



Water Sector Leadership Group Strategic Meeting
17 – 18 July 2008

**STRATEGIC OVERVIEW MASIBAMBANE III - YEAR
ONE 2007/2008 AND WORK PLAN 2008/09**



water & forestry

Department:
Water Affairs and Forestry
REPUBLIC OF SOUTH AFRICA

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Masibambane Programme Manager



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- **Sector Highlights**
 - **Key findings of 4th Quarter 2007/2008**
 - **Service Delivery Progress – 2007/2008**
 - **Challenges for 2008/09**
 - **Revised Financial Delegation & Work plan 2008/09**



STRATEGIC WATER SECTOR HIGHLIGHTS

- 
- Masibambane III Programme Financing Agreement signed by Minister of Finance (20 March 2008)
 - Additional 5yr commitment from Irish Aid funding for Limpopo;
 - Early warning financial reporting system includes WR + WS, and P&R and OPS – **to include donor funded projects in 2008/09;**
 - Cabinet Lekgotla in 22 January 2008 on *Water for Growth and Development*
 - 100% eradication of clinic water backlog for priority 1 and 2 clinics;
 - Bucket eradication programme – completed in 7 provinces. FS & EC due for completion end July 2008
 - National Water week 17-24 March 2008
 - Water for Growth & Development Summit – 24 April 2008
 - Completion of the 2nd round of water and sanitation spot-check assessments. These include review of technical standards, norms and quality of water and sanitation projects implemented by sector partners - **Depts of Housing, Health, Education & DPLG**



STRATEGIC WATER SECTOR HIGHLIGHTS

- 
- Workshop on the Institutional re-alignment of DWAF and its agencies was held under the leadership of the Minister and PM appointed for implementation
 - Interfacing/integration WS + WR - key strategic issues;
 - progress was made towards the establishment of the Olifant's, Upper Vaal and Berg Catchments Management Agencies.
 - Verification processes commenced in Jan Dissels, Inkomati and Mhlathuze catchments, aimed at establishing water allocation reform;
 - Draft 7 of the Compliance, Monitoring and Enforcement guideline document finalised for stakeholder comment
 - Business process re-engineering in DWAF regions to decentralise the WAR, licensing & consolidation of water sector activities has commenced

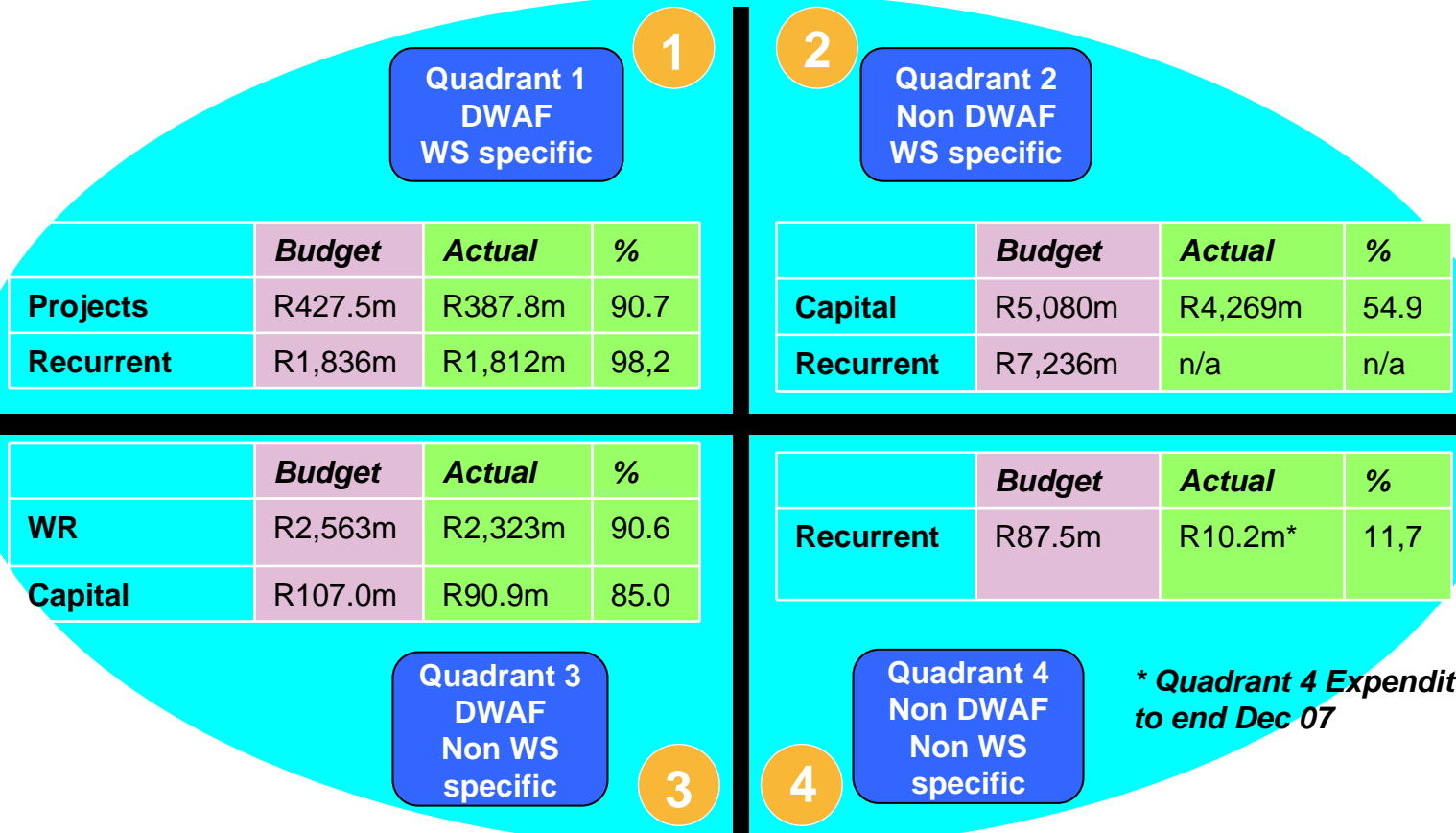
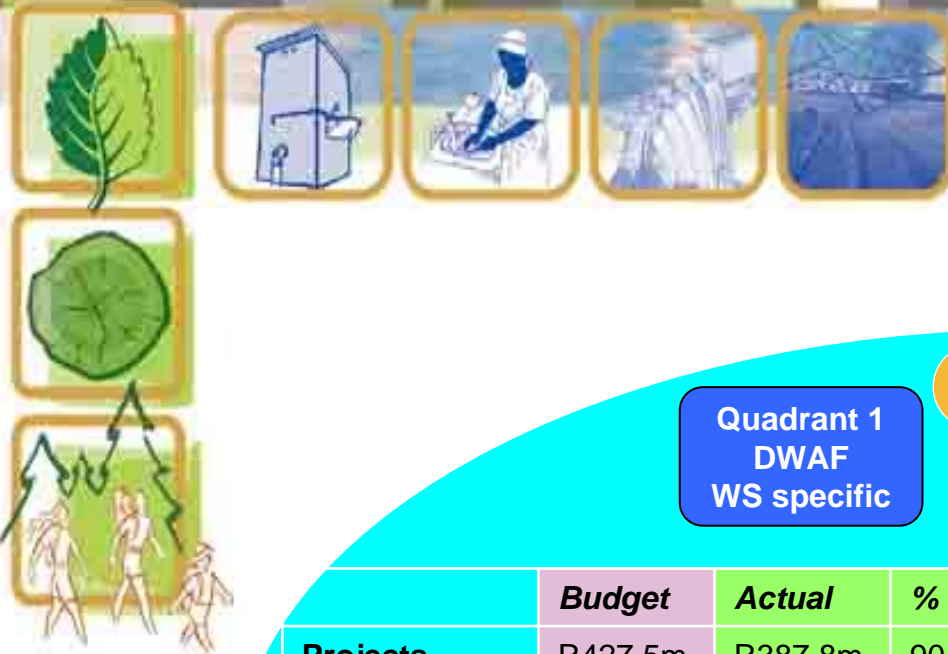


SECTOR CHALLENGES

- **Capacity and skills- DWAF loosing capacity to carry out the sector leadership role;** Regions need capacity & skills in processing and evaluating of water licence applications, WAR, engaging with the PGDS process & WSDP, LG support (FBW, WSDP, DWQ) and technical reviews;
- **Need to strengthen Provincial Water Fora incorporating WR & strengthen collaboration between sector stakeholders.** Director Sector Collaboration & IGR at DWAF national remains unfilled since July 2007
- The delays in the creation of an **effective monitoring and evaluation system/repository**, that tracks service delivery, backlog reduction and the broader sector targets
- **Cooperation with SADC in the accelerated delivery of MDGs and supporting** recently democratised countries.

2007/2008 FINANCIAL SUMMARY

as at end March 08



* Quadrant 4 Expenditure to end Dec 07

2007/2008 WS Grand total budget = R17,701bn



KEY FINDINGS - 2007/2008

(See Volume I, pages 13-19 of 224)

Overall Water Sector Budget 2007/08 = R17,701bn

- **Expenditure to date (excluding Equitable share : unavailable) = 82,4%**
 - WS expenditure is addressed with DWAF Regions and sector partners;

Water Sector DWAF expenditure (Quadrant 1)

- **DWAF WS expenditure = 97,1%**
 - Draw down on EU funding to be reduced from Euro 31 to 10m
 - WS expenditure is addressed with DWAF Regions and sector partners;

Satisfactory expenditure on MIG Funding (Quadrant 2)

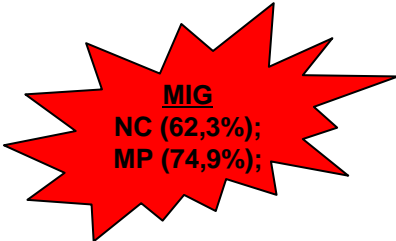
- **MIG Capital expenditure = 84%**
 - Working with dplg on allocation of MIG WS budget to munics;
 - Support provided to LG;
- **Equitable Share ≈ no report on expenditure from WSAs**
 - Intervention required from NT & DPLG

WR Funding (Quadrant 3)

- **WR expenditure = 90,4%**

Capacity Building Grants (Quadrant 4)

- **LGFM + LGR + MSIG Grant = 11,7% (as at end Dec 07)**
- **KFA 12 = 82,5%**
 - The trend on under expenditure and lack of reporting continues – this is a serious issue and was brought to the notice of DDG:PC at dplg and will be dealt with at the high level meeting;



MIG
NC (62,3%);
MP (74,9%);



WS SERVICE DELIVERY PROGRESS

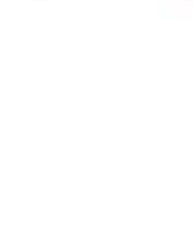
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- **Bucket eradication in formal settlements – target Dec 2007**
Backlog as at February 2005 = 255,546
Backlog as at March 2008 = 23,833
 - **Eradication of water supply backlog – target 2008**
Backlog as at October 2001 = 13,1million people
Backlog as at March 2008 = 6,56 million people (unofficial)
 - **Eradication of sanitation backlog – target 2010;**
Backlog as at October 2001 = 4,56 million households
Backlog as at December 2007 = 3,29 million households (unofficial)
 - **Eradication of clinic water and sanitation backlog – target 2007**
Clinics water and sanitation backlog prioritised to those with “no or inadequate service provision”;
Clinic sanitation backlog identified = 371 clinics
Remaining clinic sanitation backlog as at Mar 2008= 17 clinics
Clinic water backlog identified = 336clinics
Remaining clinic water backlog as at Mar 2008 = 0 clinics
 - **Eradicate schools water and sanitation backlog – target 2008/09**
School sanitation backlog identified Mar 2008 = 2,679 schools
Schools sanitation backlog as at Mar 2008 = 1,423 schools
School water backlog March 2007 = 2,836 schools
School water backlog as at Mar 2008 = 2,261 schools

SERVICE DELIVERY PROGRESS - 2007/2008

| Water Sector Progress - 2007/2008 | | |
|--|---|--|
| Programme 3: Water Services - Access to Services | | |
| Activity | Annual Sector Target | Total WS Sector (Apr 07 to Mar 08) |
| Household Water | 2,400,000 people | 410,655 (reported by DPLG to end Sept 07) |
| Household Sanitation | 800,000 households | <i>238,850 h/holds (unofficial as reported by DWAF Sanitation)</i> |
| School Water | 5% schools backlog eradicated (DoE = 345) | 575 schools (DoE) + 72 (DWAF) |
| School Sanitation | 5% schools backlog eradicated (DoE = 934) | 1346 schools (DoE) + 51 (DWAF) |
| Clinic Water | 100% clinics backlog eradicated (Priority = 336) | 345 priority clinics completed (i.e. 100%) |
| Clinic Sanitation ⁴ | 100% clinics backlog eradicated (Priority = 371) | 354 priority clinics completed (i.e. 95,4%) |
| Bucket Eradication | 100% buckets eradicated | YTD = 79,813; PTD = 90% of buckets eradicated |
| Health & Hygiene | 800,000 households | 150,621 households |
| FBW provision | 50% people | 85,0% of total population and 74,53% of poor population served with FBW; 166 out of 169 WSA's providing FBW |
| Chinese development aid (PTD ²) | | 3,337km of uPVC pipes installed; 195,047 water meters installed |
| Regional Bulk Infrastructure | | 36 projects in Implementation phase and 44 in "Implementation Ready Studies"; 99,7% of budget expended |



SERVICE DELIVERY PROGRESS – 2007/2008



Water Sector Progress - 2007/2008

Programme 2: Water Resources

| Activity | Annual Sector Target | Total WS Sector (Apr 07 to Mar 08) |
|---------------------------------------|---|---|
| Catchment Management Agencies | Olifants, Upper Vaal & Berg | <ul style="list-style-type: none"> Professional Service Provider (PSP) appointed to support CMA development; initiating the revision of the Olifants CMA proposals; and evaluation of the Berg CMA proposal. |
| Water Allocation Reform | Licensing completed for Jan Dissel, Inkomati, Mhlathuze | <ul style="list-style-type: none"> Deployment of Water Use Coordinators to prioritized regions, i.e. LP, NW, MP; Finalisation of delegations to regions for WULA, lack of full time dedicated RO staff, Cases have been completed and await Water Tribunal decision on the appeals and there has been a drastic increase in unlawful water use. Verification processes commenced in Jan Dissels, Inkomati and Mhlathuze 20 water user licenses submitted to DWAF national by KZN; 3 licence applications by LP; and 46 verification certificates completed in NC; |
| Water Conservation/ Demand Management | WC/WDM strategies for Vaal, Inkomati & Olifants | <ul style="list-style-type: none"> Engagement of stakeholders on findings of WMA's assessment. Final Draft work plans for Vaal (Emfuleni, Mogale City, & Ekurhuleni Metro) FS Identified 5 municipalities that needed support as WC/WDP pilot projects |
| Compliance, monitoring & enforcement | CME finalised & implemented | <ul style="list-style-type: none"> Draft 7 of guideline submitted for stakeholder inputs |
| Water User Associations | 5 WUA's to be approved | <ul style="list-style-type: none"> 3 WUA's gazetted in MP |
| Resource poor farmers | 300 Resource poor farmers | <ul style="list-style-type: none"> No RPF's supported |

SERVICE DELIVERY PROGRESS – 2007/2008



| Institutional Development & Performance | | |
|---|--|---|
| Activity | Annual Sector Target | Total WS Sector (Apr 07 to Mar 08) |
| Policy and Strategy | WS Amendment Bill by Mar'05 | <ul style="list-style-type: none"> Strategic Assessment of the Water Services Sector website has been developed Guideline document on Small Scale & Productive uses of water at household level is being finalised; Guideline document on Private Land is being piloted in 3 DM's. |
| Policy and Regulations | Regulation Strategy developed | <ul style="list-style-type: none"> Draft report on the Impact Assessment of the implementation of FBW policy completed; Publication of the Draft Bill on revised Water Services Act in the Government Gazette. |
| IGR and sector collaboration | WS functioning | <ul style="list-style-type: none"> Provincial WS Plans prepared in all 9 regions; Draft HIV/AIDS awareness strategy developed. |
| LG Support | | <ul style="list-style-type: none"> DWAF 5-Year Local Government Strategic Agenda developed to address Municipal Support Plans, FBW, bucket eradication, alignment of PGDS, IDP's and WSDP, hands- on support, Siyenze Manje & local economic development. |
| Drinking Water Quality | | <ul style="list-style-type: none"> More than 3,363 sites monitored for DWQ in February 2008; Number of health related DWQ failures in February 2008– EC(137), GP(3), KZN(49), LP(46), NC(37), FS(39), WC(36), MP(11), NW(5) |
| WSA's Checklist | | <ul style="list-style-type: none"> Revised checklist tool developed for 2008/2009 |
| Transfer of Schemes | 58 transfer agreements & 318 schemes transferred by March 2006 | <ul style="list-style-type: none"> 56 transfer agreements concluded; 2 agreements awaiting DG signature. 1,701 schemes transferred in accordance with TA's; 308 of the original 318 schemes have been transferred (97,0%). |
| Project Employment | People employed - job days created (water + san) | YTD = 79,841 jobs created through sanitation (<i>NB – 132,033 persons employed through MIG April to Sept 2007</i>) |
| Project Training | People trained (water + san) | YTD = 9,354 people trained |

2007/2008

EXPENDITURE ANALYSIS

QUADRANT 1: DWAF WATER SERVICES

Quadrant 1: DWAF - Water Services Specific

| | 2007/2008 | | |
|---|------------------|------------------|---------------|
| | Budget | Expend. | % Expenditure |
| | R'000 | R' 000 | |
| - DWAF Funding | | | |
| > Management Support Overheads | 72,800 | 53,645 | 74% |
| - Donor Funding (EU, DCI, Flemish, Swiss) | 354,672 | 334,139 | 94.2% |
| > EU (Contract signature - Sep 07) | 303,600 | 288,631 | 95.1% |
| > Irish Aid | 45,187 | 42,008 | 93.0% |
| > Flemish | 2,385 | - | 0.0% |
| > Swiss | 3,500 | 3,500 | 100.0% |
| | 427,472 | 387,784 | 90.7% |
| - Current Budget Prog 3: Water Services | 313,475 | 307,897 | 98.2% |
| - Indirect Grant Water Services Operating Subsidy | 1,118,483 | 1,100,184 | 98.4% |
| - Water & Sanitation @ Clinics and Schools | 105,000 | 104,637 | 99.7% |
| - Bulk Infrastructure | 300,000 | 299,036 | 99.7% |
| | 1,836,958 | 1,811,754 | 98.6% |
| Total | 2,264,430 | 2,199,538 | 97.1% |



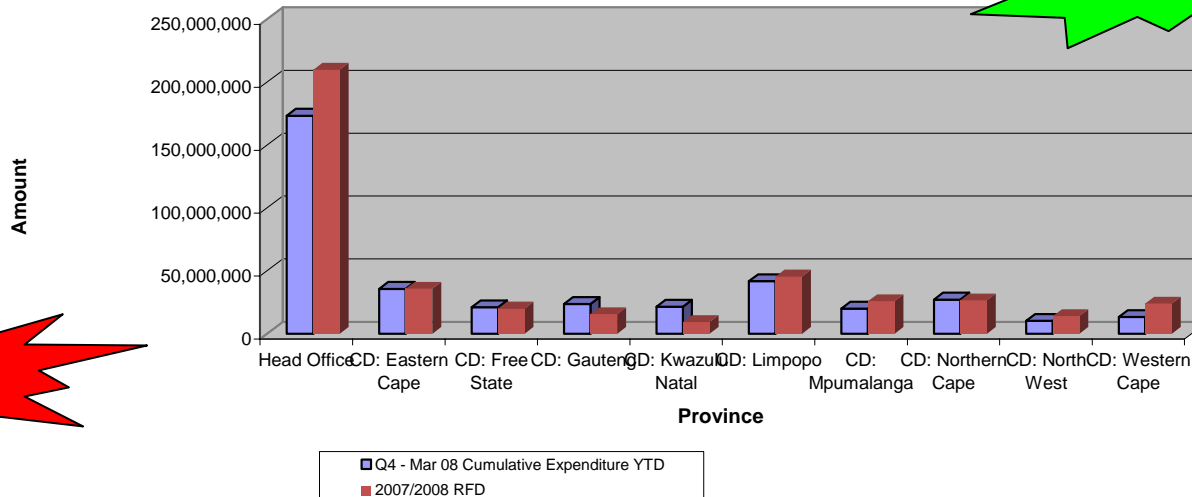


QUADRANT 1:

DWAF EXPENDITURE PER PROVINCE

| Province | Q1 June 07 - Cumulative Expenditure YTD | Q2 - Sept 07 Cumulative Expenditure YTD | Q3 - Dec 07 Cumulative Expenditure YTD | Q4 - Mar 08 Cumulative Expenditure YTD | 2007/2008 RFD | % Expenditure |
|--------------------|---|---|--|--|--------------------|------------------|
| Head Office | 11,319,230 | 34,059,360 | 63,878,290 | 173,338,211 | 210,070,880 | 82.5% |
| CD: Eastern Cape | 1,668,874 | 5,040,776 | 9,641,766 | 35,623,890 | 36,000,000 | 99.0% |
| CD: Free State | 3,908,200 | 3,394,836 | 5,764,764 | 21,099,883 | 20,100,000 | 105.0% |
| CD: Gauteng | 333,323 | 3,139,147 | 4,506,331 | 23,667,894 | 15,600,000 | 151.7% |
| CD: Kwazulu Natal | 30,000 | 210,293 | 221,401 | 21,484,206 | 9,468,000 | 226.9% |
| CD: Limpopo | 4,922,810 | 12,123,449 | 16,402,950 | 41,705,551 | 45,572,098 | 91.5% |
| CD: Mpumalanga | 1,201,123 | 5,800,892 | 8,149,910 | 19,989,941 | 26,077,000 | 76.7% |
| CD: Northern Cape | 3,126,979 | 7,283,805 | 12,551,610 | 27,204,456 | 26,664,030 | 102.0% |
| CD: North West | 1,072,125 | 1,725,752 | 3,301,236 | 10,333,950 | 14,120,000 | 73.2% |
| CD: Western Cape | 725,966 | 3,449,938 | 5,228,554 | 13,335,125 | 24,000,090 | 55.6% |
| Grand Total | 28,308,629 | 76,228,248 | 129,646,812 | 387,783,106 | 427,672,098 | 90.7% |

Quadrant 1: DWAF Water Sector Support per Region



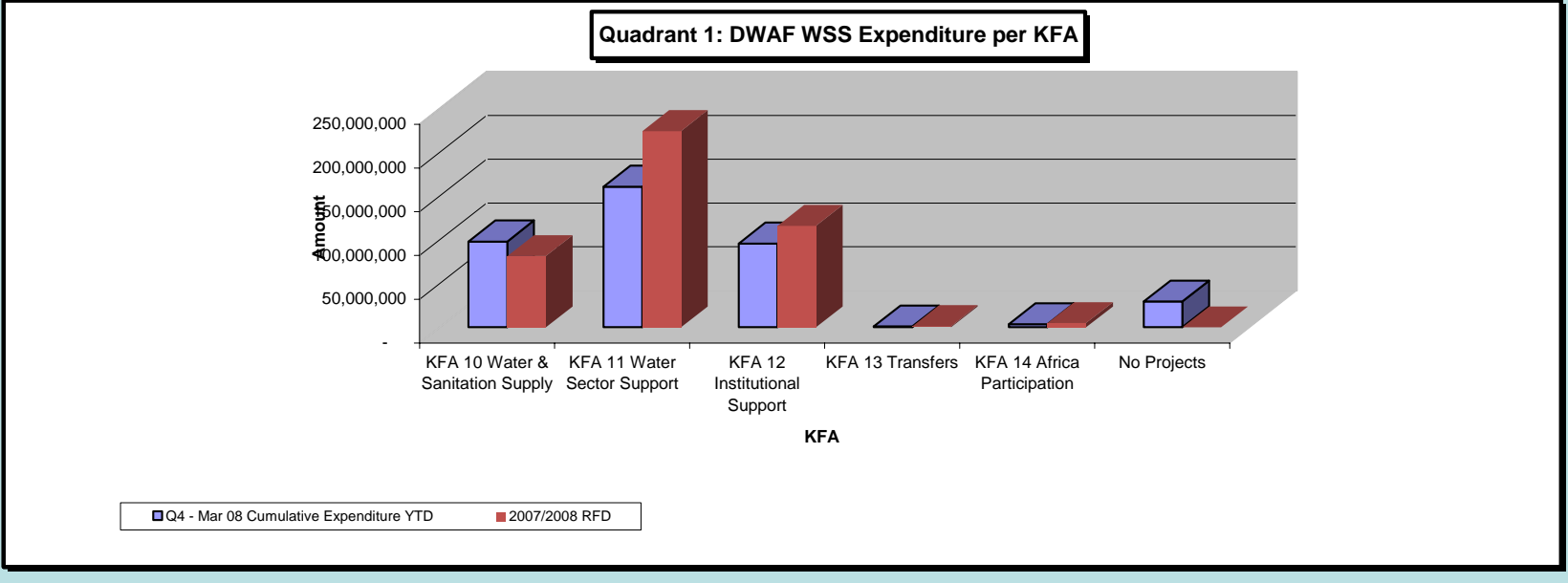
**KZN (226,9%);
GP (151,7%);**

**WC (55,6%);
NW (73,2%)**



QUADRANT 1: EXPENDITURE PER KFA

| KFA & Name | Q1 June 07 - Cumulative Expenditure YTD | Q2 - Sept 07 Cumulative Expenditure YTD | Q3 - Dec 07 Cumulative Expenditure YTD | Q4 - Mar 08 Cumulative Expenditure YTD | 2007/2008 RFD | % Expenditure |
|----------------------------------|---|---|--|--|--------------------|------------------|
| KFA 10 Water & Sanitation Supply | 8,536,144 | 28,756,546 | 54,621,189 | 97,971,922 | 81,435,242 | 120.3% |
| KFA 11 Water Sector Support | 12,213,524 | 28,546,050 | 44,084,233 | 160,759,054 | 224,254,404 | 71.7% |
| KFA 12 Institutional Support | 6,530,226 | 17,560,085 | 29,268,670 | 95,631,118 | 115,882,452 | 82.5% |
| KFA 13 Transfers | 295,274 | 337,986 | 645,137 | 776,111 | 1,250,000 | 62.1% |
| KFA 14 Africa Participation | 733,462 | 1,027,582 | 1,027,582 | 3,358,272 | 4,850,000 | 69.2% |
| No Projects | | | | 29,286,630 | - | |
| Grand Total | 28,308,629 | 76,228,248 | 129,646,812 | 387,783,106 | 427,672,098 | 90.7% |

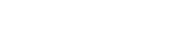
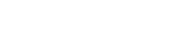




2007/2008

EXPENDITURE ANALYSIS

QUADRANT 2: NON-DWAF WATER SERVICES



| Quadrant 2: Non-DWAF - Water Services Specific | | | | | |
|--|-------------------|------------------|-------------------|------------------|--------------|
| | 2007/2008 | | | | |
| | Budget | Expen | WS Budget | WS Expend. | % WS |
| | R'000 | R'000 | R' 000 | R' 000 | Expenditure |
| - Municipal Infrastructure Grant (MIG) (61.49%) | 8,261,788 | 6,942,901 | 5,080,173 | 4,269,190 | 84.0% |
| Hospital Revitalisation Grant (5%) | 2,140,640 | - | 107,032 | - | 0% |
| Integrated Housing and Human Settlement Dev Grant (5%) | 8,342,946 | - | 417,147 | - | 0% |
| Provincial Infrastructure Grant (2.5%) | 6,164,025 | - | 154,101 | - | 0% |
| Cities Network | 271,000 | - | 5,420 | - | 0% |
| | 25,180,399 | 6,942,901 | 5,763,873 | 4,269,190 | 1 |
| - Equitable Share (35%) | 20,675,620 | - | 7,236,467 | - | 0 |
| | 20,675,620 | 0 | 7,236,467 | 0 | 0.0% |
| Total | 45,856,019 | 6,942,901 | 13,000,340 | 4,269,190 | 32.8% |

No financial information available

Unconditional grant – no expenditure report available

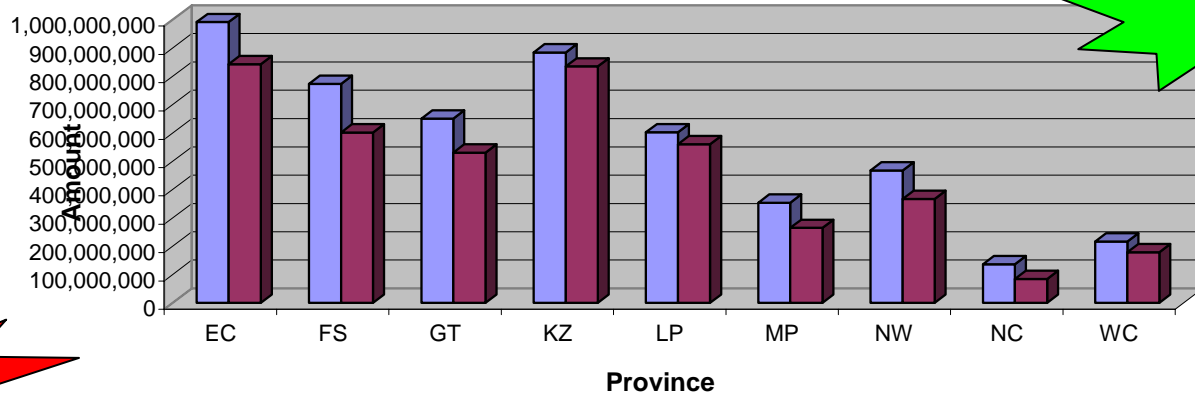


QUADRANT 2:

MIG EXPENDITURE PER PROVINCE

| Province | MIG BUDGET 2007/08 as per DoRA | Total MIG Funds Transferred YTD Mar 08 | Q4 MIG Cumulative Expenditure 2007/08 as per DoRA | Estimated MIG WS Budget 2007/2008 (61.49% of DoRA allocation) | Q4 - MIG WS Cumulative Expenditure (Apr - Mar 2008) | % MIG WS Expenditure 2007/08 |
|--------------------|--------------------------------|--|---|---|---|------------------------------|
| EC | 1,613,090,913 | 1,613,090,913 | 1,371,281,792 | 991,889,602 | 843,201,174 | 85.0% |
| FS | 1,258,725,268 | 1,258,905,269 | 979,869,307 | 773,990,167 | 602,521,637 | 77.8% |
| GT | 1,058,152,344 | 1,058,152,344 | 863,475,746 | 650,657,876 | 530,951,236 | 81.6% |
| KZ | 1,439,344,511 | 1,439,344,511 | 1,358,596,763 | 885,052,940 | 835,401,149 | 94.4% |
| LP | 980,188,408 | 980,188,408 | 911,048,960 | 602,717,852 | 560,204,005 | 92.9% |
| MP | 576,005,065 | 576,005,065 | 431,244,845 | 354,185,514 | 265,172,455 | 74.9% |
| NW | 760,641,647 | 760,641,647 | 596,942,223 | 467,718,549 | 367,059,773 | 78.5% |
| NC | 222,453,322 | 222,453,322 | 138,520,819 | 136,786,548 | 85,176,452 | 62.3% |
| WC | 353,186,254 | 353,186,254 | 291,920,577 | 217,174,228 | 179,501,963 | 82.7% |
| Grand Total | 8,261,787,731 | 8,261,967,732 | 6,942,901,031 | 5,080,173,276 | 4,269,189,844 | 84.0% |

MIG Water Services Expenditure per Province



MIG
LP (92,9%)
KZ (94,4%)

MIG
NC (62,3%);
MP (74,9%);

■ Estimated MIG WS Budget 2007/2008 (61.49% of DoRA allocation) ■ Q4 - MIG WS Cumulative Expenditure (Apr - Mar 2008)



QUADRANT 3: DWAf NON-WATER SERVICES (WATER RESOURCES)

| Quadrant 3: DWAf - Non-Water Services Specific | | | |
|--|------------------|------------------|---------------|
| | 2007/2008 | | |
| | Budget | Expend. | % Expenditure |
| | R' 000 | R' 000 | |
| Programme 2 - Water Resources | | | |
| Current | 1,197,257 | | |
| Augmentation of Trading Account | | | |
| + Infrastructure | 1,338,040 | 2,323,092 | 90.6% |
| + Assistance to small scale farmers | 27,868 | | |
| Disaster Funds - Drought Relief | 107,000 | 90,900 | 85.0% |
| Total | 2,670,165 | 2,413,992 | 90.4% |



EXPENDITURE ANALYSIS

QUADRANT 4: NON-DWAF, NON WATER SERVICES (CAPACITY BUILDING GRANTS)

Quadrant 4: Non-DWAF - Non-Water Services Specific

| | 2007/2008 | | | | |
|---|----------------|----------------|---------------|---------------|--------------|
| | Budget | Expen | WS Budget | WS Expend. | % WS |
| | R' 000 | R'000 | R' 000 | R' 000 | Expenditure |
| - Local Government Financial Management Grant (10%) | 145,250 | 32,763 | 14,525 | 3,276 | 22.6% |
| - Local Government Restructuring Grant (10%) | 530,000 | 43,106 | 53,000 | 4,311 | 8.1% |
| - Municipal Systems Improvement Grant (10%) | 200,000 | 26,597 | 20,000 | 2,660 | 13.3% |
| Total | 875,250 | 102,466 | 87,525 | 10,247 | 11.7% |

- Expenditure reported to end December 2008

WORKPLAN AND PRIORITY PROGRAMMES FOR 2008/2009

- Final revision of the a Strategic Framework for *Water for Growth and Development* - ready for cabinet Lekgotla July 08
- First variable tranche assessment for MSB III funding;
- Second revision of PWSPs to meet Water 2008 & Sanitation 2010- [linked to support plans](#);
- Finalise project lists and Financial Delegation 2008/2009;
- Provide water sector management support for FIFA 2010 Business Plan implementation.
- Business process re-engineering in DWAF and institutional realignment Consolidate integrated Water Sector (WS +WR interface) M&E&R; [Aligning sector reporting timelines – DPLG and Dept. of Housing report 3-month after reporting quarter](#);
- Extending cross- cutting to incorporate water resources and review as sustainability pillars;
- Finalisation of Strategy & POA for ‘Partnerships in the accelerated delivery of MDGs in SADC and NEPAD’;
- Conferences/Summits
 - Stockholme Water Conference – September 2008.

WORKPLAN AND PRIORITY PROGRAMMES FOR 2008/2009



- Compilation of strategic framework, guidelines & implementation plan, as well as overall financial & implementation management on Water Services Regional Bulk Infrastructure Grant;
- Approved Strategy for Water for Growth and Development Implementation Plan;
- Water sector support which has been broken into two components i.e. integrated local government support and support to water management institutions
- Integrated local government support, composed of the following programmes:
 - Provision of basic services (water, sanitation, buckets)
 - Drinking water quality
 - Refurbishment of schemes
 - Free basic services
 - Water conservation and demand management
 - Capacity building and training
- Integrated Sector Planning
- Regulatory support, compliance and enforcement
- Public education and awareness
- Integrated sector monitoring, evaluation and reporting
- Water Allocation Reform
- Resource protection and waste

THE END