



REPUBLIC OF SOUTH AFRICA  
DEPARTMENT OF WATER AFFAIRS AND FORESTRY

MASIBAMBANE WATER SERVICES SECTOR CO-ORDINATING COMMITTEE (WSSCC)  
MEETING

Previously known as MCC

Third Quarter – October to December 2006  
Held on 22 February 2007 at the St George Hotel, Pretoria.

**Chairpersons**

Ms Nomxolisi Matyana, Director, Strategic Support-DWAF  
Mr Lucky Leseane, Senior Manager: DPLG

**1. INTRODUCTION**

**1.1 Welcome**

Mr. Leseane welcomed all present and introduced Ms Matyana as the co-chairperson on behalf of the DDG-Regions. He then introduced the purpose of the meeting as primarily to review progress of Quarter 3 (October-December 2006) and to discuss planning for Masibambane III. Participants were requested introduce themselves.

**1.2 Attendance and Apologies**

Apologies were noted as per attendance register.

**1.3 Approval of Agenda**

The agenda was adopted with the following changes:

- Financial delegation for 07/08 needed to be presented by Mr Dirk Van der Boon.
- Mr. Pelpola had to brief the meeting about the Siyeza-manje programme.
- Due to Mr Everett's request to leave the meeting early for important reasons his presentation was shifted to item six, Mr Pelpola's presentation had to put on item seven and Mr Wilson and Mthembu had to do their presentation on item eight.

**2. MINUTES OF PREVIOUS MEETING**

**2.1 Approval of Minutes of 16 November 2006**

The chairperson decided not to consider the minutes of 16 November 2006 as this was a special meeting rather to look at the action table (not page by page). Mr. Pelpola was concerned about the approach as he felt that this was a standard meeting set early in the calendar of 2006. Cllr Mpela

supported Mr. Pelpola's proposal as some issues could be lost if minutes were not read. Hence the meeting went through the minutes of the previous meeting.

## 2.2 Correction of Minutes of 16 November 2006:

- Page 8 of the minutes should include "quarter two report (July -Sept 2006) was adopted by sector partners.
- Issues for noting: the secretariat should refrain from using the term "issues for noting" without allocating responsible person on the Action Table.

## 2.3 Matters Arising from 16 November 2006 (Action List)

- **Proposed Meeting between DWAF DDG-Regions and Department of Housing:** Ms Matyana reported that a meeting is planned between the DDG for Department of Housing and DWAF. This meeting will strengthen relationships and collaboration between the two departments. It will also address amongst other issues the allegations that the Department of Housing is installing new buckets on new houses.
- **Ring fencing of Water Services Business at Local Government:** Cllr Mpela felt this issue has not been adequately dealt with by the sector. There is a need for the sector to provide guidance to municipalities. Politicians should also be encouraged to seek solutions and to support technocrats in finding solutions on ring fencing of water services as this will lead to better clarity on the revenue generated by municipalities. Mr. Pelpola informed the meeting that the Chairperson of Water Portfolio Committee, Ms Connie September has indicated an interest in working with a group of politicians to enable "a Political Voice" in water issues.
- **Procurement Issues:** The meeting noted with concern that no solutions are being given to local government to deal with various bottlenecks related to procurement. The underexpenditure on MIG is mainly related to capacity constraints and procurement procedures which delays delivery. Mr. Pelpola and Mr. Moraka were requested to lead a Task Team to deal with this issue.
- **Health and Hygiene Strategy:** The strategy has been signed by Department of Health and will be launched during the sanitation week.
- **New Engineering Contract:** Submission was made to the DWAF Departmental Bidding Committee but was referred back for more engagement with Public Works procedures. Thad Malkiewicz will give progress report in May 2007.
- **IGR Framework:** It was reported that the project is progressing well with the draft framework in circulation. The meeting was requested to make comments to the document to Ms Refilwe Mathithibane.
- **Future format of the MCC:** It was resolved that the future meetings should focus on Action and Results with minimal presentations. Adrian Wilson is currently leading the discussion on this issue. Report to be presented at the May 2007 meeting.

## 3. OVERVIEW OF DWAF MINISTER'S STRATEGIC PRIORITIES, RESOLUTIONS FROM CABINET LEKGOTLA AND PRESIDENT'S STATE OF THE NATION ADDRESS : MS. N Matyana

Ms Matyana gave a presentation on the overview of DWAF Minister's Strategic Priorities, Resolutions from January 2007 Cabinet Lekgotla and the President's state of the nation address. The presentation is attached. The following discussion occurred:

- **Meeting WS Targets:** The meeting noted the presentation and felt that the Minister's priorities were in line with key strategic issues in the sector. However there were concerns around meeting the WS targets. Mr Robin Husband felt that DWAF as a sector leader is not listening to municipality's concerns that they will not be able to meet the targets. Ms Matyana explained that once the State President has spoken nobody will disagree with him hence the sector needs to deal with how they will meet the targets.
- **Local Government Support:** Cllr Mpela expressed concerns that the sector is not implementing the resolutions of WSSLG held in November 2006 where it was agreed that DWAF needs to lead on "hands on support to local government and building regional teams at provincial levels. Ms Matyana explained that the DDG-Regions is currently visiting all regions to support them in developing Implementation Plans which will indicate support required to support municipalities. Cllr Mpela felt that the fact that DWAF is weak at regional level has contributed to Siyenzamanje Programme not being very effective.
- Mr Moraka stated that the regions are **mainly weak on sanitation particularly on supporting municipalities around technical options**. It was reported that DWAF has bought support through the Masenzeni Consortium and Siyenzamanje to assist on all these issues.
- **Skills Transfer:** It was agreed that the sector should put a lot of effort on skills transfer; people like Mr Kalinga Pelpola should be allocated people to understudy them for the transfer of skills. It was also mentioned that Project Management skills are a huge requirement to deal with service delivery.
- **Communication of the schools and clinics budget for 07/08:** A concern was raised by Mr. Simphiwe Mashicila that it is still not clear of how much is allocated for schools and clinics. Ms Matyana gave the meeting a figure of R950 million as a budget estimate. It was agreed that Ms Matyana will inform regions on provincial budgets.
- **Additional Budget Request for Gauteng:** Mr Thami Mnguni mentioned that Gauteng is ready to deliver but they need additional budget for bucket eradication. It was agreed that this issue will be discussed outside the meeting between Ms Matyana and Mr Mnguni.

#### 4. PRESENTATION OF THE DRAFT NATIONAL WATER SECTOR PLAN (STRATEGY): Dr E Mukeyane

Dr Mukeyane gave a presentation on the National Water Sector Strategy and the following comments were made ::

- **Civil Society Concerns:** Mr Robin Husband, a representative of Civil Society mentioned that the input or involvement of Civil Society is not reflected in the document. This is a concern as in most cases Civil Society is forgotten. He also raised a concern around the procurement processes of municipalities which excludes Civil Society and Community Based organizations. In addition the issue of 25% (value of EU contribution to go to Civil Society) which was one of the conditions of the South Africa –EU agreement is not enforced. It was agreed that the

National Water Sector Plan will be accompanied by a detailed workplan which will indicate various stakeholders activities.

- General Comments on the document : Mr M. Rall noted that the document is a work in progress it was done under a lot of pressure however there's a lack of input from economists as far as Growth and Development in water is concerned. He said that there's a need to get more detail on how Growth and Development could be achieved, on the issue of AsgiSA we need to do more, we need to work hard on procurement and the involvement of women and youth into the water sector. Mr. Rall invited Dr. Mukeyane to come to the Water for Growth Lesson learning conference organized by WIN and Mvula Trust.
- **Water Allocation Reform** : Mr. A. Seetal said that Water Allocation Reform (WAR) deals with equitable distribution of water and it requires a multi-disciplinary approach. Therefore it presents a good case for water for growth and development.
- **HIV/AIDS** : Dr B. Radebe stated that HIV/AIDS is listed on the document as a challenge so there's a need to articulate how this could be cleared at Regional level taking into account the HIV/AIDS mainstreaming that is being done.

Dr. Mukeyane said that all comments were noted and they were to be attended to in finalizing the document. He reminded the meeting that the presentation is high level and details will appear at a workplan level which Mr Wilson is developing. Ms. Sigwaza reminded the meeting on what was agreed as a focus of Masibambane III namely: a strong interface between WS and WR, contribution towards 6% economic growth (using water for growth and development). The document attempts to define what is meant by growth and development for water. Mr Mnguni thought it was good presentation and that it breaks down the whole growth and development for water concept but he said he would like the speaker to come up with practical mechanisms on how to implement at regional level. It was agreed that the final document will be presented to the Reference Group for final approval.

##### 5. PREPARATION FOR MASIBAMBANE III: Cowi

Mr Stephen Atkins gave an overview of the Appraisal study they are conducting in preparation for Masibambane III. The study was commissioned to assist the Department of Water Affairs and Forestry (DWAF) and the Delegation of the European Commission in South Africa to appraise and develop a third sector wide programme for the South African Water Sector (Masibambane III 2007/08 to 2011/12 ). The study Team consists of COWI (Team Leader) from Denmark, and its collaborating group of consultants (KV3 of South Africa and TYPASA, Spain) and Sigodi, Marah Martin (SMM).

Mr Robin Husband commented that the document has sufficiently covered issues around Civil Society. Mr Seetal wanted to know whether Mr Atkins as the Team Leader was comfortable with what he saw or heard during the interviews with various stakeholders. In response Mr Atkins stated that the process followed to develop Masibambane III is progressing well however the sector needs to improve on bringing provinces on board during the conceptualization phase. Mr Pelpola emphasized that there is a need for the sector to actively participate in the process and for the Reference Group to ensure that they are satisfied with the output of the consultants. The

Reference Group consists of DWAF, DPLG, SALGA, Donor representatives and Civil Society. This group will report back to MCC in May 2007.

## 6. MONITORING, REPORTING AND EVALUATION: DR DAVE EVERETT

Dr David Everett Presented on behalf of Ms Elma Scheepers. The presentation gave an overview of the process of evaluation for Masibambane II. The evaluation is starting on 01 April 2007 and the final report is expected by 10 July 2007. The following issues were raised:

- There could be confusion amongst the sector stakeholders as we have recently completed the Appraisal Study done by COWI and then the evaluation will be targeting the same people. It was agreed that the **M&E Unit need to communicate throughout the sector** on the importance of this evaluation as it could have a negative effect on Masibambane III if the stakeholders are not cooperative.
- It was agreed that the Masibambane III Reference Group will have an oversight responsibility on the evaluation process and will be chaired by DDG-Regions.
- **Impact Evaluation:** It was felt that it is critical that the evaluation also look into the impact as the programme has been in existence for almost five years. Mr Pelpola mentioned that the impact takes longer to be visible but it is something that is important however there is a need to build skills within the sector.

Mrs. Matyana was concerned that people are not aware of the evaluation and if the importance is not highlighted to all they might not cooperate.

## 7. FINANCIAL DELEGATION FOR 07/08 FINANCIAL YEAR:

Mr D. Van der Boon gave a presentation highlighting the financial delegation and proposed allocations for 07/08 financial year. He informed the meeting that the presentation will be emailed to all and members should comment before 28 February 2007. He has set aside time to meet with sector stakeholders during the week of 22-28 February 2007. The requests submitted to Mr Van der Boon came to R600m however only R410m is available with contractual commitments of R390m. The financial delegation will be signed on 08 March 2007 and will be sent to all relevant stakeholders.

Various questions were asked including the fact that Masibambane III has not been approved and how will that affect continuation of projects with effect from 01 April 2007. Mr Van Der Boon stated that projects will not be stopped. A risk assessment document has been prepared for the DWAF DG and National Treasury requesting authority to proceed at risk and also to consider bridging funding. The estimated EU allocation for 07/08 is 30meuros.

The sector stakeholder's budget allocations for 07/08 were listed as follows:

- SALGA R7m
- DPLG R15m
- CSO R3.5m

- DOH R2m

WIN expressed concerns that they did not appear on the list but they will have a bilateral meeting with DWAF to discuss WIN allocation.

#### 8. STRATEGIC ISSUES AND CHALLENGES FOR QUARTER III: K. PELPOLA

Mr K. Pelpola presented highlights and challenges for Quarter 3 (Oct-Dec 2006). **The Quarter 3 report was formally adopted by sector stakeholders.** However the following concerns were raised:

- **Low levels of expenditure:** Cllr. Mpela raised his concern about the reallocation of funds because the sector is under spending. In Eastern Cape they will loose about R200m due to reallocation as they have underspent. He added that this require targeted and effective support to municipalities. He said it was unfortunate that DWAF is progressing slowly on building support teams at regional level. The lowest performing regions in MIG were Mpumalanga (18%) and Limpopo (32%). Mr. Pelpola said that reallocation was not a serious issue but the main issue was the equitable distribution of the resources. The struggling municipalities are lagging behind and usually these are where the largest backlogs are. If nothing is done it means they will never meet the targets. Ms M Brisley expressed concern over a lack of a plan which should indicate interventions to be done to meet the targets. Ms Matyana explained that all provinces are developing plans to meet the targets.
- **Sector Reporting:** It was agreed that there needs to be a serious intervention around reporting to alleviate burden of reporting on municipalities. Ms N.Teffo mentioned that the DWAF M&E Unit has started a pilot looking at integrated information coordination which will also promote integrated reporting. It was agreed that Mr Pelpola need to look into this issue closely and make recommendations to DPLG and National Treasury.

#### 9. SUPPORT TO LOCAL GOVERNMENT : Mr S. Mthembu

Mr S. Mthembu gave a presentation on the integrated approach to support local government which included Siyenzamanje. This integrated approach includes utilizing Water Boards and deploying experts to municipalities. A decision has been taken that DWAF is responsible for coordinating all support to local government including Siyenzamanje. A unit is currently being established within DWAF to facilitate this coordination but DBSA will continue to contract deployees and also funding the deployees. The following issues were raised:

- **Implementation Plan to support municipalities:** SALGA expressed their concern that they have not seen an integrated plan to support municipalities. It was therefore agreed that DWAF will submit this plan in the May meeting but it should be circulated well before the meeting.
- **Role of National Treasury in supporting municipalities:** A concern was raised that National Treasury does not attend the sector meetings and yet they could also provide support to municipalities in areas such as Supply chain management, Operations and Maintenance funding and Cost Recovery. Mr Pelpola offered to bring National Treasury on board.

- **Coordination of Support:** DWAF was commended for the initiative to bring Siyenzamanje under it for coordination purposes. Cllr Mpela mentioned that this will improve the caliber of experts sent to municipalities as in some instances employees have not much to offer. Ms M.Brisley mentioned that the Sector Support Strategy provides a framework for a new approach to support. It is a holistic approach which looks at both technical and politicians. And also improve coordination at provincial level.
- **Support on Water Related 2010 Activities:** It was agreed that the sector needs to focus on how to support 2010 and also to include this discussion at Provincial Water Sector Forums.

Mr Leseane expressed concerns over how the DPLG allocation of R10m for the deployment of engineers will be managed in the context of Siyenzamanje. Mr Mthembu responded that DPLG funding will not be affected but they will work closely with DPLG on coordination.

**10. PROGRESS ON PROVINCIAL WATER SECTOR PLAN: Mr A.Wilson**

Mr A. Wilson gave a progress report on the status of Provincial Water Sector Plans. They are all due for completion by end of March 2007. It was recommended that there should be a one slide indicating how the Provincial water Sector Plan relates to the National water Sector Plan. This will help various stakeholders to have a clear view of the total picture.

**11. Southern Africa CSO Programme:**

Martin Rall informed the meeting that a new programme for CSOs have started which will be funding CSOs to the tune of R22m over 4 years. The programme is run under the auspices of ANEW. As part of this programme there is a need for counterfunding and DWAF has committed itself to support this initiative. It was noted that a letter from DWAF is required to formalize this agreement.

**13. Conclusion :**

In conclusion Ms Matyana thanked everybody for their participation in particular Mr Martin Rall and Mr Ashwin Seetal who were attending MCC for the last time as they have resigned in their respective positions.

**14. Date of Next Meeting : 24 May 2007.**

SIGNED:.....

DATED:.....

(CHAIRPERSON)