

# MSB III Mid-Term Review

## Water for Growth and Development **15**

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## **Introduction**

The Water for Growth and Development (WfGD) component is a cross-cutting element within the context of the Financing Agreement between DWAF and the EU. The concept of Water for Growth and Development took more to the center stage after the 4<sup>th</sup> World Water Forum where there were debates and discussions on how to make water contribute to growth and development while at the same time not compromising the environment.

The key objective of WfGD is to try and answer the question, “How should water be managed and developed to promote growth and alleviate poverty in a responsible and sustainable manner?”<sup>1</sup> The manner in which water is used and managed, therefore, generally needs to change. The need to consider WfGD is based on very important key drivers that, if not taken seriously, will result in a failure to secure water for current and future needs, as well as in undermining the environment. The following are the drivers, particularly in the context of South Africa:

- Impacts of climate change;
- Economic growth water requirements;
- Infrastructure development and management;
- Migration and demographic change;
- Redress and equity (social development);
- Decreasing water resource quality and quantity; and
- Changing institutional arrangements.

In relation to the EU Financing Agreement, the entire programme of Masibambane III is referred to as “Water for Growth and Development.” This is based on the vision of developing a “robust and accountable water sector, which successfully meets demands for water security and reliable and effective water services, and enables equitable, environmentally sustainable economic growth and social development in South Africa.”<sup>2</sup> The achievement of this vision is based on a number of strategies, frameworks, initiatives, programmes, and projects that DWAF as the sector leader needs to consider in association with other key role-players.

The effective contribution of water to growth and development begins with proper management and regulation of all rivers that are the sources of supply. Management and regulation should cover development of appropriate operation and maintenance of infrastructure; storing of water for multiple uses (social and economic development); determining and keeping the reserve (managing water quality and quantity; managing water flows); planning for and preventing water disasters; etc. The realization of the above requires institutions that have appropriate capacity and skills. This should further be accompanied by proper internal systems and procedures that appropriately support these activities. The development of appropriate skills and capacity should also extend to the

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<sup>1</sup> “Water for Growth and Development”. David Grey and Claudia W. Sadoff in Thematic Documents of the IV World Water Forum.

<sup>2</sup> DWAF: Strategic framework on Water for Growth and Development, (Summary Discussion Document), May 2008

development of local government institutions in terms of water services. Local government operates and maintain infrastructure that supplies end users, i.e. industry and domestic water supply. The proper operation and management of infrastructure contributes to local economic development and social development which are the key competencies of local government. DWAF as the water sector leader will have to regulate local government in this regard. This point of regulation, which is the ultimate goal for DWAF, should not overshadow the element of support that should still be given to local government to achieve efficient water services functions.

Water is a cross-cutting element on a number of social and economic development activities. It is a necessary but under-valued input in product development. However, due to the changing state of water in the world it is increasingly becoming a priority in economic and social development agendas. It therefore becomes imperative that institutional arrangements for cooperative water governance are developed if we are to enable water to contribute to growth and development. The key objective should be to ensure that water is central to the development and planning agenda of users, including both government and other sectors. Alignment of development planning strategies should be considered here, i.e. NWRS, NDSP, PGDS, IDP, ABPs, WSDPs, etc. There is also a need to ensure that appropriate advice is given to all water users for various uses. The arrangements for cooperation for water governance should, broadly, be based on the following elements: understanding the autonomy of each institution and their constitutional and legislative mandates; identifying and understanding the areas of interface/integration; and then developing appropriate mechanisms for cooperation. In cases where regulation is required, the drivers and the parameters should be understood by all the stakeholders involved.

The achievement of cooperative governance for water should also lead to implementation of a number of initiatives and activities led by DWAF that are important for the achievement of WfGD. These include the following:

- Water Conservation and Water Demand Management (WC/DM);
- Water use regulation to achieve sustainable growth:
  - Complying to conditions of water use;
  - Attaching appropriate water use charges;
  - Sanctioning failure to comply with water use and conditions;
- Interventions for development:
  - Meeting MDGs;
  - Enabling sustainable livelihoods:
    - Food security;
    - RWH;
- Education and training to influence behavior towards water;
- Promotion of water quality and quantity;
- Equitable allocation of water that takes into account international trans-boundary water agreements and redress.

## *Relevance<sup>3</sup>*

### *Main Findings:*

#### **Legislative and policy relevance:**

In the key areas in which DWAF focuses (e.g. Water Resource Management, Water Services, and Forestry), the KFAs broadly refer to the sustainable management of water resources in order to contribute to sustainable environmental management, and economic and social development. The KFAs further refer to the key areas that are relevant to the intended outcomes of WfGD, viz. the following:

- Quality of life improvement and poverty alleviation through water for sustainable livelihoods; sustainable basic water supply; and sanitation;
- Development of effective institutions to drive effective management of water;
- Development and implementation of water policy, and regulations that contribute to the achievement of the Millennium Development Goals;
- Sustainable development, management and operation of infrastructure;
- Economic development in order to ensure job creation; skills development; and empowerment.

The NWRS, NWA and the WSA further prescribe the framework as well as the parameters within which the above key areas will be achieved.

#### **Broad government development objectives:**

Broadly the key government objective in this regard is to achieve economic development; skills development; job creation; poverty alleviation; etc. The strategy behind WfGD is to ensure that water contributes to these objectives.

#### **International relevance:**

South Africa is part of the global community and it is one of the signatories in a number of the international water protocols and conventions. Following the fourth world water forum, South Africa adopted the WfGD concept as the basis upon which it would manage water as well as contribute to economic and social development in a sustainable manner.

### *Key Recommendations:*

The key recommendation with regards this cross-cutting issue is the following:

- **Promote the relevance of WfGD with all role players**

All role-players should understand WfGD as the foundation of managing water and contributing to economic growth and social development. Its relevance should thus be reflected in the activities of all relevant role-players.

<sup>3</sup> The extent to which the objectives of MSB III are consistent with beneficiaries' requirements, country needs, institutional priorities. It also entails an assessment of project coherence in achieving its objectives. i.e. how relevant is what MSB III doing in this area to SA's needs? And how relevant are the activities being performed in this area to what was intended under MSB III?

## *Effectiveness<sup>4</sup>*

### *Main Findings:*

The findings below reflect a series of events leading to the development and implementation of WfGD by DWAF. These findings are also a reflection of people's sense of progress so far. One of the key findings to note is that the activities, as well as the objectives of WfGD, are not something new to DWAF as an institution. DWAF KFAs, as well as the relevant legislative and policy frameworks, have always been informed by WfGD objectives viz. the following:

- Making water contribute to economic and social development;
- Making water part of planning and development;
- Planning for natural disasters as well as changing weather phenomenon such as climate change and climate variability.

The most important key finding to note is that DWAF is changing the manner in which it addresses these objectives. This is to be done through the streamlining of activities as well as the development of a framework that will guide the achievement of WfGD.

In relation to the assessment of the effectiveness of WfGD, it is important to note where DWAF is at in terms of this process. The findings from this mid-term review indicate that DWAF is currently in the process of developing a framework for WfGD. The framework for the WfGD the provinces. Another key finding to note is that the framework for WfGD began as a strategy for WfGD and it was later changed into a framework. The reason given for this change to a "framework" was that the Department already had a relevant strategy, the NWRS. The NWRS forms the basis for the management of water resources. The framework will thus provide the basis for pursuing the objectives contained in the NWRS.

The process below indicates the activities as well as the events that the DWAF hosted as part of developing a framework for WfGD. There are several findings to note with regards to the events leading to the development of the framework, including sector partner consultation, as per the following:

- Political authority consultations (i.e. cabinet, portfolio committee, etc.);
- Intergovernmental structure consultation at management level, i.e. FOSAD;
- Sector partner consultation (i.e. WSLG, WfGD pillars and other structures). Note that this consultation is ongoing;
- Presentations at conferences. These include WISA; Water Summit; IWRM conference; etc.

Diagram 1 below, illustrates the WfGD process and progress so far:

<sup>4</sup> The extent to which MSB III's objectives were achieved, or are expected to be achieved, taking into account their relative importance. Basically is MSB III delivering?

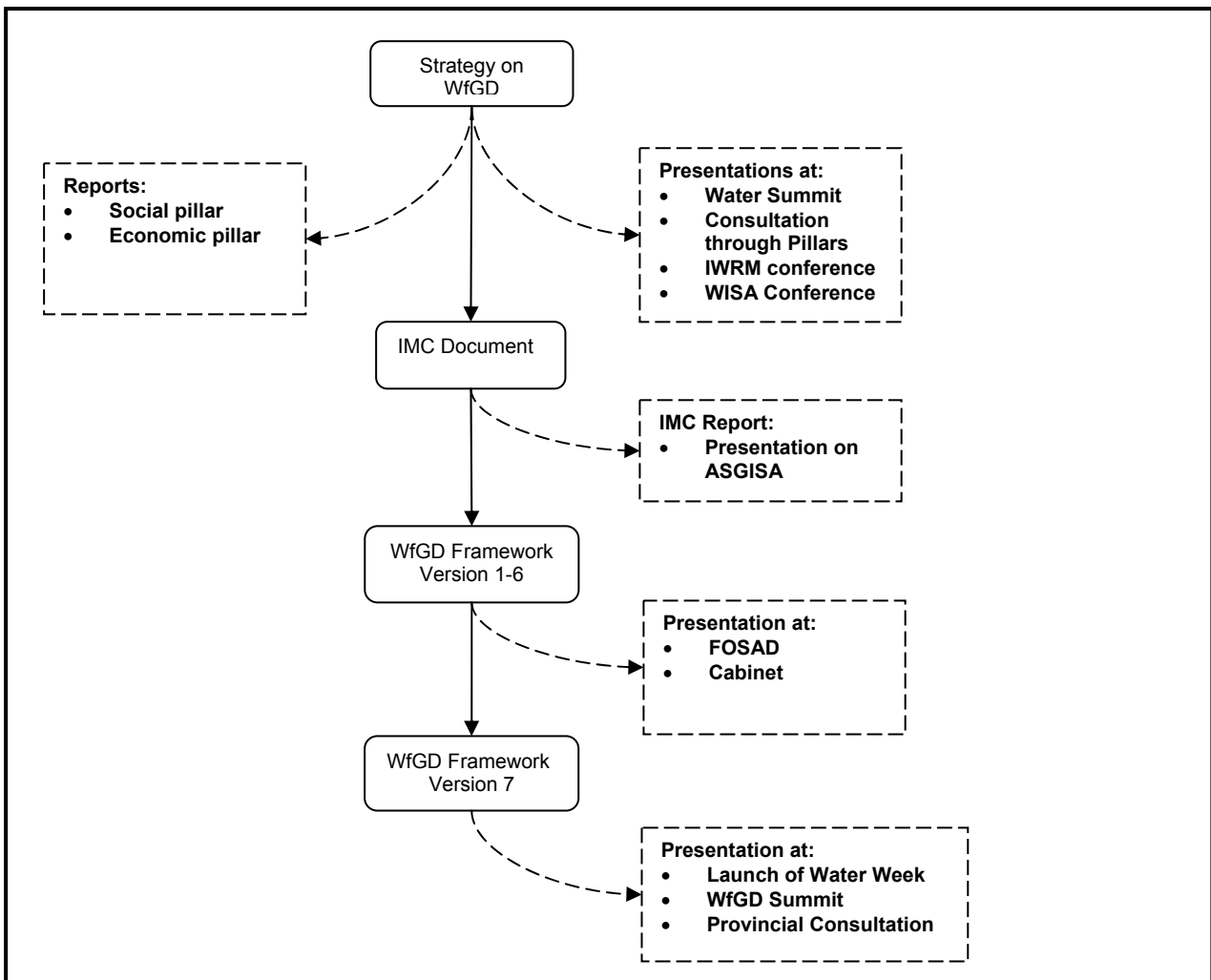


Diagram 1: WfGD Process

While the diagram above illustrates the progress thus far on the process of developing a WfGD framework, there have been some challenges experienced at the various stages of the process. These challenges need to be addressed for WfGD to have optimal impact on the ground. The following are the areas where challenges have been experienced:

- **Understanding the concept of Water for Growth and Development:**

The concept of WfGD has been developed through relatively comprehensive consultation and related activities; however there has been little change in the mindset of people. Officials with DWAF continue to operate in silos. There is currently no common vision around WfGD. A change management process for WfGD is required with internal DWAF staff.

- **The building blocks for WfGD:**

The building blocks for WfGD include development of functioning water institutions; skills development; water security; institutional cooperation for effective water governance; effective regulation; etc. Currently DWAF is lacking on some of these building blocks. Senior management strategic interventions are required in some of these areas if WfGD is to be realized.

- **Coordination of activities:**

The development of the WfGD framework, as well as the associated activities, requires the involvement of different stakeholders as well as effective coordination of activities. The experience has been that some of the activities have not been well coordinated, e.g. coordination within DWAF in terms of contribution to the process. As well, in certain instances arrangements for consultation and scheduling of stakeholder consultations had some challenges. This in turn led to stakeholder fatigue, and in certain instances, official fatigue.

*Key Recommendations:*

Issue	Recommendations
Lack of common vision on WfGD	<ul style="list-style-type: none"> <li>• DWAF should create a common vision within its institution on WfGD to enable effective contribution to this process.</li> </ul>
Further consideration of the WfGD building blocks	<ul style="list-style-type: none"> <li>• DWAF needs to take decisions on a number of issues regarded as the building blocks for WfGD that relate to the entire water sector (e.g. institutional development; institutional arrangements; regulation).</li> </ul>
Consultation of role- players and coordination of activities	<ul style="list-style-type: none"> <li>• The WfGD process should put in place clear structures and arrangements for coordination of activities as well as consultation of sector stakeholders.</li> </ul>

### *Efficiency<sup>5</sup>*

*Main Findings:*

The resources (i.e. money, time and human) that have been put into the WfGD process have yielded results in the form of a Framework for WfGD, and acceptance of this framework by management and political leadership. While this is the finding, there is a need for further development of the programme in terms of efficiency.

There is an indication that some of the management and coordination of activities could improve. This suggests that there are cases where resources could be more efficiently

<sup>5</sup> A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results. Issues to look at might include, for example, what are the costs of the outputs; is the cost ratio of inputs to outputs acceptable; what are the administrative costs per output; what factors account for the efficiency/inefficiency of MSB III.

spent. For example, with regards the WfGD pillar groups that developed relevant sector papers to contribute to the Framework, it is not clear how these contributions were incorporated into the Framework. This point was raised at the last WfGD summit. The WfGD pillar groups involved experts from the various stakeholder groups who spent time in developing the relevant papers – these valuable inputs should not be lost.

The section on effectiveness must also make reference to the lack of existence of a common vision for WfGD. This lack of a common vision results in uncertainty as well as shifting goal posts in relation to what should be achieved. This means poor spending of resources in the form of funds as well as human resources.

*Key Recommendations:*

Issue	Recommendation
Limited arrangements for WfGD programme development.	<ul style="list-style-type: none"> <li>• A programme indicating the tasks as well as the arrangements for developing the programme should be developed. This should result in the following:</li> <li>• Indication of activities as well as how these will be executed and incorporated;</li> <li>• Indication of how sector stakeholders will be engaged.</li> </ul>

## **Conclusion**

Taking into account the activities that have been conducted so far with regards WfGD, the objectives are likely to be achieved. However there is a need to rethink and streamline the activities around effectiveness and efficiency. This said, the recent changes in the management of the WfGD programme are considered to be a contribution towards achieving effectiveness and efficiency in the programme.