



Water Services Sector Support Strategy

Report back on progress to date
WSSLG, June 2006

Outline

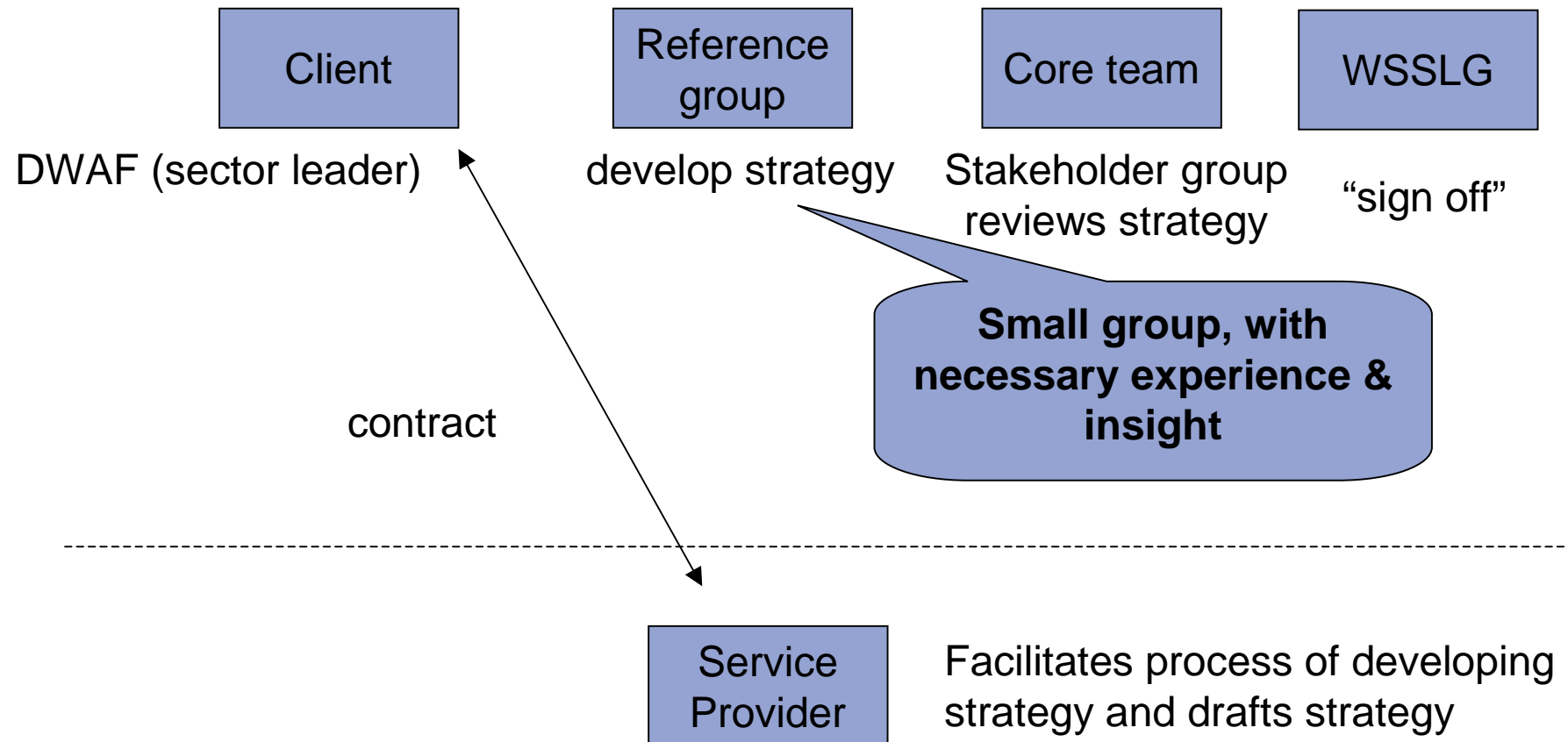
- Process
- Scope and focus
- Key constraints
- Five strategic priorities
- Proposed solutions (initial)



Process



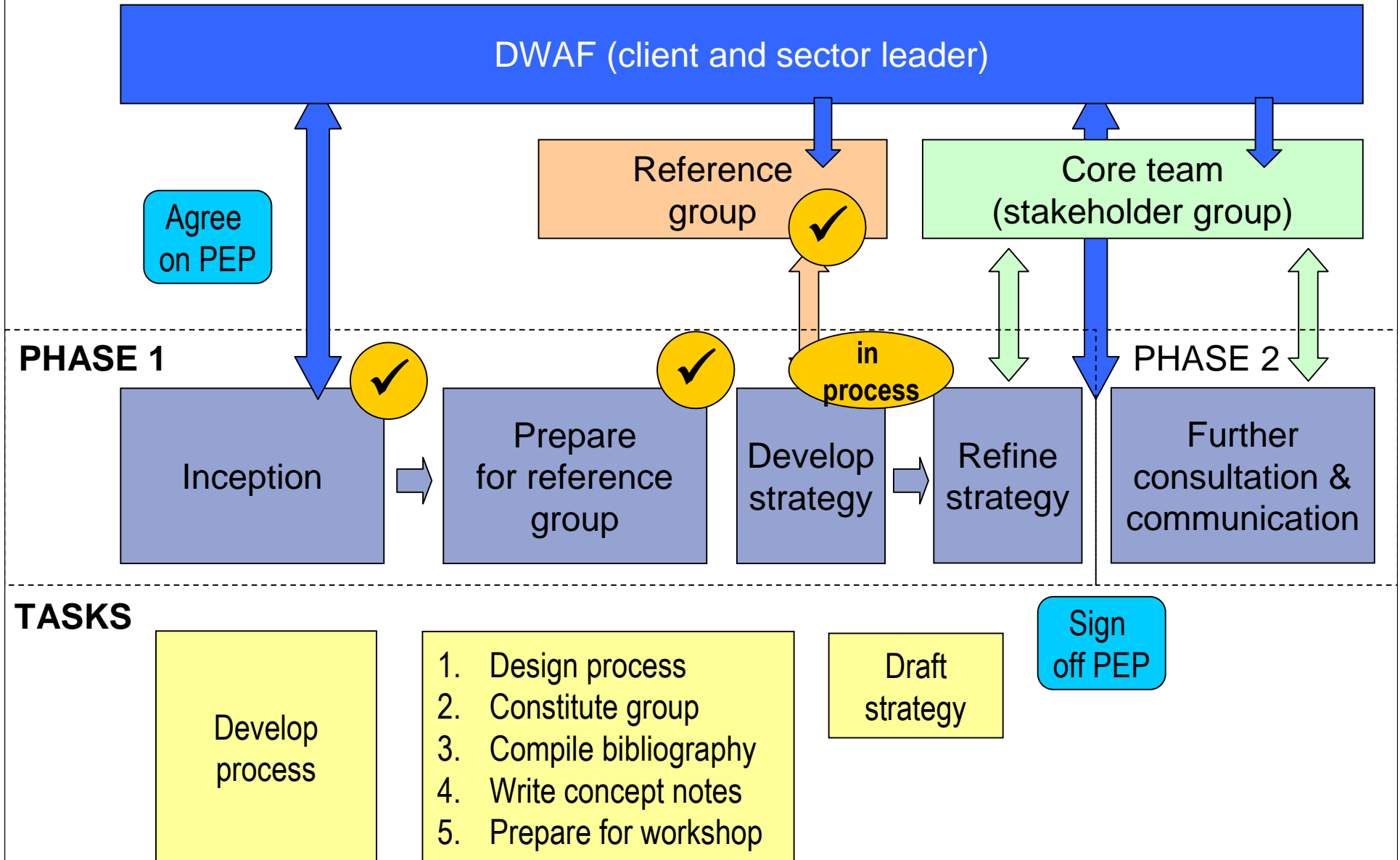
Stakeholder & “project” structure



Composition of reference group

- | | |
|--|---------------------|
| <ul style="list-style-type: none">■ DWAF – Thandeka Mbassa■ DWAF – Barbara Schreiner■ DWAF – Helgard Muller■ NT – Reta Durandt■ DST – Richard Holden | National government |
| <ul style="list-style-type: none">■ SALGA – Graham Richards■ SALGA – William Moraka■ WSA/WSP local: nominated person has left WSA■ WSA/WSP district: Nomonde Mnukwa (Sisonke)■ WSA/WSP metro: Neil Macleod (Ethekwini) | Local government |
| <ul style="list-style-type: none">■ AID: Charles Reeves■ DBSA: Barry Jackson | Other |

Process to develop strategy





Support strategy scope & focus

What are the boundaries of the strategy?
Where should the focus be?

Support scope

■ Water services only

(Water resources issues to the extent that these impact on water services)

areas of integration:

- drinking water quality
- wastewater treatment and discharge
- water conservation & demand management)

(The need is for strategic focus ...)

Key support objectives

1. To ensure the establishment and functioning of capable, effective and efficient water services institutions.
2. To ensure the development of adequate skills and competencies required in the water services sector.
3. To enable all sector role-players and partners to fulfil their roles effectively

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Primary short term focus is on WSPs and WSAs

From Strategic Framework

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Start working on this now, but impact will be medium term

Key support objectives

1. To ensure the establishment and functioning of capable, effective and efficient water services institutions.
2. To ensure the development of adequate skills and competencies required in the water services sector.
3. To ensure that all sector role-players and partners are able to fulfil their roles effectively



If strategies related to objectives 1 and 2 well designed, then 3rd objective will “fall into place”

Which WSAs to support?

Key knowledge gap: assessment of capacity and performance across all WSAs

Metropolitan

6

have good capacity; authority function is not a focus of support

District

22

have weak capacity; mostly newly established

FOCUS OF SUPPORT

Local

125

Some WSAs here also need support (some LMs have been “left behind”, especially for rural)

Which WSPs to support?

Private

have good capacity; not for government to support

Municipal

Many have weak capacity;
focus of support strategy

Community

CWSPs need local level training and support. Part of strategy.

Water boards

Some water boards have weak capacity. Reform or support?
Some are a resource for the sector



Key constraints

Water Services Sector Support Strategy
Reference Group Meeting, 1 June 2006

Categories

- External to sector
 - Not much we can do about this (except advocacy?)
- National government (including political)
- WSA/WSP level (internal)



Five strategic priorities



National government level

1. Urgent dialogue on funding for sector
2. Improve co-ordination
 - Between national government
 - Between national, provincial and local
 - Including housing linkages
3. Informal settlement (policy issue)

Local government support

4. Improve **management** of water services

- Good specific diagnoses of problems and solutions
- Procurement
- Improve revenue management
- Good planning
- Provision in informal settlements

5. **Improve skills and capacity** in water services provision

- Short-term interim solutions
- Long term strategy



Proposed solutions (Initial)....



Prioritisation of solutions ...

Solutions

(1) Develop common understanding of financial sustainability of the sector and investment needs through urgent dialogue between sector partners (NT, dplg, DWAF, SALGA)

- Need to assemble the information (ongoing)
 - Where are we, what are constraints, what are solutions
 - A big issue is maintaining existing assets
- Develop consensus on the investment needs for sustainable water services
 - How does one ensure that there is sustainable funding?
- Develop a strategy to secure the funds that are necessary
- DG to convene this policy dialogue

Solutions (2) Improve national co-ordination between national government departments and between spheres of government

- use Inter-governmental Relations Act and existing mechanisms (MIT3, provincial forums, ...)
- Co-ordination related to policies, legislative requirements, procedures and reporting requirements (to reduce regulatory burden)
 - Get a local government assessment of the problems (create a problem statement – lack of co-ordination) – **SALGA**
 - Then to be taken up by DWAF at national level between departments
- Co-ordination of support (must be specific to each WSA)
 - **Single contact point** for support
 - Align WS support with local government support (support plan developed with the municipality)

And if this doesn't work

Solutions (3) Informal settlement policy issue

- **National policies (including MIG) on service standards and funding needs to be reviewed to take into account the reality of informal settlement and co-ordinated with housing and sector policies**
- Issue: what kind of services to provide for informal settlements? (National Standards may not be appropriate)
- Policy issue to be addressed at the housing task team
 - DWAF represented on this task team
- Co-ordination between housing and the service provider imperative
 - Make this a formal requirement?
 - Where housing coming soon, wait
 - Where no short term housing solution, WSP needs to provide a solution

And if this doesn't work

Solution: (4) Improve management of water services

Core of strategy

- **Good specific diagnoses of problems** and solutions (WSA / WSP specific)
 - Order: criteria first; then diagnosis of chosen
 - We have lists and data (project consolidate etc). How do we use this data.
 - Developing criteria to allow you to prioritise support
 - Outcomes related (DWQ, discharge compliance, payment levels, spending of capital)
 - Diagnosis
 - Need the people with the skills (people who have run a water services business) – need a team of people who have been in the business. (“Management and Operational Support Team”)
 - Team works with the manager to diagnose the problems and develop an action improvement plan (also look at what has been done already and why it did not work). Look at people and systems.
 - Option 1: work with people there
 - Option 2: where local capacity does not exist
- Must support in a way which builds local capacity (enduring solution)

Solution (4) continued

- Good **financial analysis** needed which looks at essential ingredients for sustainable delivery of services
- Solution (4) is the core of the strategy, needs unpacking in more detail
 - Action
 - Reference group task team to develop more detailed proposal
 - William, Neil, Marie, Rolfe
 - Co-opt people as necessary

Solution: (5) Improve skills and capacity in water services provision (Long term strategy)

(Interim skills addressed in Solution 4)

- Need strategy on “how to catch up”
 - We know what is needed, and problem statement (is not only a technical skill issue)
 - **We need to find out what others are doing and engage with them** (problem is not unique to WS sector).
 - **Need to decide how to proceed**
 - Need to engage with tertiary institutions
- Who? Refer to 2025 Vision. (Review Skills development business plan) Deliver by ?.
- Learning academy? (models exist)

Action: find out more and engage with 2025 vision process



Questions

