

WSLG
DRAFT DOCUMENT
FOR EXCO ENDORSEMENT & FUTURE RATIFICATION
BY THE STRATEGIC TASK TEAM

DRAFT TERMS OF REFERENCE FOR THE WSLG
INSTITUTIONAL REFORM STRATEGIC TASK TEAM (STT)

1. CONTEXT & SECTOR IMPERATIVES

DWAF is reviewing institutional alignment of the various water services and water management institutions to achieve a refined institutional arrangement suitable for water provision and management in South Africa. The Minister has initiated this process as a flagship project.

An emerging model has been proposed, upon which sector members were invited to make comment at a workshop on the 18th November 2008, particularly looking at its appropriateness and the challenges associated with its applicability and practicality.

In general there was endorsement of most of the aspects of the model, namely:-

- Rationalisation of CMA's, reducing the number from 19 to 9, although it was felt the number is not the critical issue, as it will be agreed in the process according to what is feasible and workable. In fact the workshop called for the establishment of CMAs as a matter of urgency. CMAs will manage, develop and regulate water resources and use in their respective areas of jurisdiction.
- WUAs to become sub-catchment management entities accountable to CMA or LG or Water Users. What is important is to ensure transformation does take effect even at the lowest level of water management to benefit all concerned citizens.
- Local government should retain its authority function as constitutionally mandated
- The creation of an independent, competent, credible and legitimate regulator remains a long term goal. In the interim the current efforts of DWAF were supported in the interest of ensuring some regulatory monitoring and compliance is able to be effected. This is also seen as critical and urgent.
- National Water Infrastructure development and management was seen as decisive for a sustainable water chain and socio-economic growth. Whether it remains within DWAF as a branch or is an external agency was not deemed a critical factor – rather that it is competent and effective and accountable to the sector and the public at large.

The major concern was around the model for bulk water provision, in which it is proposed that Water Boards become Water Utilities and are reconfigured to be provincially represented, proposing 9, and to take on regional schemes and bulk

sewerage works. The principle of ensuring bulk services to ensure wall to wall reticulation services was endorsed. However it was strongly felt that the realignment of bulk provision cannot be done in isolation of water services provision function of local government, upon which the model was silent. It has to be reconsidered in the light of dplg's white paper process on provincial and local government, the existing capacity and future water requirements. There are complex issues of legislative, financial, viability, legal ownership and transfer matters. It was recognised that water services provision – both bulk and reticulation – is critical and that economy of scale and effective use of existing capacity to ensure affordable and sustainable services for all are key determinants. However much more ground work and feasibility studies need to be done, before any model can be considered. This will require a lot more negotiation and collaboration with water service providers.

It was agreed to move on the implementation of the agreed aspects of the model, acknowledging the viability of these institutions is subject to substantiation by socio, political and economic analysis favourable to the agenda of government.

The institutional re-alignment has impact upon the whole of the water sector and as such it will be critical to ensure the proper and structured engagement of the key stakeholders and sector members. In this regard the establishment of a WSLG STT is timely and in accordance with the expressed intention of setting up a steering committee. Given the very short time frames, establishment of this STT is urgent.

2. OBJECTIVES OF INSTITUTIONAL RE-ALIGNMENT

- 2.1 To bring to a close the long running restructuring of the sector
- 2.2 To streamline and clarify the roles and responsibilities of various water institutions
- 2.3 To strengthen and develop capacity for regulation and oversight
- 2.4 To redefine the arrangement of institutions reporting to the Minister
- 2.5 To strengthen service delivery through effective institutional relations

3. PRINCIPLES

- 3.1 Address the span of control and relationships
- 3.2 Strengthen the institutional capacity in the value chain
- 3.3 Maximise service delivery
- 3.4 Impact on water pricing for economic growth
- 3.5 Strengthen capacity to collect revenue
- 3.6 Strengthen regulation and oversight

4. RESPONSIBILITIES & FUNCTIONS

4.1 Overall responsibility:

To provide strategic guidance and input on the finalisation of the institutional re-alignment model and its implementation in the water sector.

4.2 Specific responsibilities:-

1. To present the viewpoints of member's organisation or constituency and build consensus in the best interest of the sector, South Africa and its people
2. To oversee the finalisation of the model and promote understanding of it by sector members
3. To identify appropriate expertise for research and analysis that may be required to inform the model options and implementation
4. To collaboratively develop and strategically guide the implementation of the models, noting that the establishment of CMAs is a top priority, and that the requisite authority and resources should be transferred to the two established CMAs as a matter of urgency
5. To provide strategic oversight of the re-alignment process and ensure accountability to the sector and its members
6. To handle any critical issues, conflicts and controversies that may arise needing sector partner intervention
7. To follow-up on key strategic issues from sector dialogue platforms (forums, summits, indabas, etc)
8. To assist in the mobilisation of resources for the project
9. To promote sharing of knowledge and lesson learnt to improve on implementation of institutional remodelling and addressing of challenges
10. To advise on the establishment of monitoring and evaluation mechanisms and promote coordinated reporting across activities and partners.
11. At a strategic level to monitor and report to the WSLG on the progress of the implementation of the Institutional Re-alignment project

4.3 Membership

The IR STT should be limited to a manageable size if it is to play its oversight role effectively. However, there are many stakeholders in the sector whose support for the initiative must be engendered if it is to succeed. Based on this, the Membership of the Sector Stakeholder Task Team should comprise the following institutions:

1. DWAF – Regulations and Institutional Oversight
2. The Department of Provincial and Local Government (dplg)
3. National Treasury
4. South African Local Government Association (SALGA)
5. SA Association of Water Utilities (SAAWU)
6. Cities Network
7. District Water Services Managers Forum
8. SA Association of WUAs
9. CMAs – Breede Rivier and Nkomazi
10. Agriculture sector – TAU, NAFU and Agri-SA to decide who to represent
11. The Water Research Commission (WRC)

12. Organised labour – Who is most directly impacted and can give advice on transfer of personnel?

The STT will be convened by the Project Manager and will elect its own chairperson.

The institutions reflected above must nominate a member to represent the institution in the STT. In this regard it is important that individuals who are nominated have decision making powers in their respective organisations.

The participation in the IR STT is voluntary. No travel expenses will be paid by DWAF, unless with prior agreement for special cases.

4.4 Linkages

There are a number of other STTs which are either already in place or in the process of being established. In view of the systemic nature of much of the subject matter, it will be important in some cases to establish open lines of communication with other STTs. This will primarily be facilitated by the WSLG Exco, which will seek to play a coordinating and aligning role. If considered necessary, bilaterals can be arranged. The other STTs are as follows:

- Asset management
- Water conservation and demand management
- Sector financing
- Regulation
- Water for Growth and Development
- The National Water Resource Strategy
- Skills development
- Rethinking the sanitation paradigm (being addressed by the National Sanitation Task Team)

In the case of this particular STT, it is considered that linkages with the sector financing STT will be particularly important.

It will also be very important for this STT to take cognizance of the deliberations of the 2008 Municipal Indaba, with specific reference to the recommendations in the workplan.

4.5 Agendas

Once this STT has been convened and the terms of reference confirmed, then a workplan will be developed which will give effect to the objectives set out in the terms of reference. The agenda will thereafter focus on implementation of items identified in the workplan. The workplan will need to be submitted to Exco for comment.

4.6 Secretariat

Secretariat for the STT will be provided by DWAF Sector Collaboration.

4.7 Frequency of Meetings

It is proposed to meet on a regular basis, to be determined by the task team, and meetings should be open to other interested parties, by invitation, should this be required.

4.8 Working groups

From time to time, as and when required, the STT may appoint Working Groups to support the Task Team and undertake specific tasks in key focus areas.

Working group members will be recruited and appointed by the STT and will be accountable to it for the achievement of specific tasks. Working groups will be convened by the Project Manager.

Working groups will focus on specific areas of implementation.