLUSION**

There is no comprehensive Appropriate Technology Programme in place

### **4.3 VALUE FOR MONEY AND FINANCIAL SUSTAINABILITY OF SERVICES**

Two aspects of financial sustainability are important within the MSB approach for water supply and sanitation services: a) value for money in service provision to enable the best use of public resources, and b) financial sustainability during operations to ensure continued value throughout the life period of the facility.

#### **4.3.1 VALUE FOR MONEY IN WATER AND SANITATION SERVICE PROVISION**

Over the past eight years DWAF has played a major role in rolling out the provision of water and sanitation services to reduce the large backlog in relation to nationally agreed standards by providing infrastructure to an impressive 8 million persons over the last eight years. Discussions with various stakeholders in the sector, however, suggest that this may have happened through schemes and technologies that are often not cost-effective and may have resulted in systems that are too complex to manage locally. However, most such observations seem to be made on anecdotal evidence,<sup>12</sup> as there are no comprehensive studies of type of water schemes that have been actually built.

The monitoring system by DWAF enables some simple measurement of unit costs of providing water and sanitation infrastructure as illustrated in Table 4.1 for different provinces within MSB. Results indicate rather high unit cost for the infrastructure provided, though over the last 18 months of operation there seems to be a downward trend. However, the particularly higher costs for the MSB provinces would be a cause for some concern. Table 4.1 also provides comparison with unit costs achieved under the CMIP programme, which makes direct cash transfers to the DMs. CMIP appears to have been more cost effective and it would be useful to review the reasons for these differences. Within the sector approach adopted by MSB, such analysis and comparisons would provide useful guidance.

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<sup>12</sup> For example, see David Still (2001), "Rural Water Supply in South Africa: Why does it cost so much? Are we getting value for money?" in Proceedings of the national conference on "Appropriate Technologies for Sustainable Water Supply and Sanitation Services", November. This observation is also based on discussions with a number of stakeholders from government and non-governmental sector.

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*Table 4.1: Estimated Unit Costs for Water and Sanitation Services*

Province	Unit cost for water (Rand / person)				Unit cost for Sanitation (Rand/toilet)			
	Masibambane		CMIP		Masibambane		CMIP	
	April 2001	April to Sep 2002	April 2001	April to Sep 2002	April 2001	April to Sep 2002	April 2001	April to Sep 2002
Eastern Cape	1,320	1,523	1,387	145	9749	679	1671	75
KwaZulu Natal	757	1,579	948	110	1965	1217	1653	285
Limpopo	451	nr	1,201	165	6642	801	3724	110
Free State	808	18	65	140	nr	nr	nr	110
MP	1,050	86	308	85	nr	nr	nr	80
North Western	2,532	560	1,238	130	1285	1074	1231	210
Northern Cape	178	77	174	160	1020	786	977	425
WC	393	nr	427	80	301	nr	401	90
National Average	783	323	564	83	2604	888	1826	50

Notes: Estimates for some of the provinces are not reported (nr) as either the results are negative or suggest extreme outlier values.

#### 4.3.2 FINANCIAL SUSTAINABILITY IN OPERATIONS

The MSB proposal emphasises the issues to be addressed to ensure sustainability of services delivered. A large number of factors are important and many of these are to be addressed under the MSB. An important among these is to ensure financial sustainability of services in operation during the life period of infrastructure. For this, it is essential to understand the operational costs. Limited numbers of studies that have analysed this highlight the high share of 'support costs' in total O&M costs.<sup>13</sup> Implications of this in terms of who will cover these costs in the future will need to be assessed properly, especially in view of the move towards consolidation of all capacity building grants over the next two years.

In the broad context of decentralisation where the mandate for water and sanitation is now with local governments, at least three aspects need attention for improving financial sustainability of water and sanitation schemes:

##### 4.3.2.1 Free Basic Water

Government of South Africa has decided to adopt a policy of free basic level of services including water and sanitation. DWAF initiated implementation of this in early 2001 and has achieved success particularly in urban areas. Drawing on this experience, a phase-2 implementation strategy has been prepared by DWAF. Detailed guidelines have also been prepared for the use of local authorities. Financially the provision of free services is supposed

<sup>13</sup> See for example, PDG (2001), PDG (2002). PDG (2001) estimates the share of support costs in total O&M cost is estimated to be about 55 percent in the monthly cost of water per household.

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to be covered either through the S-grant component of the Equitable Share, or locally raised through cross subsidies within the sector or by allocating other municipal general revenues. Though the Equitable Share<sup>14</sup> over the past three years has been increased significantly, it may not be sufficient in many rural local authorities, which do not have a strong local resource base and lack any cross-subsidisation potential. Discussions with some of the DMs especially in the Eastern Cape Province highlight this possibility. This is also evident from the DWAF's reporting on the population served by FBW, with the three MSB provinces showing significantly lower overall coverage, particularly for the poor<sup>15</sup>. MSB needs to support more inquiries on this important issue and develop/explore possible options to advise the national government. This would require a good information base on actual performance of local authorities in implementing FBW over the past two years. Lessons from other infrastructure sectors such as telecommunications, which use mechanisms such as Universal Service Fund, may provide useful directions for meeting this challenge<sup>16</sup>.

#### 4.3.2.2 Financial Sustainability Assessment in Water Sector Development Plans (WSDPs)

Within the decentralisation framework, and under the recently announced allocations of powers and functions, either district or local municipalities have the responsibility as water service authorities (WSAs). A key responsibility of the WSAs is to develop a WSDP within a five year planning framework. WSDPs are a requirement for availing capital grants. They are to be developed with public participation, integrated with the wider Infrastructure Development Plans (IDPs) of the DMs and approved by the councils. They outline strategic directions and provide a basis for identification of projects. Discussions with various stakeholders involved with the water sector and a review of selected WSDP documents<sup>17</sup>, suggest that while WSDPs are good planning tools, inadequate attention is paid to issues related to financial sustainability. Significantly more emphasis is needed on developing tariff policies, rigorous financial modelling and appropriate integration with the municipal budgeting process especially in terms of possible use of the Equitable Share or other municipal revenues.

#### 4.3.2.3 Sustainability under the Transfer Programme

In 1994 pending the election of municipalities DWAF became the interim owner and operator of a large number of water and sanitation schemes following the transfer from the former homeland administrations. In addition DWAF also operates some of the early projects implemented through the Community WSS Capital Programme. With the establishment of local government these (about 443 water works and projects) are now to be transferred as provided under the DORA over a three-year period starting from July 2003. DWAF through

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<sup>14</sup> Refer to Section 3 for more details on the Equitable Share as a part of the Intergovernmental transfer system in South Africa.

<sup>15</sup> Based on the results reported on the website: [www.dwaf.gov.za/FreeBasicWater](http://www.dwaf.gov.za/FreeBasicWater).

<sup>16</sup> See the discussion on Universal Service Fund as a mechanism for more effective cross subsidies in Water and sanitation Program (forthcoming) "Meeting the Financing Challenge for Water and Sanitation: Incentives to promote reforms, leveraging and improved targeting". Also refer to Wellenius Bjorn (2000), "Extending Telecommunication beyond the Market – Toward universal service in competitive environments", Public Policy for the Private Sector #206, World Bank, and Universal Service Admin. Comp. USAC (2002), "Overview of USAC and USF", website: [www.universalservice.org/](http://www.universalservice.org/) programs

<sup>17</sup> About three different IDP/WSDP documents were made available to the review team.

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the MSB approach provided support for the development of the Transfer Program, initiated first through a detailed inventory of all the 'projects' including functional and financial assessments. Financial assessment of each scheme included detailed financial modelling to assess financial viability. Based on this assessment, and in consultation with DPLG, SALGA and national treasury a joint policy statement has been prepared and approved by the interdepartmental transfer task team.

To ensure financial viability in operations after the transfer, a number of measures have been incorporated in the Joint Policy:

- Grants to provide assistance to recipient WSA to meet once-off costs for refurbishment and capacity building – essential to ensure that the schemes are fully operational,
- Conditional grants for operational costs, to cover salaries of DWAF staff to be transferred, for a period of three years after the transfer and thereafter on a declining basis for another three years – to be met through the operational subsidy currently being given to DWAF and transferred to the Equitable Share later<sup>18</sup>,
- Conditional grants to cover the costs of operation and maintenance to be determined on the basis of the financial model and included in each transfer agreement on a case-to-case basis – these will also be available on a declining basis, but only from July 2003 to June 2006. This arrangement provides an incentive for the WSAs to agree for an early transfer. Project level sustainability issues thus seem to have been well addressed under this Program in the medium-term. However, each recipient authority will need assistance to ensure that over the three-year period it prepares adequately for the longer-term as the conditional grant is phased out.

This experience in the Transfer Programme would be useful for several African countries and in South Asia. A number of countries have introduced decentralisation to local governments and the issue of transfer will need to be addressed. Documenting lessons from the South African experience would provide useful lessons for such countries and contexts.

#### **4.3.3 MONITORING VALUE AND SUSTAINABILITY**

Despite the various attempts made to introduce the concept of financial sustainability, it has been difficult to assess actual performance, as the current monitoring and evaluation system does not include any performance indicators to assess sustainability in 'projects'. In general, the emphasis is still on planning and implementation of 'projects' rather than on post-implementation sustainability during operations, particularly financial viability. Key aspects to be addressed in further development of the M&E system during the remaining MSB project period include:

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<sup>18</sup> The operational subsidy to DWAF is now included under the Equitable Share as grants-in-kind.

#### 4.3.3.1 Sector-wide monitoring:

While compared to most other countries with narrow donor project focus the M&E system does include the entire DWAF operations, the MSB sector approach is missing in the M&E system. Sector-wide monitoring would include all water and sanitation schemes whether implemented by DWAF or DPLG using resources from MSB, CMIP or own resources of the WSA/DMs. Such comparative information and analysis will provide useful guidance to the DMs in the future as they take over the planning and development of new infrastructure through direct cash transfers for capital investments.

#### 4.3.3.2 Scope, Simplicity and Reliability of the M&E System

Currently, the DWAF M&E unit maintains a detailed project database for each project. However, the scope of the M&E system needs to particularly include a better assessment of value for money and post implementation operational performance. For example, it was neither possible to get an analysis of costs by type of water schemes nor on post implementation operational performance from the existing 'projects' database maintained by the M&E unit. However, this has to be done while ensuring that the system is kept simple by identifying a smaller number of critical parameters to be monitored.

For measuring performance, the current focus on 'number of persons served' as a main key performance indicator (KPI) fails to account for the functionality of existing infrastructure. For example, a better indicator would be 'functional population coverage'<sup>19</sup>. This would require a sector approach to monitoring, a reliable baseline and resolving the conceptual issues in measuring coverage. The detailed inventory assessment done for the Transfer Program provides guidance on the type of base line work that will need to be done for this. A particular area of weakness is sanitation where the undue focus on 'toilets built' goes against globally accepted practice, which suggests the need for a greater focus on demand promotion.

#### 4.3.3.3 Capacity and Incentives for Monitoring

Discussions with field staff suggest that the M&E system is not viewed as providing useful inputs at the province level<sup>20</sup>. It is important to provide appropriate local incentives to get timely and reliable information. This may be through having a part of the fiscal support linked to performance, as being explored by the Treasury for the proposed Municipal Infrastructure Grant (MIG). Also, results of comparative analysis need to be shared back with the provinces and DMs in the future. Some efforts have already been initiated to develop capacity within the DMs / WSAs for monitoring. These need to be assessed for its scope and simplicity. Possibility of including such capacity building support through the consolidated capacity building grant will also need to be identified.

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<sup>19</sup> Such an indicator would measure the proportion of population in a given jurisdiction served through 'functional' water schemes.

<sup>20</sup> Based on the limited field level discussion that the evaluation team was able to have.

**4.3.4 KEY SUCCESS FACTORS:**

- Rolling out sanitation implementation
- The monitoring system by DWAF enables some simple measurement of unit costs of providing water and sanitation infrastructure
- Support materials developed by DWAF to assist with operational sustainability
- Preparation for the Transfer Program

**4.3.5 KEY ISSUES TO BE ADDRESSED INCLUDE:**

The future of schemes and technologies that are not cost-effective and may have resulted in systems that are too complex to manage locally needs to be addressed

The high share of 'support costs' in total O&M costs will need to be assessed, especially in view of the move towards consolidation of all capacity building grants over the next two years

Developing a sector approach for the M&E system has already been cited elsewhere

FBW - options for municipalities cited above should be considered, especially basing advice to government on actual performance of local authorities in implementing FBW over the past two years and lessons from other sectors such as the use of a Universal Service Fund

Financial sustainability in WDPS should be addressed through modelling and linkages to the single capacity building grant

Financial sustainability in respect of transfers - financial viability in operations after the transfer is critical. The options presented earlier should be considered and the programme explore sharing of lessons with other countries

**4.4 ENVIRONMENTAL ASSESSMENT OF PROGRAMME COMPONENTS**

Environmental sustainability is correctly identified as a critical requirement in the original programme design, which also identifies the need to build environmental management capacity at the local level, so as to ensure that environmental considerations are incorporated in all Programme components, from planning through construction and operations and maintenance. On the one hand water supply and sanitation programme by its very nature responds to some of the demands of environmental protection such as health and hygiene, which the current programme addresses. The Programme also deals with the problems of low levels of water and wastewater services, both in terms of quantity and quality, and the incidence of water-related diseases, such as cholera. Problems include significant wastage of water, problems with continuity of service, and poor quality. On the other hand water supply and sanitation projects have the potential to impact negatively on the environment, and therefore have to be planned in a manner that minimises the negative impacts. Reviewed documentation indicates that the Programme has taken cognisance of these dimensions of environmental impact.

The project's objective is stated as to reduce service backlogs in water supply and sanitation, through the construction of systems and the refurbishment of the existing water supply and wastewater systems.

Environmental planning and practice in the Programme is driven by principles of environmental sustainability in the development and utilisation of water, the absence of which could pose major problems in the long-term sustainability of the programme. In response to the requirements of sustainability, the Programme incorporates environmental planning and practice as a crosscutting theme applicable to the three main themes, which are sector orientation, service delivery and institutional support. The current report therefore assesses environmental considerations across these three main themes and provides recommendations for corrective action where necessary.

#### **4.4.1 PROGRAMME DESIGN**

Evaluation of Programme design looks at whether environmental considerations were included in the conceptualisation and final design of the programme. Documents reviewed include initial logframes, budgets and inception reports. An analysis of the Programme logframe gives an impression that the environmental management component of the Programme is still in its infancy and has not been operationalised yet. However, through stakeholders interviews, field visits and document reviews the team noted that environmental considerations have been included in project planning prior to conceptualisation of the Masibambane Programme. Furthermore, it has been noted that the various provinces already had some form of guiding document on environmental planning and management prior to the development of the generic Environmental Impact Management System (EIMS). Both local government and DWAF personnel are aware of the requirements for environmental management, and their responsibilities to incorporating environmental management in planning.

The EIMS has been developed and completed, and is currently being work-shopped in the regions. Interviews with stakeholders reveal that the document does not cover some of the regional needs. In the mean time projects are being implemented using regional documents and guidelines from Provincial Departments of Environment. One of the stated objectives of the EIMS is to standardise procedures and fast track environmental project approvals. It has been difficult to organise regional workshops to discuss and finalise the EIMS document so that it can be adopted and utilised by the regions. The major problem is that environmental management in DWAF regional offices does not have any dedicated staff. Members of staff are too busy with the implementation of infrastructural projects (Theme 2) and to an extent Theme 3. In the absence of dedicated personnel it will be very difficult for DWAF regional office to have a handle on the implementation of the EIMS, let alone to provide support to local government.

Interviews with stakeholders indicate a disjuncture between the expectations of Programme Management at DWAF HO and the practicalities in the regions. It appears that in the development of tools or management guidelines, municipalities who are the main users of the tools are not adequately consulted to determine their needs. As a result Implementation is stalled or delayed.

#### **4.4.2 SECTOR ORIENTATION**

The National Environmental Management Act (NEMA) (Act 107 of 1998) and the White Paper on Environmental Policy, the White Paper on waste management and pollution control provide the basic framework within which environmental protection has to be managed in all spheres of development, including the water services. It is clear that the Masibambane Programme has taken cognisance of these legislative provisions, hence the development of an Environmental Impact Management System (EIMS). The EIMS is one of the tools intended to operationalise existing policy and legislation at various levels of public sector institutions. The EIMS includes procedures to identify, record and monitor environmental legislation relevant to the operation, activities and practices of Water Services.

The current EIMS has been developed in accordance with the requirements of broader national policy and legislation. Many of the projects included in the Masibambane Programme fall outside the EIA regulations of the Department of Environment Affairs and Tourism dealing with "listed activities", and could easily be implemented without any EIAs conducted. However, these activities still require EIAs in terms of the Water Services Act (No. 108 of 1997).

The Act requires environmental assessments for:

- Reticulation, for access to basic water supply
- Basic sanitation projects, such as pit latrines, conservancy tanks and water borne sewage.

#### **4.4.3 INSTITUTIONAL SUPPORT**

The programme design as per the programme documents does indicate the need to build capacity and to support local government in providing good environmental practice. However, the programme documents do not reflect a strategy for building capacity in environmental management. Interviews with officials at DWAF HO indicate that there is a strategy for capacity building, part of which is to deploy environmental specialists in the regional offices to help guide the implementation of the EIMS and to comply with other environmental requirements. This strategy is however neither documented nor well communicated with regional offices.

To date there has not been much institutional support in terms of helping municipalities to develop capacity for environmental management and compliance where necessary. A review of planning documents such as WSDPs and project business plans reflect a requirement for environmental planning. Feasibility studies also have a component of environmental impact assessment, with clear recommendations for mitigation against potential negative impact. What has not been established yet is whether municipalities adhere to the requirements for environmental impact assessment prior to construction, and to ongoing environmental monitoring through out the life of the project. In the absence of a robust monitoring and auditing system it is difficult to determine compliance and appropriate corrective action. At this stage it is not feasible to test the practicability of the EIMS since it has not been

implemented yet. Evaluation will be based on the existing regional documents, structures and working arrangements.

#### **4.4.4 SERVICE DELIVERY**

Service delivery in this context refers to the physical delivery of infrastructure and the resultant improvement in access to water and sanitation. This component of the programme provides the highest potential for environmental impact, since it involves construction, land disturbance, impoundment, transport and treatment of sewage and on-site pit latrines. Issues of environmental sustainability need to be taken into consideration in the whole water services business from abstraction to ultimate return flows into the natural water-courses.

#### **4.4.5 ABSTRACTION**

Sediment is one of the major problems threatening the water resource for purposes of supply. Environmental assessments of abstraction sites do provide information on the suitability of sites for abstraction with respect to sediment load. This is specially so in the construction of reservoirs and other impoundment. Assessment of practices of project implementers in selected projects show that consideration has been given to DWAF's in-stream flow requirements, whereby any abstraction activity has to ensure a certain minimum flow within the river, as per the provisions of the National Water Act.

#### **4.4.6 POTABLE BULK WATER SUPPLY**

Normal operation and maintenance of bulk water supply infrastructure present a very small potential to cause pollution. In the event of leakage or overflow from reservoirs, the main problem would be localised erosion and inundation of small areas. Illegal connections on bulk water mains are a potential source of pollution because the poor workmanship may provide points of entry for contaminated water. This is specially so where water mains run near sewer lines, or where water mains come into contact with water contaminated by pit latrines. In the visited projects, environmental considerations

#### **4.4.7 WATER DISTRIBUTION**

The problem of illegal connections is mentioned by some of the interviewees, however, there does not seem to be any concerted effort to deal with illegal connections. Programmes of illegal connections form part of the Water Demand Management efforts in the larger cities. The problem is prevalent in almost all settlements, and is reported to range between 20 and 60%.

#### **4.4.8 WASTE WATER TREATMENT WORKS**

Waste water treatment works by their very nature pose a potential threat to the environment. At this stage in the evaluation the environmental risk posed by a number of projects has not been assessed yet, due to the nature of projects visited. This problem will be addressed with the envisaged field visits that are meant to augment information from field visits so far. Projects will be targeted based on the specific needs of the evaluator. Many sewage works in the country have been found to be inadequate for a variety of reasons including unsatisfactory processes. This problem has not been validated in the current evaluation.

#### **4.4.9 GRAVITY MAINS**

Outfalls carry the domestic and industrial effluent from towns and pose a significant risk of pollution from possible spillage in the event of flood damage.

#### **4.4.10 SEWAGE PUMP STATIONS**

Many of the sewage pump stations have no level alarm systems to warn of impending overflows, and no standby generators in case of power failures. If an overflow condition were to occur, spillage would be directed to local watercourses. This will be in direct contravention of the provisions of the Water Act that deal with the protection of water resources. It is not clear how the Programme intends to deal with this problem. It is also impractical from a technical and financial point of view to install level alarm systems on all pump stations.

#### **4.4.11 PIT LATRINES**

Pit latrines have a high potential for pollution of ground water through seepage, depending on the soil conditions, the technology and the quality of workmanship in the construction of the pit. A further environmental threat is the management of the sludge in the event of the filling up of the pits. In all the sanitation projects visited, there was no evidence of a strategy to deal with the sludge, or the costing of possible desludging in the future. Project business plans for on-site sanitation do indicate that ground conditions investigations do take place in terms of the Ground Water Protocol. However, there is no evidence of good practice in post approval implementation and operations. There is currently no programme for monitoring the environmental performance of on-site sanitation projects. It is impractical to monitor every pit latrine within a project; however, it would be helpful to have a strategy that would include among others spot checks of sample households to determine if there is any evidence of environmental pollution from pit latrines.

#### **4.4.12 KEY AREAS OF SUCCESS AND ISSUES IN ENVIRONMENTAL MANAGEMENT ISSUES**

Outcomes of the interviews and supporting documentation indicate that environmental planning is an important component of business planning. There is a reasonable understanding and appreciation of environmental legislation and regulation. There is also interaction with the Provincial Department of Agriculture and Environment who also serve as a supporting institution for environmental management. What is not clear is whether good

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environmental practice is followed in the implementation and operation of projects. Interactions with municipal representatives did not provide any indication of 'good environmental practice' in the post planning phase. This is probably because of the absence of an evaluation system and implementation guidelines. It appears from stakeholder interviews that environmental planning is included mainly to facilitate project approval rather than for long term environmental sustainability. While there is a reasonable understanding of resource sustainability among DWAF officials such was not the case with municipal representatives, or perhaps issues of environmental sustainability are of such a low priority that they were hardly mentioned by municipal officers unless probed. Under these circumstances, effective implementation of good environmental practice will be undermined, leading to a situation where the Programme fails to comply with environmental requirements.

The current Programme logframe singles out the EIMS as the main indicator for progress, perhaps because it is a supporting tool that sets out a framework for evaluation. In the future, more indicators will have to be identified to determine progress in environmental practice. Indicators to be considered should include measures put in place to respond to EIA recommendations, outcomes of changing or not changing project design as per the EIA, actual environmental risk and environmental outcomes of infrastructural development.

The absence of environmental management indicators from the logframe does not encourage municipalities to ensure proper environmental practice in the implementation of projects. This was confirmed by interviews with municipality representatives indicating that while environmental evaluations do take place in the planning stages, very little is done during project implementation and operations.

Given some of the weaknesses of the current environmental programme it is very difficult to describe environmental sustainability, or areas of replicability in the Programme. Until there has been standardisation of environmental practice, implementation of the EIMS and clear monitoring and auditing reports, one can not evaluate the quality of the environmental component of the programme. At this stage a lot of effort is put on the inputs and very little goes to facilitating the outputs. As a further indicator of sustainability one may begin to look at the extent to which good environmental practice is being entrenched in the day to day operations of DWAF regional offices and municipalities.

The Programme will require a strategy for environmental capacity building and institutional support in municipalities. Information dissemination on good practice supported by a robust monitoring plan.

There is need to develop more elaborate indicators for environmental planning and practice, that go beyond the current EIMS, but also provide a basis for monitoring and auditing.

Although there is an understanding of the principles of environmental sustainability among stakeholders, this is not reflected in the implementation of the Programme. There is a need to develop awareness through advocacy at the operational level especially in Local government.

Regional DWAF capacity has to be augmented with personnel that would give reasonable attention to environmental practices and also provides support to Local Government.

DWAF HO and Masibambane PMU should facilitate the finalisation of the EIMS through regional workshops. On the other hand regional offices should try and align their

environmental guidelines to the EIMS so that ultimately a standard document is utilised throughout the country.

#### **4.5 SOCIAL SUSTAINABILITY ISSUES**

Social sustainability issues in the MSB are discussed at length in this section. Specific attention is given to gender mainstreaming in projects and management.

Where women have had the chance to effectively participate in the decision-making structures of water and sanitation, there is no doubt that both the projects and the women themselves have benefited. A case study of a Project Steering Committee chairperson in Alfred Nzo District Municipality (Eastern Cape) demonstrates the empowerment of other women once she was chair as well as key challenges, including mediating conflicts over tariffs, employment and cattle thefts across Maluti Mountains.

There remain, however, a number of challenges to women's effective participation in the sector. A further case study, involves the PSC for a Sanitation Project based in Dzwerani, Vhembe District, Limpopo Province with six project steering committee members of whom only one is a woman. The woman said she found it difficult to be the only woman on the committee. She felt the committee largely ignored the concerns of women with regard to sanitation, including ways to make the pits safer and improve lighting so that they could be used at night.

##### **4.5.1 KEY SUCCESSES**

- Where women have had the opportunity to participate effectively, this has made a difference to their lives, the lives of others and to the success of projects.

##### **4.5.2 KEY ISSUES TO BE ADDRESSED:**

- Women are seldom elected to leadership positions.
- Participation by women in meetings is a concern; in those attended men spoke 80-90 percent of the time.
- The attitude of some social consultants is a concern. A social consultant in the Eastern Cape said: "women are often passive. The way I see it, you can't blame them. Changing of mindsets is not short term. Cultural issues dominate".
- Social consultants come from different backgrounds; few appear to have received gender training.
- There is no standardised approach to training at local level.
- There appears to have been little effort to integrate gender considerations into training materials.
- There are no considerations in the training materials or design of the project concerning changing the attitudes of men.

- No gender training is offered at the local level by social consultants or the NCWSTI that only trains intermediaries.

#### **4.5.3 CONCLUSIONS AND RECOMMENDATIONS**

Senior officials interviewed in the sector concur that there are major weaknesses at a policy and operational level for mainstreaming gender in the sector. These include:

- The lack of a champion for gender mainstreaming;
- The lack of a sector-wide strategy;
- Absence of tools and checklists for ensuring that gender considerations are built into every dimension of project planning and implementation;
- Lack of key performance indicators for ensuring that gender is mainstreamed.

To ensure that the fragile gains that have been made through such policies as the quota for women's representation are consolidated, the evaluators recommend:

- A sector wide policy and strategy on gender that will buttress efforts being made at provincial level (e.g. in the Eastern Cape) to bring coherence to gender mainstreaming.
- Moving beyond numbers and devising ways for measuring not just representation, but also effective participation.
- Gender be integrated into all aspects of community development- not just water and sanitation through a far more proactive approach on gender mainstreaming by local government.
- NCWSTI provide capacity building to support these strategies and that such training extend to local level.
- Appropriate, sector-wide gender management systems be put into place;
- Gender be written into performance agreements of senior managers;
- Gender KPIs be identified, and be built into the monitoring and evaluation system
- Gender mainstreaming champions be identified and start to drive the process with greater vigour.

#### **4.5.4 CIVIL SOCIETY ROLE AND PARTICIPATION**

Civil society organisations have not benefited sufficiently economically and financially for the programme to achieve sustainable results. This however does not take into consideration the benefits that Mvula Trust, a key civil society organisation role-player, might have derived from the programme. The reason for the assessment not having taken this into consideration is based on the following, as Mvula Trust has been largely engaged as an implementing agent and therefore should be assessed accordingly. It is safe to assume that civil society involvement in the programme was not conceived to play an implementing agent role. Civil society organisations were intended to assist in monitoring and evaluation of programme activities and to seek best practice solutions, to act as a facilitator on public participatory strategies at a local level, and to advocate for the centrality of a community based approach.

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In addition, the appropriate systems, such as information, monitoring and evaluation, are not necessarily in place to assist in supporting sustainability issues.

It has been highlighted that contractual arrangements have been marked by progress as Mvula Trust has been receiving the bulk of the 25% allocated for NGO participation. This must be viewed in terms of the spirit of the agreement (5), which would appear to call for broader NGO involvement, and capacity building within the programme, in order to lend weight to the importance of a community based approach in projects in the sector. In addition, Mvula Trust playing the role of implementing agent has adversely affected the thrust of the agreement by not appointing NGOs in a more consistent manner, as would have been envisaged by the spirit of the agreement.

In the three provinces the assessment found limited numbers of NGOs working in the sector. This has also been one of the major contributing factors for the manner in which the 25% allocation for NGO involvement has been disbursed. This therefore indicates that there still remains a huge capacity and skills gap within the NGO sector. Although skills training and capacity building programmes have taken place in accordance to quarterly reviews the concern has also been the quality of training conducted in relation to the still existing gap. The assessment has also found difficulty in establishing what monitoring and evaluation systems were developed to track, report and recommend on how to meet the minimum threshold of 25% funding to meet the objectives of the programme.

#### **4.6 KEY AREAS OF SUCCESS AND ISSUES IN PROGRAM EFFECTIVENESS**

The success areas and issues requiring to be addressed are presented in turn here.

##### **4.6.1 KEY SUCCESS AREAS IN PROGRAM EFFECTIVENESS**

- Assumptions of the sector orientation have largely been realised, especially the assumption of responsibility for water and sanitation services by local government
- Capacity building of local government is picking momentum through support of key positions by the programme and also support to DPLG and SALGA
- Sanitation White Paper is in place, espousing the correct principles
- High levels of awareness in respect of health and hygiene as responsibility of sector
- Water service delivery high relative to targets
- Identification of good environmental practice as critical to the sustainability of the Programme
- Development of a generic environmental impact management system to operationalise environmental policy
- Incorporation of environmental considerations in business planning
- Gender policy is in place at DWAF and there are also structures at DPLG and SALGA
- The policy framework and commitments by role-players on the involvement in civil society has been made
- That in so far as Mvula Trust has been participating projects have been successful, although this may not have necessarily been the original intention

- There is an understanding amongst all role-players that there is a need to consider alternative strategies to ensure the full involvement of civil society

#### **4.6.2 KEY ISSUES TO BE ADDRESSED ON PROGRAM EFFECTIVENESS**

- Demand-led approach needs to be implemented properly in respect of sanitation, especially for the household to have a stake in the matter
- Transfers issues cited in the main text in respect of water and sanitation services delivery need to be addressed, in line with both the DWAF and local government sustainability audits
- Environmental planning is included mainly to facilitate project approval rather than for long term environmental sustainability. There is a need to develop environmental evaluation system and implementation guidelines, which will be used during implementation and operations.
- The current Programme logframe singles out the EIMS as the main indicator for progress, perhaps because it is a supporting tool that sets out a framework for evaluation. In the future, more indicators will have to be identified to determine progress in environmental practice. Indicators to be considered should include measures put in place to respond to recommendations as per the SEA, actual environmental risk and environmental outcomes of infrastructural development.
- Gender mainstreaming needs to be addressed along the suggestions in 4.5 above, especially having a champion and also a sector-wide approach
- Participation of civil society needs to be addressed along the lines already cited for the cross cutting issues

## **5 CHANGING CONTEXT AND RELEVANCE OF MASIBAMBANE**

In this section of the evaluation report the changing context of the MSB project is scrutinised and the continuing relevance of the interventions are evaluated. Subsection 5.1 will deal with the policy context, which in turn will be reflected against the emerging institutional roles and sustainability of the MSB project in subsection 5.2.

A discussion follows in subsection 5.3 on adapting the MSB approach in the context of changing financial arrangements and then further addresses in 5.4 the need for capacity building at local level in the context of changes within the capacity building arrangements. This section of the report is then concluded in subsection 5.5 through addressing the key areas of success and issues regarding the programme's sustainability.

### **5.1 EMERGING POLICY CONTEXT WITH REGARDS TO DECENTRALISATION AND IMPLICATIONS FOR MSB PROGRAMME**

There is a direct linkage between the existence of clear and appropriate policy and the activities within a sector. Currently there is a need for clear policy on a number of issues to provide direction and guidance to the water services sector in South Africa. Although there has been a policy development process underway for some time, this will not be completed for some time to come and will be too late to provide guidance to a number of critical areas of the Masibambane Program. In the absence of clarity from DWAF head office, managers in the three provinces where Masibambane is operational have had to make decisions in consultation with role-players in the provinces, which has resulted in differences in execution between the provinces. It must also be noted that leadership, guidance and support were also largely not forthcoming from the Department of Provincial and Local Government (DPLG).

In interviews with Masibambane Consultants and regional DWAF officials, an often-repeated statement was made to the effect that there was little guidance from DWAF Head Office at the start-up and implementation of Masibambane in terms of policy related to a wide range of factors. There existed at the beginning of the program and to a degree there still exists the opinion that if the provincial Masibambane programs were to wait for guidance from DWAF Head Office, very little would be achieved.

A finding of the review is therefore that the absence of clear policy and leadership from the DWAF Head Office and DPLG has had an effect on the Masibambane program. On more than one occasion this was regarded as not entirely unwelcome as it meant that there was less 'interference' from Head Office. The impression was gained that once the program had been agreed to and the agreements signed, the actual implementation was of limited ongoing interest to top management. This has resulted in the Masibambane programme not having been adequately integrated into the rest of the DWAF activities - there were often repeated comments that officials in DWAF responsible for the Masibambane project felt "cut off" from management.

### 5.1.1 KEY POLICY AREAS REQUIRING CLARITY

There exists a considerable amount of uncertainty regarding key factors of sector policy. These factors include the following:

#### 5.1.1.1 Decentralisation

Although there has been a longstanding articulated intent that local government needs to begin to perform its function of providing services, there are a number of difficulties in implementation and it is apparent that a complete adoption of the policy is not universal within DWAF. In the absence of a clear direction and policy, it appears as though the Treasury has taken a considerable proportion of the initiative and, through the Division of Revenue Act – (DORA), has set the timetable for decentralisation (in collaboration with DWAF). Some of the decentralisation issues are discussed in 3.2 above in respect of transfers.

The concern expressed by senior management personnel in DWAF was that the decentralisation process would result in the national government (represented by DWAF) losing the leverage that it requires to fulfil its function under the Constitution – i.e. to ensure that the non-serviced received services. Once all funds related to the provision of water services are channelled directly to local government through the Municipal Infrastructure Grant and the Capacity Building Grant, together with the Equitable Share fiscal transfer system, DWAF will have limited leverage both in terms of both the delivery of services and the performance of any effective regulatory function. As a result, a senior management official described DORA as being “constitutionally regressive”.

#### 5.1.1.2 Transfers

The joint policy development process cited earlier in 3.2 above is one of the most encouraging elements of policy development in the sector at present and contrasts with the development of the White Paper.

The position on free basic water and sustainability present key policy issues that need clarification. The issues surrounding transfers need clear political leadership in order to provide guidance to officials.

#### 5.1.1.3 Financing mechanisms

There is lack of clarity in DWAF in particular and the sector in general regarding the current and emerging funding mechanisms, that will be available to finance water services. This is both in terms of capital funding of new schemes in future and in ensuring the sustainability of existing schemes, particularly with regards to the Free Basic Water policy.

It is important that DWAF plays an appropriate leadership role in the development of these mechanisms together with its sectoral partners i.e. SALGA, DPLG and Treasury. The sector will continue to be confused until there is clear policy on these issues.

To bring further clarity to the challenges surrounding the financing mechanisms also refer to the subsections on emerging municipal financial issues and their impact on the MSB which are discussed at length in 5.3 and 5.3.2 respectively.

#### 5.1.1.4 Institutional clarity

There is a need for greater clarity regarding a number of institutional issues in the water services sector. Whilst the powers and functions of local government have now, belatedly, been finalised, the role and institutional status of water boards needs clarification.

There remains considerable uncertainty regarding the future status, institutional arrangements and functions of water boards/utilities. Notwithstanding the draft White Paper, greater clarity is required in this regard as these bodies contain a large proportion of the expertise and capacity in the country related to the provision of water services.

#### 5.1.1.5 Role of DWAF

Greater clarity is required in terms of the future role of DWAF in the water services sector. Partially, because of the current perceived ambiguities and ambivalence alluded to above in relation to decentralisation and transfer issues, it remains uncertain in the view of many of those interviewed exactly what the future political and policy objectives of the Department are.

If the Department is to continue to be a major direct source of financing for infrastructure development in the water services sector, it will be some time until a purely support and regulatory role will be adopted. This also raises the question of how the Department as a single entity can adequately simultaneously perform the functions of both a service provider and a regulator within the same sector. The question of the independence of the function of regulator (whether the function is undertaken by DWAF or by an independent institution) remains a concern of many of the people interviewed, notwithstanding the position taken in the draft White Paper.

#### 5.1.1.6 Water Resources Management policy linkages with water services

There exists lack of clarity in the linkages between water resources management policy and the provision of water services. At local government level the distinction between the two areas of activity is generally not made both from a functional and an institutional perspective. In particular the relationship between Catchment Management Authorities and Water Services Authorities is not clear.

#### 5.1.1.7 Free Basic Water policy

There exists a great deal of uncertainty regarding the Free Basic Water Policy. Lack of clarity on this policy was an issue with virtually every person interviewed. Although most local governments in principle have adopted the policy nationally, confusion persists as to how it

should be implemented. Although the principle is largely accepted, there were many instances of concern as to how it was introduced. In many respects the issue has been seen in the water services sector as a rationalisation of existing reality where, particularly in very poor communities, water services were not being paid for anyway. This does not, however, diminish the need for clear policy and implementation guidelines.

### **5.1.2 IDENTIFIED CONSTRAINTS TO POLICY DEVELOPMENT**

In addition to the above items, which require clarity, there are a number of constraints, which hamper the development of policy. These are issues of concern both to the general policy development process within DWAF and to the Masibambane program.

#### **5.1.2.1 Lack of capacity of LG and DPLG**

There is a widely recognised lack of general capacity within local government structures related to all aspects of local government activities and in particular the provision of water services.

The lack of local government's capacity was quoted as a direct reason for not engaging local government directly in the formulation of the draft White Paper. The Masibambane program, primarily through Theme 3, has contributed considerably to the strengthening of local government capacity and, in particular, the strengthening of the capacity of SALGA in relation to water services matters. This has increasingly enabled local government to engage in the development of policy issues. It must also be noted that lack of capacity in the DPLG has also affected the development of policy within the sector.

#### **5.1.2.2 Leadership**

Notwithstanding the many difficulties already mentioned above, the development of policy within DWAF has been slow and has lacked clear leadership. This is illustrated through the need to abandon of the process of drafting an initial Green Paper prior to the commencement of the process that has produced the current draft White Paper. It is understood that these difficulties have been largely addressed through the restructuring of the Department.

The draft White Paper does not provide clear leadership to the sector in a number of critical areas as noted above. In addition, the apparent lack of support and guidance of the Masibambane program as it was implemented, resulting in what a number of officials regarded as a lack of integration between the program and the rest of the DWAF activities and functions, illustrates the need for leadership.

#### **5.1.2.3 Policy clarity**

As noted above, the lack of clarity on a number of key issues has resulted in unclear political messages, which has affected policy development.

#### 5.1.2.4 Internal and sector tensions

It was clear during the interviews that there exists a level of tension in the Department and between different institutions within the sector. These were referred to at every level, from consultants to senior management in DWAF.

The result of these tensions is a growing adversarial environment between different spheres of government and in particular between SALGA and DWAF. This situation does not augur well for the water services sector as a whole and for consumers in particular. Policy development will be much more difficult where issues are regarded as points of contest rather than the adoption of a collaborative approach.

#### 5.1.2.5 Limited resources

A considerable constraint on the development of policy is that of the resources allocated to the task within DWAF. Officials responsible for water services policy development quoted inadequate budgets, too few staff and a continuous flow of *ad hoc* demands related to important but unrelated issues such as NEPAD, the WSSD and other processes. All of the funds for the policy preparation process came from existing departmental budgets and not from the Masibambane program.

#### 5.1.2.6 Piecemeal approach to gender mainstreaming

There is no sector-wide strategy for gender or a cohesive set of mechanisms for implementing such a strategy. There is a risk that the considerable resources being invested by the NCWSTI in training may not yield the desired outcome, as they are not linked to a set of deliverable, measured outputs.

The Eastern Cape is seeking to resolve the piecemeal approach to gender mainstreaming that currently prevails in the sector by holding a "Gender Mainstreaming Indaba" in February 2003 that will bring together all stakeholders to agree on a strategy and action plan.

To be effective and sustainable, such an approach must be supported by a similar, sector-wide approach to gender mainstreaming at national level.

## 5.2 EMERGING INSTITUTIONAL ROLES AND MSB SUSTAINABILITY

In section 5.1 a discussion around the emerging policy context and implications for MSB programme elaborated on key policy areas requiring clarity as well as certain key institutional issues. This sub-section briefly examines the integration of project activities in local structures, taking into account the issues from 5.1 above.

### 5.2.1 OVERVIEW

It is likely that the implementation of MSB will result in its sustainability. The role of the leadership group at national in respect of support to policy implementation is firming and processes in place will resolve outstanding issues cited regarding commitment to decentralisation and clarification. There is some progress in the integration of project activities in local institutions, guided by the collaborative processes and structures. Examples include the development of IDPs and WSDPs by local municipalities. Sector issues are now being incorporated into WSDPs and IDPs.

The sector-wide approach and decentralisation are rapidly taking form, both within the programme and other sectors. The issues presented in sections 2,3 and 4 in respect of the programme's approach to sector and programme oriented delivery of water and sanitation services augur well for long-term sustainability of these services. Of particular importance to concentrate on at this stage is to increase and consolidate the support of municipalities' capacity in generating and implementing options on the Water Services Provision function.

### 5.2.2 ROLES AND RESPONSIBILITIES AMONG SECTOR PARTNERS – ADDRESSING RELATIONSHIPS

In spite of the generally positive outlook, if the potential tensions between departments and spheres of government are not addressed fully they may negatively affect sustainability in the future. In the short-term, however, there can be a paradoxical where the absence of consultation can lead to speeding up of delivery.

Concerns regarding roles and responsibilities have generally been identified along the following lines:

- Relationship between DWAF and DPLG – there has been limited capacity at DPLG, at times resulting in missed opportunities for consultation on programme issues. Among major areas now requiring alignment are the need for DWAF to drive implementation utilising DPLG's developmental local government frameworks and capacity building strategy
- Relationship between DWAF and SALGA – with SALGA gaining more capacity, there are issues being raised by SALGA on behalf of local government, including addressing the absorptive capacity of receiving municipalities and resources from treasury that were previously allocated to DWAF. This is an area that demands intense engagement to ensure long-term harmonisation
- Relationship between DWAF and Local Government – especially transfers where DWAF has conducted audits from the viewpoint of refurbishment and skills audit from the viewpoint of DWAF staff and not from the viewpoint of municipalities
- Province:
- CMIP – different subsidies and procedures needs consolidation
- MSP – relationship with Municipal support programme needs clarification
- Role of other departments e.g. Department of Health (Sanitation), Department of Environmental Affairs (Regulation), Department of Labour (Training at local level) – role of PMU to co-ordinate sector resources and resources / functions from elsewhere

### **5.2.3 CIVIL SOCIETY PARTICIPATION**

As indicated in the discussion of the role of CSOs, this remains a challenging area for the programme, going forward. It will be necessary to strengthen the relationship between CSOs and local government structures.

Integrated developmental approach (e.g. Ward Committee / Village Committee: IDP/WSDP) should be the vehicle for implementation of policy, strategy and integrated plans. This implies that the programme needs to strengthen the multi-stakeholder structures to address sustainability issues e.g. the role of PSC's is limited by being project oriented. The PSC's have contributed in building sector capacity. Ward Committees seem to be the appropriate structures for sector orientation, and may be the appropriate institution to strengthen in the future.

### **5.2.4 GENDER MAINSTREAMING**

Despite the shortcomings in gender mainstreaming to date, there are important opportunities that can be grasped in the future.

The time that women save when they have access to water can be channelled into other development initiatives.

The hand over of functions on the ground to local government opens the possibility of a more integrated approach to development.

Whether these opportunities are grasped depends critically on the extent to which gender considerations are effectively mainstreamed into the work of local government and especially local government structures.

At present, there are serious doubts as to the sustainability of community participation and buy in, once the long-term implementation phase is reached. It is usual at this time that the PSC is disbanded. District municipalities will have the option of running these facilities themselves, or sub contracting them to WSPs. These may well involve the village water committees, or certain individuals who served on the village water committee, but there is no guarantee of this happening.

The transitional arrangements to WSPs make no explicit provision for ensuring participation by women. A formal training programme for emerging contractors is being integrated in the sanitation programme. Data will be collected regarding the number of women who receive training. This training may create more sustainable opportunities for women in technical fields of work.

In the immediate context, the possible replacement of the PSCs with ward committees is seen as ominous. As noted earlier, men predominate in the ward seats. The councillors chair the

committees and there are no gender criteria for their composition. Several interviewees expressed the need for development committees that look holistically at all aspects of development and in which women have a strong voice.

### **5.3 ADAPTING MSB APPROACH IN THE CONTEXT OF CHANGING FINANCIAL ARRANGEMENTS**

Since the design of MSB Programme a number of key changes have been planned or are under consideration, which would affect financing of water and sanitation. These are likely to have a significant influence on the implementation of MSB, and particularly in carrying the sector support approach forward.

#### **5.3.1 EMERGING CHANGES IN FINANCING MUNICIPAL INFRASTRUCTURE**

These are at different stages of implementation and are likely to have a significant impact on the sustainable delivery of water and sanitation services<sup>21</sup>:

Equitable Share is an unconditional grant to local authorities within the framework of intergovernmental fiscal arrangements and is protected by a constitutional right. Government of South Africa plans to enhance the allocations to Equitable Share significantly over the next three years. The implications of the increased allocations to the ES for the water and sanitation sector are: supporting the potential use of the ES by local authorities for providing free basic water, and gradual shifting to the ES of the operational subsidy (700 million Rand) currently available to DWAF for operating and maintaining the various schemes under the Transfer Program;

DORA Provision for Capital Grants that has a preference for cash transfers to local authorities (under schedule 5) rather than the asset transfers (under schedule 6) being done by DWAF at present for the infrastructure funded through the Community WSS Program; and Proposed Consolidation of Municipal Infrastructure and Capacity Building Grants (CBG)

The current over 800 million SA Rand being managed by DWAF for capital subsidies will be merged into a consolidated Municipal Infrastructure Grant starting with a pilot phase in the next financial year. Also, a number of different capacity building grants will be consolidated through a single capacity building grant starting with the DPLG in the next financial year and all departments from 2004-05.

#### **5.3.2 IMPLICATIONS FOR MASIBAMBANE APPROACH**

As evident from the above discussion, some of these policies were not well advanced at the time of design of the Masibambane approach. However, the MSB approach does provide an opportunity to respond to these emerging changes. Specific focus will need to be on:

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<sup>21</sup> See DWAF (2002), "Draft White Paper on Water Services", National Treasury (1998), "The Introduction of an Equitable Share of Nationally Raised Revenue for Local Government", National Treasury (2002), "Government Notice for Gazette under DORA for 2002", and National Treasury (2001), "Intergovernmental Fiscal Review – 2001".

5.3.2.1 New roles of DWAF – support, monitoring and regulation

The Draft White Paper on Water Services recognises that the new financing arrangements “will pose significant challenges for DWAF if it is to move from direct financial involvement in the funding of water services to the indirect roles of support, monitoring and regulation”. This will mean on the one hand a major restructuring of its organisational structure and staffing, while it will simultaneously need to evolve mechanisms to ensure that the sector goals and objectives are met without any “direct financial leverage”.<sup>22</sup> In this background, there is good progress on developing an enabling framework and related activities for the Transfer Program. This is important, as this Program will affect the organisational restructuring and staffing issues. This systematic and well-informed consultative process, followed for its development also provides guidance on developing DWAF’s future roles. A key issue however, still to be addressed, is mobilising the necessary resources to meet the once-off costs estimated to be nearly 1000 million Rand<sup>23</sup>. Similarly, there seem to be good lessons emerging from the provincial collaborative structures. However, as highlighted by provincial stakeholders, these will need to be adapted to the realities of MIG and the potential lack of any ‘financial leverage’. Support will need to be provided to the DMs and WSAs especially for enhancing the financial component of IDPs and WSDPs. More attention, however, is particularly needed on other new roles of monitoring and regulation.

5.3.2.2 Approach to Sector Resources

A key aspect of the sector approach under the MSB that needs greater attention is to develop a ‘sector resources’ framework through the provincial co-ordination mechanisms. This is to be initiated in some provinces as discussed earlier in Section 1.0 and needs to be given priority. As the MBSP approach is rolled out to other provinces greater attention will need to be paid to integrated planning for sector resources. Table 5.1 provides a framework for reviewing the sector resources within the MSB structure and gives preliminary estimates for some of the resources. The experience gained in planning for sector wide resources under the MSB will prove to be valuable for ensuring better alignment of the sector with the arrangements for the proposed MIG.

*Table 5.1: Framework to Assess Water and Sanitation Resource Flows within a Sector Approach*

Theme / Source of Funds	Potential Future Arrangements
Theme 1: Sector Orientation	
Masibambane	MSB to continue till 2003-04
Theme 2: Service Delivery	
Infrastructure provision (Capital expenditure)	
Masibambane (DWAF) - asset / cash transfers	All these programs merged into the

<sup>22</sup> DWAF (2002), “Draft While Paper on Water Services”, p. 33.

<sup>23</sup> Discussion with the Program Manager for the Transfers Program suggests that there is a possibility of some commitment for the Treasury for this. However, this may not be sufficient to meet the entire need and it may be useful to also explore the possibility of commercial borrowing by the recipients to meet these costs. This will be appropriate also from an equity point of view if the works to be transferred were more likely to be above the basic service levels.

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Other WS grants (DWAF) - asset / cash transfers	proposed Municipal Infrastructure Grants for basic services, which will be direct cash transfers to the municipalities mainly on a formula basis.
CMIP (DPLG) - cash transfers	
Community based Public Works Prog. (DPW) - asset/cash transfers	As per the MIG paper, share of WSS in infra component of housing subsidy is likely to be 72%.
Housing grant – infrastructure component	
Investments from 'Equitable Share' (ES) (DMs / LMs)	It is likely that these will be initiated in the future with the increase in ES
Investments by Municipalities from own resources (DMs/LMs)	
Investments by Water Boards from own resources or borrowings	
Proposed transfer programme	Once-off investments under the transfer programme planned 2003 to 2005.
<hr/>	
Service delivery (O&M)	
Operating Grants through the Trading Account – to be treated as grants-in-kind after 'Transfers' (DWAF)	These grants will reduce on a declining scale and the savings transferred to the Equitable Share.
Allocations from the 'Equitable Share' (DMs/ LMs)	ES will increase as transfers take place.
Municipality own general resources (DMs / LMs)	
Local water tariffs and charges (DMs/LMs)	
Investments by Water Boards from own resources or borrowings	
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Theme 3: Institutional Support	
Masibambane (DWAF)	MSB to continue till 2003-04
Transition Grant (DPLG)	Only proposed till 2003-04
Restructuring Grants (DPLG)	All these grants from DPLG are to be merged into a single Capacity Building grant from 2003-04. Capacity building grants from other departments to be merged from the year 2004-05.
Financial Management Grants (DPLG)	
Local government support grant	
Municipal Support Programme (DPLG)	
Municipal Systems Improvement Programme (DPLG)	
Project Implementation Management Centres (DPLG)	

### 5.3.2.3 Assessing Direct Transfers to Local Authorities

Under MSB, during 2001-02 about 12 percent of total expenditure was through direct allocations to DMs, though this was mainly done to meet targets. It is not very clear whether any specific DM allocation is envisaged during 2002-03 as a part of the current work plan. All allocations for water and sanitation under CMIP (possibly about 600 million Rand in 2001-02) were also done directly to the DMs.

The arrangements envisaged under MIG that promote direct formula based cash transfers to DMs, it is critical that MSB assesses the experience in the sector of direct transfer to DMs.

This will allow the DMs to develop the nature of support and conditions (incentives) necessary to ensure adequate and appropriate expenditure for water and sanitation.

A detailed review of the provincial IDPs and WSDPs by the WSAs is also essential to determine the appropriateness and sustainability of the proposed infrastructure projects in relation to the nationally agreed priorities.

### **5.3.3 ENSURING ADEQUATE AND SUSTAINABLE ALLOCATIONS TO WATER AND SANITATION**

Government of South Africa has made a commitment to provide access to sustainable water and sanitation services to all the citizens at nationally agreed standards within a defined timeframe. While this entails a number of changes in the institutional arrangements and delivery systems as discussed in other sections of this report, it will also require adequate funding support to meet the capital investment requirements. Resources will also be required, to ensure a sustainable implementation of the Transfer Program, which is critical for implementing the decentralisation framework. It is not clear whether any long-term macro assessment has been done of the total resource requirements to meet these demands and targets, in relation to the likely allocations through the ES and the proposed MIG and CBG. Such an assessment is essential to outline either the need for enhancing the National Government's allocation to the sector or to leverage other resources where it is possible<sup>24</sup>. It also suggests the need for appropriate improved targeting of resources meant for ensuring basic services.

Finally it suggests the need to develop either policy or support measures to ensure that resources from the consolidated MIG and CBG are used for meeting the water and sanitation targets. This may require some balancing between national and local priorities.

A great focus is needed on sustainability in the post-implementation phase of water and sanitation projects. While the Draft White Paper has outlined all the key issues to be addressed in this regard, and some of the DWAF tools and guidelines also address this, this aspect requires more attention in the provinces and by the DMs as they develop their IDPs and WSDPs. The initial emphasis has been more on capacity for planning and implementation of infrastructure. Strengthened support programmes and particularly the M&E system will be critical in successful transition towards operational sustainability.

## **5.4 CAPACITY BUILDING AT LOCAL LEVEL IN THE CONTEXT OF CHANGES IN CAPACITY BUILDING ARRANGEMENTS**

The areas briefly presented here require to be formally addressed in respect of local level training, strengthening and capacity building within the MSB in order to consolidate the programme's relevance in the changing context.

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<sup>24</sup> For example, see the discussion on borrowing in footnote #21.

#### **5.4.1 CONSOLIDATION OF CAPACITY BUILDING STRATEGY FOR THE SECTOR**

The logframe of the programme provides convergence in terms of identifying the capacity that is required for local government to fulfil its mandate of the provision of water and sanitation services. Capacity is viewed in terms of managerial, technical, administrative and financial capacity.

In order to consolidate a sector strategy, it is important to examine the role of DWAF as the sector leader and the role of DPLG as the champion of developmental local government.

DPLG's Capacity Building Strategy for local government categorises municipalities according to their overall capacity to deliver on their mandate, powers and functions, including water and sanitation services. Based on the categorisation, prioritisation for resource allocation is proposed, with a time line towards full functionality of the relevant municipalities. DPLG has anticipated the introduction of a single capacity building grant for local government and can thus guide MSB on its future targeting of capacity building in the relevant provinces. Further, DPLG's position in respect of the performance of municipalities does give an indication of the core competencies required for the sector approach.

DWAF has capacity building initiatives aimed at supporting local government functionality from its different directorates. These are not well coordinated but generally get implemented through the regional office. Similarly, DWAF capacity building initiatives do take cognisance of regulatory and other frameworks emanating from DPLG. Until very recently, co-ordination with DPLG was limited. In part, this was due to capacity limitations in DPLG and also in part to the need for DPLG to focus on the issues of transition referred to in section 2 above.

At this stage, the programme has started addressing co-ordination issues within DWAF and between DWAF and DPLG. It is anticipated that in the next 18 months, the sector strategy will have been consolidated.

Whilst SALGA's capacity building and training programme is largely aimed at strengthening governance at local level, this does have permutations for the institution as a whole and needs to be co-ordinated with the DWAF and DPLG strategies.

Managing the linkages between DPLG, SALGA and DWAF strategies through the collaborative structures at the different levels will address all the critical issues raised in respect of local government WSA and WSP functionality, as well as specific transfers issues.

#### **5.4.2 PROGRAMME IMPLEMENTATION**

**Planning** for capacity building is now largely integrated through the IDP and WSDP processes. Whilst the capacity building business plans are not yet completed in many of the DMs, the process is in place.

However, the planning needs to incorporate upfront concerns regarding reporting on impact of capacity building interventions. The indicators in the business plans tend to be either

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establishment indicators (e.g. presence or otherwise of a WSA manager, a system etc) or input oriented (e.g. number of people attending, trained etc.). In the future capacity building indicators will need to be linked to the performance indicators of local government.

### **Staffing - Recruitment / Retention / Deployment**

The placement of personnel through the programme has already been cited. The programme may need to support retention strategies, as the market environment does not always favour career paths in local government.

DMs have already started deployment of personnel for both WSA and WSP functions. It will be necessary that the programme explore support to the WSP functionality through both further recruitment and deployment of existing human resources.

### **Tools**

Assessment tools and other support materials have been developed by DWAF to support functionality and these are part of the effort towards entrenching decentralisation.

### **Training**

In respect of training the following issues will need to be taken into account. They are not yet a conscious part of the capacity building planning process:

- Building up and strengthening of capacity
- Retention of existing capacity
- Improvement in the utilisation of capacity
- The retrieval of capacity that has already been eroded

The training and development cycle is not yet utilised systematically by most DMs. Its use will address all the issues related to current gaps in the planning, implementation, monitoring and evaluation of training, including the links with accreditation frameworks, the vetting of trainers and so on.

### **Municipal Support Programme (MSP) / Municipal Mentoring Programme**

Relationships between the programme and the MSP are either tentative or absent in the provinces. This needs to be formalised as part of the process towards a single capacity building grant.

The programme needs to clarify roles and responsibilities for training among partners, especially for purposes of optimal utilisation of available resources. The programme should formally keep track of resources available elsewhere e.g. the Department of Labour's training institutions

### **Monitoring and evaluation: reporting – impact**

The issues of monitoring and evaluation are similar to those in the other sections. These largely relate to the use of appropriate indicators for the sector and programme approach of MSB.

#### **5.4.3 SECTOR COMPETENCY FRAMEWORK**

Sector Education and Training Authority (SETA) – formal utilisation of processes and structures of the Local Government and Water SETA (LGWSETA) will enable the programme to resolve all the issues raised in respect of the training and development planning and reporting cycle, quality of training, accreditation, vetting of training providers and return on investment for training.

Sector Skills Plan – recruitment and placement as well as training at local level needs to utilise the competency framework of the Sector Skills Plan in order to ensure long-term capacity in the institutions. This is currently not the case. During the period under review, many municipalities did not have establishment and, understandably, there were no personnel to develop workplace skills plans for.

#### **5.4.4 CAPACITY BUILDING GRANT**

there is a need for the programme to continue its engagement with DPLG on the planned single grant for capacity building and DPLG's overall strategy for support capacity building support to local government. The pending single capacity building grant does require that the programme assist further in the integrated planning for the future sector pooling of resources.

#### **5.4.5 OVERALL FINDINGS**

- 5.4.5.1 Strategic issues are being addressed, taking into account evolving local government landscape
- 5.4.5.2 Programme implementation not yet formally utilising IDP / WSDP consistently (timing issues) – recruitment, retention and deployment progressing
- 5.4.5.3 Monitoring and evaluation not yet utilising impact / performance indicators
- 5.4.5.4 LGWSETA linkages are still embryonic

#### **5.4.6 LOCAL LEVEL TRAINING, STRENGTHENING AND CAPACITY BUILDING RECOMMENDATIONS**

- 5.4.6.1 Consolidate relevant strategic processes between DPLG / DWAF / SALGA for long-term sustainability and sector approach
- 5.4.6.2 Consolidate utilisation of IDP / WSDP processes for planning / prioritisation for capacity
- 5.4.6.3 Monitoring and evaluation towards performance indicators, beyond establishment & compliance indicators
- 5.4.6.4 LGWSETA linkages to be utilised for formalising training / skills development / competency framework / accreditation
- 5.4.6.5 Need planning for future single Capacity Building Grant

#### **5.5 KEY AREAS OF SUCCESS AND ISSUES FOR RELEVANCE AND PROGRAM SUSTAINABILITY**

##### **Success areas include the following:**

- Key policy positions are in place and there are processes initiated to address gaps in implementation.
- Collaborative structures are now informing decision-making on issues for focus and prioritisation at local level, thereby engendering sustainability of the programme.
- Increased DM functionality is facilitating the decentralisation process.
- Developments towards integrated funding for sector initiatives have been put in motion.
- Through support of key posts, MSB has strengthened local government structures and SALGA in making their water services role more sustainable.
- Engagement with the LGWSETA has been initiated, creating a basis for better development and implementation of training at local level in the long run.
  
- DPLG's capacity building strategy for local government support is now in place and should enhance sustainability of the water services sector.

##### **Issues requiring to be addressed include the following:**

- Greater guidance is required from DWAF Head Office and DPLG in respect of policy implementation at local level; Masibambane risks alienation from DWAF activities if this is not addressed
- Several areas of policy need greater clarification, including transfers (as mentioned earlier), free basic water, gender mainstreaming and future financing mechanisms.
- The future role of water boards needs to be clarified and addressed through processes set in motion by the leadership group.
- Strengthened support programmes and particularly the M&E system will be critical in successful transition towards operational sustainability.
- There is a need to formalise the use of a training and development cycle in local level training, utilising the Sector Skills Plan and LGWSETA processes.

## **6 RECOMMENDATIONS FOR THE WAY FORWARD**

The key recommendations briefly stated here are drawn from the evaluation assignment as a whole and are intended to contribute to decisions on the way forward for the programme. These recommendations may be considered further in a separate process by the PSC as part of the way forward for the programme.

An attempt has been made to avoid duplication in the recommendations. The recommendations are drawn from the issues indicated as requiring to be addressed in Sections 2,3,4 and 5 and cover all the issues and questions cited earlier in 1.5 above.

### **6.1 NATIONAL LEVEL COLLABORATION AND LEADERSHIP**

A framework of accountability for the programme needs to be formalised in line with the roles and responsibilities already agreed to by the sector partners and be implemented within the planning and reporting cycle of the programme. Whilst sector orientation is generally accepted, greater guidance is required from DWAF Head Office and DPLG in respect of policy implementation at local level. Most of the issues cited below can be resolved through implementation of the framework of accountability.

The relationship between DWAF and DPLG – limited capacity in DPLG at the inception of the programme at times resulted in missed opportunities for consultation on programme issues. Among major areas now requiring alignment are the need for DWAF to drive implementation utilising DPLG's developmental local government frameworks and capacity building strategy.

The relationship between DWAF and SALGA – with SALGA gaining more capacity, there are issues being raised on behalf of local government, including addressing the absorptive capacity of receiving municipalities and resources from treasury that were previously allocated to DWAF. This is an area that demands intense engagement to ensure long-term harmonisation of relations. The relationship between DWAF and Local Government in general is linked to this. In particular, where DWAF transfers programme has conducted audits from the viewpoint of refurbishment and skills audit from related to the “migration” of DWAF staff and not from the viewpoint of municipalities, alignment is required with the processes and viewpoints of municipalities. This will strengthen the assumption that local government will accept responsibility for service delivery.

Whilst decentralisation is emphasised in the programme, it is important, as indicated in section 4 regarding financial sustainability, to obtain a balance between decentralisation and leveraging of service delivery by DWAF as the sector leader. There appears to be limited leveraging of service by DWAF in the future. At present, decision-making in the business planning process of municipalities seems to be the main point of leverage.

The role of other departments e.g. Department of Health (Sanitation), Department of Environmental Affairs (Regulation), Department of Labour (Training at local level) needs to be addressed to ensure that resources available to the sector are fully utilised. This links to the

role of the Programme Management Unit in co-ordinating sector resources and functions based elsewhere.

## **6.2 PROVINCIAL AND LOCAL GOVERNMENT LEVEL COLLABORATION**

The legal status of collaborative structures in provinces needs to be formally examined and appropriate provisions be made for their recognition in order to entrench decentralisation of the programme. Further, there may be lessons that can be applied elsewhere.

The commitment, capacity and the demands for participation in respect of DMs needs to be reviewed in order to ensure that local government institutions derive benefit from the collaborative processes

The issue of CMIP having different subsidies and procedures from those of MSB also needs to be addressed, with a view to consolidation in anticipation of the MIG.

The relationship between MSP and the Municipal Support Programme (MSP) needs clarification for future sustainable capacity building initiatives.

## **6.3 REORGANISATION OF PROGRAMME MANAGEMENT SUPPORT**

The Programme Management Support Unit (PMU) needs to be reorganised to better support the sector approach and also to utilise programme management best practice.

## **6.4 FORMAL INCORPORATION OF SUSTAINABILITY ISSUES AND CONSISTENT IMPLEMENTATION**

Whilst policy DWAF and the government in general have well documented policy positions on the matter, there is a need for the formal incorporation of sustainability and crosscutting issues in planning, implementation as well as monitoring and evaluation cycles of the programme. In particular, gender mainstreaming has to be guided through implementation guidelines at local level. The approach to NGOs and community-based organisations should be focused on their role of facilitating community participation. This role should be formally incorporated into the planning, implementation and monitoring and evaluation processes of the programme. There is a tendency at present by consultants and to some extent DWAF regional office to view sustainability issues simply as project requirements and not involve communities substantially in the programme.

## **6.5 TRANSFERS PROGRAMME**

The transfer process has been slow, undermining the principles of decentralisation. The programme should accelerate implementation of transfers, addressing all the issues in the Joint Policy Statement and findings of the functional and financial assessment undertaken by DWAF to ensure that municipalities receive assets that are functional and financially viable. Further, clarification is required on the relationship between the transfers programme (DWAF

perspective) and the implications of the viability audits being undertaken by some municipalities. The position of SALGA in the matter is particularly important to address.

Operationalisation of the Joint Policy Position document will require an action plan defining roles and responsibilities and binding time frames. It is recommended that the action plan be developed as soon as possible to fast track implementation.

Current capacity building initiatives are focussed on WSA functionality. While this effort is maintained, similar effort should be placed on WSP functionality especially for the transfer of retail infrastructure.

The human resources management component of the transfer process is lagging behind yet it forms the core of the process. An all encompassing HR migration plan that addresses the needs of DWAF staff as a transferring, as well as those of municipalities as receiving institutions.

## **6.6 MONITORING AND EVALUATION**

There is a need for the programme to monitor and evaluate water services on a sector-wide basis, report on actual vs. targets, and align information management between DWAF's Monitoring & Evaluation Unit with those of sector partners, especially the District Management Information System (DIMS). This includes the need for better alignment of monitoring and reporting of financial performance by program themes / KFAs and resources from sources other than DWAF and donors. Scope, capacity and incentives for monitoring should cover incentives for sustainability, value for money and operational sustainability. Reporting on training should in future focus on impact rather than input data. Key Indicators, and Monitoring and Evaluation for sanitation and hygiene promotion need to be rethought. They must be simple, but look at outcomes as well as inputs; at present, all indicators are of inputs. *The project is absolutely right not to be looking at disease statistics*, but should still look for better indicators of hygiene than attendance at hygiene promotion sessions. It is recommended that a program of spot checks on hygiene status (e.g. on every 20<sup>th</sup> project) be effected on an annual basis to determine "access to and use of facilities, access to and use of soap for hand washing etc." For gender mainstreaming to be effective, it should feature, as a KPI in all relevant areas of programme implementation. Crosscutting issues need to be incorporated in the sector-wide monitoring and evaluation system.

## **6.7 DOCUMENTATION OF LESSONS LEARNED**

It is currently not possible to determine the extent to which the MSB approach has been institutionalised within the sector due to lack of formally documented lessons from the programme. E.g. it is not clear how non-MSB provinces are likely to benefit from "models" for collaboration processes / structures, materials developed or the pooling of sector resources that have emerged from MSB provinces. The impression from the evaluation is that there is potential for MSB to provide direction on issues relating to future processes of the Municipal Infrastructure Grant (MIG)

## **6.8 INSTITUTIONAL CAPACITY OF MUNICIPALITIES**

There is a need for the institutional capacity of municipalities to be addressed utilising the DPLG strategy as the main frame of reference and formalised linkages to the LGWSETA and the Sector Skills Plan in the planning and implementation of local level training. Limited capacity among municipalities at this stage of the programme significantly retards aspects of implementation of decentralisation, especially transfers

## **6.9 DEMAND LED SERVICE DELIVERY**

Greater attention to the White Paper's first policy principle of a demand-responsive approach would go a long way to improving the quality of the outputs, both from the user's point of view, and the long-term impacts. It seems likely that while many toilets will be built, a substantial fraction may not be used, or may not be used hygienically. Again this links to the role of NGOs and civil society participation in the project cycles of the programme.

## **6.10 GENDER MAINSTREAMING**

To ensure that the fragile gains that have been made through such policies as the quota for women's representation are consolidated, the evaluators recommend

- A sector wide policy and strategy on gender that will buttress efforts being made at provincial level (e.g. in the Eastern Cape) to bring coherence to gender mainstreaming.
- Moving beyond numbers and devising ways for measuring not just representation, but also effective participation.
- Gender be integrated into all aspects of community development- not just water and sanitation through a far more proactive approach on gender mainstreaming by local government and development of appropriate institutions..
- NCWSTI provide capacity building to support these strategies and that such training extend to local level.
- Appropriate, sector-wide gender management systems be put into place;
- Gender be written into performance agreements of senior managers;
- Gender KPIs be identified, and be built into the monitoring and evaluation system
- Gender mainstreaming champions be identified and start to drive the process with greater vigour.

## **6.11 SANITATION DELIVERY TARGETS**

The sanitation and hygiene components should be re-oriented to assure the quality of what is delivered. At the very least, each province should be asked to readjust its targets to what it can realistically deliver, rather than "doubling the pressure" to rush production to "catch up" on

a slow start. It is better to readjust targets now than to have a final evaluation criticise the program for neglecting clear warning signs that goals were over-ambitious.

Local government is aware of its sanitation and hygiene promotion responsibilities, and recognises the role played by the Masibambane Programme in helping them fulfil them.

Key Indicators, and Monitoring and Evaluation for sanitation and hygiene promotion need to be rethought. They must be simple, but look at outcomes as well as inputs; at present, all indicators are of inputs. *The project is absolutely right not to be looking at disease statistics, but should still look for better indicators of hygiene than attendance at hygiene promotion sessions. It is recommended that a program of spot checks on hygiene status (e.g. on every 20<sup>th</sup> project) be effected on an annual basis to determine “access to and use of facilities, access to and use of soap for handwashing etc.”*

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## **6.12 APPROPRIATE TECHNOLOGY PROGRAMME**

The evaluation has shown that the investigation and implementation of appropriate technologies were very limited on the Masibambane programme. Although there has been some indication that technological options have been considered on specific project feasibility studies, significant improvements are possible in ensuring that appropriate technologies are adequately considered in the programme.

The first 18 months of the programme has concentrated to a large extent on service delivery and specifically expenditure on capital works. It is considered that the next 18 months should focus on consolidation of achievements and on areas that have generally been neglected to date. With regard to the use of appropriate technology it is vital that the consideration of appropriate technologies be advocated on the programme. Programme managers need to make appropriate technologies an integral part of their work, as it is critical to the sustainability of infrastructure projects. A comprehensive appropriate technology plan is required to ‘kickstart’ and reporting should include specific KPI's that monitor and evaluate the use of appropriate technologies on the programme.

## **6.13 SPECIFIC POLICY ISSUES**

Several areas of policy need greater clarification, including transfers (as mentioned earlier), free basic water, gender mainstreaming, the role of NGOs and civil society participation, the future role of water boards and future financing mechanisms

#### **6.14 ENVIRONMENTAL MANAGEMENT STRATEGY**

There is broad understanding and appreciation of the principles of environmental sustainability, and environmental legislation and policy among stakeholders. However, this is not reflected in the implementation of the Programme. Environmental considerations are well articulated in the planning phase of projects. It is not clear what happens during implementation and operations. There is need to develop more elaborate indicators for environmental planning and practice, that go beyond the current EIMS, but also provide a basis for monitoring and auditing. This will require that the necessary capacity and financial resources be put in place to ensure that the Programme complies with environmental legislation and regulations.

The Programme does not have a strategy for environmental capacity building and institutional support in municipalities. It is recommended that environmental capacity building be incorporated into the broader capacity building and institutional support given to local government. This should be reflected on the work-plan and capacitated accordingly. Regional DWAF capacity has to be augmented with personnel that would give reasonable attention to environmental practices and also provides support to Local Government.

The Programme relies heavily on the EIA as a tool for environmental assessment. This has been shown to be inappropriate in an environment where there is a multitude of projects, especially what are considered to be small projects. As a result the feasibility studies become expensive, further draining project and Programme resources. It is recommended that the programme should switch to strategic environmental assessments, which can be incorporated into the broader planning process of a municipality. EIA should be carried out only on large projects, or in areas where the SEA has identified as sensitive

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**APPENDIXES**

**APPENDIX 1 - TERMS OF REFERENCE**

**APPENDIX 2 - TEAM COMPOSITION**

**APPENDIX 3 - LIST OF INDIVIDUAL AND ORGANISATIONS CONSULTED**

**APPENDIX 4 - LITERATURE AND DOCUMENTATION CONSULTED**

**APPENDIX 5 - MAP OF PROJECT AREA**

**APPENDIX 6 - LOGFRAME**