



water affairs

Department:
Water Affairs
REPUBLIC OF SOUTH AFRICA

1ST NATIONAL STEERING COMMITTEE MEETING FOR THE ESTABLISHMENT OF CATCHMENT MANAGEMENT AGENCIES (CMAs)

Date: 29 June 2012
Time: 10:00 to 13:00
Venue: Burgers Park Hotel, Pretoria

1. Welcome and introductions, attendance and apologies, approval of agenda

The chairperson, Mr Nepfumbada, welcomed everyone to the inaugural meeting of the National Steering Committee (NSC) for the Establishment of the CMAs. A round of introductions was done and apologies were noted from Mr Jackson, Ms Bofilatos, Mr Khorommbi and Ms Mochotlhi.

The agenda was adopted.

The project for the establishment of CMAs required input from the NSC members, including the CFO, the CIO and the DDG: Human Resources. A timeframe of between 3 to 5 years had been set for the process towards establishing the CMAs, and the NSC was responsible for ensuring that this target was met.

2. Purpose of the meeting

Ms Sigwaza indicated that the purpose of the meeting was to:

- *Agree and finalise the membership and alternatives of the NSC*
- *Agree on the Terms of Reference (ToR) of the NSC*
- *Outline the objectives of the project*
- *Agree on the project deliverables and timeframes in the implementation plan.*

She emphasised that the project for the establishment of CMAs comprised various small projects and that a budget had not been secured for the entire project. A national project team, which had not yet been appointed, would drive the project, and the Directorate: Institutional Oversight would provide the project secretariat. The various initiatives at national and regional level would be coordinated by Mr Masindi until a dedicated project manager had been appointed.

3. Objectives of the project

This matter was dealt with under item 2 of the agenda.

4. Current operation and future model

Presentation: Final recommendations on institutional reforms and realignment (Ms Sigwaza)

Ms Sigwaza explained that the recommendations of the Institutional Reforms and Realignment project (IRR) had not yet been presented to the Minister of Water Affairs and adopted for implementation.

The recommendations concerned the following:

- *Operating and governance model*
- *Reform of irrigation boards and water user associations (WUAs)*
- *Implementation of nine CMAs*

- *Reform of water boards*
- *Changes relating to the Water Research Commission (WRC)*

Well-managed institutional reform was necessary in order to achieve equity. Institutional reform was driven by problems relating to the lack of access to water supply, delays in the reallocation of water, poor management of pollution and water theft, as well as backlogs in infrastructure development and maintenance. These problems would be addressed in three broad areas: municipal, regional and national water infrastructure.

The current operating model for water institutions, with 97 entities reporting to the Minister of Water Affairs, was unmanageable and ineffective in solving the problems that existed. The proposed structure would reduce the number of institutions currently accountable directly to the Minister of Water Affairs by 50%, and the current 12 water boards would be merged into nine initially, with only four water boards remaining after ten years; most of the WUAs would report to the CMAs. Water institutions were governed through various Acts (currently being reviewed) and reported to Parliament through the relevant Parliament Portfolio Committee (PPC). The Minister of Water Affairs was accountable for the appointment of members to the boards of the various entities. It was important to bring the irrigation boards (IBs) under the ambit on the new National Water Act(NWA).

The recommendations concerning the WUAs and IBs covered three broad areas:

- *Fast-tracking of the transformation of the IBs*
- *Regulation, establishment and accountability of WUAs through a differentiated approach*
- *Establishment and financial support of an inter-departmental flagship project on land, water and agrarian reform, particularly targeting resource-poor farmers.*

The transformation of water boards by expanding their mandates and consolidating the current 12 into four large, strong organisations would:

- *Address underperforming and marginal water boards and gaps in infrastructure provision*
- *Improve management of water resources infrastructure*
- *Ensure strong, financially viable regional institutions that raise finance for investment.*
- *Allow water boards to play a more effective role in supporting municipalities.*

The recommendations to transform water boards covered specific activities in three broad areas: municipal, regional and national water resources infrastructure.

In terms of changes to the WRC, it was recommended that a National Water Research Plan be developed for water research in South Africa and the review of the Water Research Act be fast-tracked for completion within six months.

The implementation of the recommendations of the IRR would be overseen by a national task team.

The recommendations would be presented to the Minister of Water Affairs on 3 July 2012.

Discussion

Mr Buthelezi raised the following points:

- *The functions of the CMAs were not clearly defined in the current version of the NWA, and this should be corrected in the review of the NWA.*
- *The Overberg Water Board supported mainly farmers. In future the water board would have to work closely with the CMAs in the region.*
- *Although some of the IBs may have valid reasons for their reluctance to transform to WUAs, in general, stringent conditions should be imposed on IBs to persuade them to transform to WUAs, rather than disallowing them to function, particularly as IBs or WUAs played an essential role in the effective management of water resources.*
- *The transformation of the IBs to WUAs and the alignment of IBs to the NWA were different issues, and this should be clearly stated in the recommendations.*

- The membership and roles of the WUAs should be clearly defined.

Mr Mahunonyane commented that the transformation of IBs to WUAs had not been achievable in the last ten years and would therefore be difficult to achieve within 12 months. He added that membership of the WUAs was clearly defined in the NWA and that there was no confusion between the NWA and the legislation that governed municipalities.

The chairperson requested NSC members to put their comments in writing for inclusion in the recommendations of the IRR.

Action: NSC members and Secretariat

5. Implementation plan

Presentation: Implementation plan for rollout of nine CMAs (Mr Masindi)

The Minister of Water Affairs had approved the establishment of nine CMAs in nine water management areas (WMAs) on 19 March 2012, marking the onset of the process towards the establishment of the CMAs and the amended demarcations of the WMAs, as a component of the National Water Resource Strategy (NWRS). According to the implementation plan, business cases for the CMAs would be submitted to National Treasury by the end of June 2012.

The policy and legislative context relating to the rollout of nine CMAs stipulated that the Minister of Water Affairs may establish institutions to perform water resource management functions. The implementation of catchment management agencies should comply with the principles of water resource management. The NWA made provision for the establishment of CMAs as statutory bodies and they are schedule 3a public entities under PFMA. In the absence of CMAs, the NWA provide for DWA to undertake water resource management functions. CMAs would be established in order to achieve equitable access to water, and sustainable and efficient water use.

The nine CMAs and WMAs would have corresponding demarcated areas, and would be established in three phases over three to five years, guided by a project plan framework based on the following phased approach:

Phase 1

Inkomati-Usuthu
Breede-Gouritz
Pongola-Umzimkulu

Phase 2

Berg-Olifants
Olifants
Vaal
Limpopo

Phase 3

Orange
Mzimvubu-Tsitsikamma

Regional Steering Committees (RSCs) are currently being established and would comprise of experts dedicated to the rollout of the nine CMAs. DWA Legal Services division would offer advice with regard to the legal implications of establishing nine CMAs and WMAs. The stakeholder engagement process would commence as soon as the RSCs are in place and would be the primary task of the RSCs.

The project would be governed by the NSC and the RSCs, using a participatory and interdepartmental approach. The NSC would be chaired by the DWA DDG: Water Resource Management (WRM) and made up of other DDGs and CDs in the National Office. There would be nine RSCs, chaired by the Regional Heads. RSC chairpersons were appointed in cases where WMAs boundaries overlapped into two or more Regional Offices: Institutional Establishment (Regions) would focus efforts on the establishment of CMAs over the next three years.

The role of the NSC would be to:

- Provide strategic guidance and vision in terms of the implementation of CMAs
- Provide guidance on policy and legislative challenges impacting on the implementation process
- Provide guidelines for the development of business cases in accordance with requirements of National Treasury
- Review and comment on the business cases before submission to the Minister of Water Affairs
- Facilitate the availability of human and financial resources
- Support DWA: IO in developing the new policies on governance of water management institutions
- Provide guidance on issues relating to staff transfers from Regional Offices to CMAs
- Offer guidance to CMAs with regard to organisational structure and organograms
- Oversee implementation of the CMAs and facilitate knowledge sharing between WMAs.

The role of the RSCs would be to:

- Ensure the implementation of the CMAs within the agreed timeframes
- Convene stakeholder meetings concerning the CMAs and WUAs
- Communicate and engage with stakeholders at a local level
- Oversee the development of business cases and the relevant participatory processes
- Prepare regional implementation plans for the establishment of CMAs for submission to the NSC
- Identify resources required and advise the NSC accordingly
- Meet on a regular basis
- Find mechanisms for communities to participate in the establishment of CMAs.

The RSC would report to the NSC, and the NSC would consider recommendations from the RSC before making submissions for approval, via the DDG: P&R to the Minister of Water Affairs. The national project team would be based at DWA National Office and report to the CD: IO, who would report to the DDG: P&R. Decisions of the NSC would be communicated to, and where necessary implemented by, other divisions of DWA.

The national project team would be made up of people with legal, governance, water resource management, financial and risk management skills and expertise necessary for the establishment of CMAs.

The establishment of CMAs would require:

- DWA National and Regional Offices to perform oversight, support and regulatory functions, and to build the appropriate capacity required by the CMAs
- The transfer of staff from the Regional Offices to the CMAs in order to carry out functions that would be transferred from the Regional Offices to the CMAs
- The transfer of budgets from the Regional Offices to the CMAs, relevant to the transferred functions and staff.

Negotiations would have to be held with Regional Office staff concerning transfers to the CMAs. The transfers would comply with the relevant requirements of the Labour Relations Act. Functions would be transferred to the CMAs in a series of phases, guided by the capability of the specific CMAs to support the relevant functions. A plan for the transfer of functions, staff and budgets would be developed over a period of three to five years and agreed upon by the CMA boards.

DWA would be obliged to:

- Ensure that staff transfers took place timeously
- Make funding available timeously and make the necessary budget provisions
- Ensure that WARMS was made accessible to the CMAs
- Develop data and information protocols for CMAs in line with DWA requirements
- Identify and transfer monitoring infrastructure that was not part of the national monitoring system, together with the relevant budget, to the CMA.

The costs relating to the establishment of nine CMAs over three years had been estimated at R108.5 million.

The way forward in relation to the establishment of the CMAs involved the following activities:

- Finalisation of the submission of business cases for two CMAs (Inkomati-Usuthu and Breede-

- Gouritz) to National Treasury by 6 July 2012 in order to secure funding for 2012/13
- Preparation of business plans for the remaining seven CMAs by the end of December 2012.
 - Organising RSC meetings and engaging stakeholders
 - Development of the regional implementation plans by the end of September 2012.
 - Consolidation of the regional implementation plans into a national implementation plan by the end of October 2012
 - Obtaining approval for the appointment of a national project team
 - Amendment of the Act (General Amendment Bill) to accommodate the changes to the governance process relating to water resource management.

Discussion

Ms Fundakubi commented that although staff would not be seconded to the project, resources would be made available by the Finance Department for the project, ensuring that the CMAs' financial, risk and asset management processes were appropriately integrated in DWA's systems. This model would be relevant to the Regional Offices as well as the National Office. Other expertise should be sought internally in DWA before appointing external experts to the project team. The chairperson agreed that this should be explicitly stated in the project plan. However, it would be essential for the relevant experts in DWA to be able to commit to and focus on the project.

Mr Modise pointed out that the CMA premises should be situated in close proximity to the Regional Offices in order to minimise the impact of staff and asset transfers.

Ms Hene was concerned about the three-year timeframe allocated to the establishment of CMAs and suggested that this aspect should be identified as a risk. It was essential for RSCs to make recommendations to and advise the NSC on the practical implications of meeting targets set in the implementation plan. The RSCs were in a position to set achievable targets. The lack of capacity and resources would not be accepted as valid or appropriate reasons for delayed performance and achievements of the project team, the NSC and RSCs. The chairperson explained that, although it would be necessary to work towards completing the project within three years, it was realistic to assume that the project would be completed within a five-year timeframe. He appealed to the Regional Offices and the National Office to cooperate in order to ensure that the project would be completed within the shortest possible period.

Mr Buthelezi commented as follows:

- The stakeholder consultation process relating to the merger of Gouritz with the Breede CMA had been completed some time ago, but the lack of common will on the part of DWA Regional and National Offices had resulted in a delay in the implementation of the merge. He suggested that the consultation process proposed in the implementation plan should be refined.
- It was important to clarify whether each Regional Office would make arrangements for the transfer of their staff to CMAs, or whether a uniform approach would be adopted for all the Regional Offices.
- The CMAs should be given flexibility to develop organisational structures according to their specific requirements instead of being obliged to follow a standardised structure laid down by the project team, RSC and NSC.
- It was important to work towards the given timeframes for the establishment of CMAs, and for the systems that drive the process to be in place in order to ensure that the process was not derailed.

Mr van Rooyen expressed concern that:

- Public consultation about the CMAs could only take place once the public consultation process concerning the WMA boundaries had been finalised and the boundaries of the nine WMAs had been published.
- The ToR of the NSC had not been distributed to committee members for consideration prior to the meeting.

The Stakeholder Empowerment Unit of the Directorate: IO had been tasked to communicate with stakeholders and had already engaged with a number of established forums in several regions on the nine CMAs and WMAs. The chairperson suggested that a communication group should be included in

the project team.

Mr Muller reiterated that the project was a primary focus of DWA, and that it should be treated as such. It was essential to take into account the implications of the establishment of CMAs on the Regional Offices, and develop a plan that provided structure for resources, functions and budget for the changing role of the Regional Offices.

The chairperson emphasised that the initial development of catchment management strategies (CMSs) from the business cases should be coordinated and overseen by the nine RSCs. The various challenges relating to the transfer of staff would have to be addressed comprehensively and a clear process put in place by the project team's Human Resources group.

Mr Matji observed that costs had been estimated for the project even though business cases had not yet been developed for all the CMAs. He indicated that a revenue line should be drawn up showing the proportional reduction in grant funding to the CMAs and Regional Offices as the CMAs began generating their own income and the role of the activities of the Regional Offices changed over time. The chairperson requested the Secretariat to ensure that this matter was addressed in the implementation plan.

Ms Fundakubi pointed out that the costs of the project should be supported by information that reflects the optimisation of assets and resources available from the Regional Offices.

Ms Sigwaza reported that a draft executive business case for the CMAs had been developed and would be submitted to the CFO by 3 July 2012. She emphasised the importance of the allocation of seed funding to this project by National Treasury.

The Secretariat was requested to take the NSC's comments into account in the implementation plan.

Action: Secretariat

6. Terms of Reference of the NSC

Ms Sigwaza presented the draft ToR to the NSC.

The primary objective of the NSC was to provide strategic direction, vision and guidance, and to have oversight over the project for the establishment and implementation of nine CMAs. In addition, the NSC would provide guidance in relation to policy and legislation challenges and hindrances to the implementation of the nine CMAs, and would comment on business cases and other relevant documentation for submission to the Minister of Water Affairs. Lessons learnt during the establishment of the Breede-Overberg CMA (BOCMA) and the Inkomati CMA (ICMA), and knowledge sharing between CMAs and Regional Offices, would be facilitated by the NSC.

The RSCs would be chaired and convened by the Regional Heads or the delegated Director, and the DDG: Regions would decide which Regional Head would lead where more than one region was involved in a WMA. The chairpersons of RSCs and respective WMAs had been allocated as follows:

Water Management Area	Chair of Regional Steering Committee
1. Limpopo	Mr Alson Matukane supported by Ms Marie Brisley-Clarvis
2. Olifants	Mr Moses Mahunonyane supported by Mr Alson Matukane
3. Inkomati-Usuthu	Mr Moses Mahunonyane supported by Ms Angela Masefield and Mr Brain Jackson
4. Pongola-Mzimkulu	Ms Angela Masefield
5. Vaal	Mr Hennie Smith supported by Mr Abe Abrahams and Mr Tseliso Ntili
6. Orange	Mr Tseliso Ntili supported by Mr Abe Abrahams
7. Mzimvubu-Tsitsikamma	Mr Ashley Starkey
8. Breede-Gouritz	Mr Rashid Khan supported by Mr Phakamani Buthelezi
9. Berg-Olifants	Mr Rashid Khan

The NSC Secretariat was provided by DWA: IO, and Secretariats for RSCs would have to be

established.

The NSC would meet twice a year (at six-monthly intervals) and the RSCs would meet quarterly (at three-monthly intervals), aligned with the financial year and DWA's planning processes.

Discussion

NSC members commented as follows on the draft ToR:

- The chairperson commented that the interdepartmental nature of the project and the incorporation of relevant government departments and stakeholders such as SALGA on the NSC should be explicit in the ToR.
- Sub-committees or task teams of the NSC, as well as their membership, should be clarified in the ToR.
- Meetings should be held every three months (and not every six months) in order to achieve the targets set in the implementation plan.
- The RSCs' quarterly meetings would be held prior to the NSC meetings to allow reports from the RSC meetings to be considered at NSC meetings.
- Mr van Rooyen emphasised that the NSC's main objective was to address any hindrances to the progress of the project, and the ToR should provide flexibility in this regard.
- All chairpersons of RSCs should be members of the NSC in their capacity as RSC chairpersons and not as Regional Heads.

The NSC agreed that:

The draft ToR would be updated to incorporate the above input and then circulated to NSC members for comment towards finalising the document by 23 July 2012 for adoption at the next NSC meeting.

Action: Secretariat

7. Membership and alternates of the NSC and RSCs

The matter was discussed under item 6 of the agenda.

8. Other

No matters were raised under this item.

9. Date of next meeting

The NSC agreed that:

- Future meetings would start promptly at 10:00 and be held on the last Friday of every third month.
- The meeting documentation would be distributed in electronic format in good time prior to the meetings, and printed copies of the documents would not be distributed at meetings.
- NSC meeting dates would be included on the DWA corporate calendar.
- The minutes of the meetings would be available within 14 days of the meetings.

Action: Secretariat

The next meeting would be held on **28 September 2012**.

Dates of further meetings would be confirmed and sent to NSC members.

Action: Secretariat

10. Closure

The chairperson thanked the committee members for their participation in the meeting.

The meeting ended at 13:00.

Chairperson

Date

NAME	INSTITUTION
<i>Abrahams, Abe</i>	<i>DWA: Northern Cape</i>
<i>Buthelezi, Phakamani</i>	<i>BOCMA</i>
<i>Fundakubi, ONV</i>	<i>DWA: CFO</i>
<i>Hene, BD (for Mr Rashid Khan)</i>	<i>DWA: Western Cape</i>
<i>Macevele, Stamford</i>	<i>DWA: Mpumalanga</i>
<i>Mahasha, Matome</i>	<i>DWA: IO</i>
<i>Mahunonyane, Moses</i>	<i>DWA: Mpumalanga</i>
<i>Malatji, Emmah</i>	<i>DWA: IO</i>
<i>Masevhe, Thabelo</i>	<i>DWA: IO</i>
<i>Matji, Petrus</i>	<i>National Treasury</i>
<i>Matseba, Mogale</i>	<i>DWA: Gauteng</i>
<i>Mgwambani Masia (for DDG: Regions)</i>	<i>DWA: Regional Coordination and Management (RCM)</i>
<i>Modise, Tlhophoho</i>	<i>Business Process Reengineering Committee (BPRC)</i>
<i>Muller, Helgard</i>	<i>DWA: Policy and Regulation (P&R)</i>
<i>Naidoo, Shane (for Ms Mohapi)</i>	<i>DWA: RDM (Resource Directed Measures)</i>
<i>Nepfumbada, Mbangi P</i>	<i>DWA: Water Resource Management (WRM) (Chairperson)</i>
<i>Ralekoa, Wendy (for CD: NW)</i>	<i>DWA: North-West</i>
<i>Sigwaza, Thoko</i>	<i>DWA: IO</i>
<i>Masindi, Thivhionali Kenneth</i>	<i>DWA: IO</i>
<i>Thobejane, Sam</i>	<i>DWA: WMIG (Water Management Institutions Governance)</i>
<i>Van den Berg, Leo (for Ms Deborah Mochotlhi)</i>	<i>DWA: Water Allocations</i>
<i>Van Rooyen, Johan</i>	<i>DWA: National Water Resource Planning (NWRP)</i>
<i>Zamxaka, Nozuko</i>	<i>DWA: Office of the DDG: Regions</i>
<i>Erasmus, Heather</i>	<i>Write Connection (Scribe)</i>

ANNEXURE B: ACRONYMS

<i>BOCMA</i>	<i>Breede-Overberg Catchment Management Agency</i>
<i>CD</i>	<i>Chief Director</i>
<i>CFO</i>	<i>Chief Financial Officer</i>
<i>CIO</i>	<i>Chief Information Officer</i>
<i>CMA</i>	<i>Catchment Management Agency</i>
<i>CMS</i>	<i>Catchment management strategy</i>
<i>DDG</i>	<i>Deputy Director-General</i>
<i>DWA</i>	<i>Department of Water Affairs</i>
<i>IB</i>	<i>Irrigation Board</i>
<i>ICMA</i>	<i>Inkomati Catchment Management Agency</i>
<i>IO</i>	<i>Institutional Oversight</i>
<i>IRR</i>	<i>Institutional Reforms and Realignment project</i>
<i>NSC</i>	<i>National Steering Committee</i>
<i>NWA</i>	<i>National Water Act</i>
<i>NWRS</i>	<i>National Water Resource Strategy</i>
<i>P&R</i>	<i>Policy and Regulation</i>
<i>PPC</i>	<i>Parliament Portfolio Committee</i>
<i>RDM</i>	<i>Resource Directed Measures</i>
<i>RSC</i>	<i>Regional Steering Committee</i>
<i>SALGA</i>	<i>South African Local Government Association</i>
<i>ToR</i>	<i>Terms of Reference</i>
<i>WARMS</i>	<i>Water Use Authorisation and Registration Management System</i>
<i>WMIG</i>	<i>Water Management Institutions Governance</i>
<i>WRC</i>	<i>Water Research Commission</i>
<i>WRM</i>	<i>Water Resource Management</i>
<i>WUA</i>	<i>Water User Association</i>