



DEPARTMENT OF WATER AFFAIRS

2ND NATIONAL STEERING COMMITTEE MEETING FOR THE ESTABLISHMENT OF CATCHMENT MANAGEMENT AGENCIES (CMAs)

Date: 8 February 2013
Time: 09:00 to 13:45
Venue: Birchwood Conference Centre, Benoni

1. OPENING

1.1 Welcome and opening remarks

Ms Sigwaza welcomed everyone to the meeting on behalf of the chairperson, Mr Nepfumbada. A round of introductions was done and the attendance list was circulated for signature. The presence of representatives from DWA Human Resources (HR), DWA Finance, Inkomati CMA (ICMA), Breede-Overberg CMA (BOCMA) and the Department of Agriculture, Forestry and Fisheries (DAFF) was acknowledged.

A moment's silence was observed as a token of respect of the deceased Mr Zolile Keke, retired Director of Water Resource Management (WRM) at the Eastern Cape Regional Office.

The objectives of the meeting were:

- *To discuss the progress made on the establishment of CMAs*
- *To deliberate on challenges facing the establishment of CMAs and provide solutions*
- *To finalise the draft terms of reference for the National Steering Committee (NSC)*

Ms Sigwaza emphasised that the NSC is a high-level committee that focuses on strategic matters. Regional offices would report on progress in relation to the proposed nine water management areas (WMAs).

2.2 Apologies

Apologies were noted and recorded.

2.3 Approval of the agenda

The agenda was adopted with the addition of an item on the update on the National Water Resource Strategy (NWRS 2).

3. MINUTES OF THE 1ST NSC MEETING AND MATTERS ARISING

3.1 Adoption of the minutes of 29 June 2012

The minutes of the first NSC meeting on 29 June 2012 were adopted as a true reflection of the meeting with the following corrections:

- *Item 2 page 1: '...Directorate: Institutional Oversight...' should read, '...Chief Directorate: Institutional Oversight...'*

- *Item 4 page 2: ‘...under the ambit on the new National Water Act...’ should read, ‘.....under the ambit of the National Water Act...’*

3.1 Matters arising from the minutes of 29 June 2012

	Matter arising	Action
1.	Item 6: Terms of Reference of the NSC <i>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.</i>	<i>The adoption of the ToR of the NSC is dealt with under item 4 of the agenda of this meeting.</i>
2.	Item 9: Date of next meeting/s <i>Dates of further meetings would be confirmed and sent to NSC members.</i>	<i>The dates of the next meetings are given under item 10 of the agenda of this meeting.</i>

4. ADOPTION OF THE TERMS OF REFERENCE (ToR) FOR THE NSC

Mr Masindi presented the final draft of the ToR for adoption by the NSC, indicating the changes that had been incorporated as a result of the input from NSC members during and since the first NSC meeting.

- *The governance structure was revised*
- *The following sector partners were included in the NSC:*
 - *ICMA*
 - *BOCMA*
 - *Department of Environmental Affairs*
 - *Water Research Commission (WRC)*
 - *Department of Rural Development and Land Reform: Recapitalisation and Development*
 - *DAFF: Water Use and Irrigation Development*
 - *Civil society organisations (CSOs).*
- *The following four task teams would be established to operationalise the work of the NSC:*
 - *Change Management*
 - *Monitoring and Information Systems*
 - *CMA Functions and Delegations*
 - *Viability and Sustainability of CMAs.*
- *The frequency of NSC meetings and distribution of documentation prior to meetings were stipulated.*

The following points raised in the NSC’s discussions should be taken into account by the project management team and, where appropriate, incorporated into the ToR:

- *Alternates representing appointed task team leaders must have authority to make decisions on behalf of the leaders they represent in order to ensure continuity.*
- *Communication and related issues would be incorporated as part of the Change Management task team.*
- *The task teams would be based at national level and involve the Regional Offices.*
- *In terms of experts and consultants participating in the task teams, the project management office would ensure that there was sufficient input into the work of the task teams by coordinating and sharing resources that were available. In addition to appointing consultants to fill specific skills gaps, task teams should call on competencies available in institutions such as the CSIR, DBSA and WRC.*
- *The leaders and co-chairs of the task teams should be brought on board as soon as possible and given time constitute their respective teams and to put in place additional capacity to address the various matters dealt with by the task team.*
- *The Regional Steering Committees (RSCs) should group the work they are doing in line with the themes of the task teams, and the task teams should initiate regional input at a very early stage.*
- *The correct WMA names must be used consistently in the ToR document.*

- The list of NSC members should not mention names of individuals, but positions and representative organisations.

Names and leaders of the task teams were proposed as follows:

- Change Management and Communication task team: The task team should be led by the CD: HR, with CD: Communication as co-chair and representation from Institutional Oversight (IO): Stakeholder Empowerment.
- Monitoring and Information Systems task team: The CD: WRM should lead the task team.
- CMAs Functions and Delegations: The CD: IO should lead this task team, co-chaired by DWA: Legal Services.
- Viability and Sustainability of CMAs: The Deputy CFO, DWA Water Trading Entity (WTE) will lead this task team, co-chaired by National Treasury.

The task teams would be further constituted by their respective chairpersons within the next two weeks, the composition of the task teams would be circulated to NSC members, and progress on activities of each task team would be reported at the next NSC meeting.

Action: Project management team

The NSC adopted the ToR of the NSC with the inclusion of:

- Relevant points raised by the NSC
- The task team leadership, roles and composition
- Communication as part of the change management task team.

Action: Project management team

5. CURRENT STATUS OF THE CMAs (MS BOFILATOS)

Presentation: Progress of the Establishment of Catchment Management Agencies (Ms Bofilatos)

The 90-day period allowed for comments on the establishment of nine CMAs in nine WMAs, gazetted on 20 July 2012, had been extended from 20 October 2012 to the end January 2013. Comments received from stakeholders after the end of January 2013 could be forwarded to Ms Sigwaza.

The nine WMAs were confirmed as:

- Berg-Olifants
- Breede-Gouritz
- Inkomati-Usuthu
- Limpopo
- Mzimvubu-Tsitsikamma
- Olifants
- Orange
- Pongola-Mzimkulu
- Vaal.

Project governance arrangements had been finalised as presented in the ToR.

The NSC comprised senior managers within DWA, was chaired by the Acting DDG: Water Resource Management Planning and provided strategic guidance and vision at high level. The ToR had been adopted by the NSC (refer to item 4 of the agenda of this meeting).

The Project Management Group (PMG) comprised Institutional Directors from all DWA Regional Offices and was chaired by CD: IO. It created an enabling environment; discussed and recommended policy issues; ensured consistency, homogeneous establishment and monitoring compliance; captured the lessons learnt; and raised governance and operational issues.

There were nine Regional Steering Committees (RSCs), each chaired by the relevant Regional Head (Institutional Director) at the respective DWA Regional Offices.

A high-level project management framework was in place, and although the project was behind schedule, it was anticipated that the process of establishing the nine CMAs would gather momentum.

Overall progress to date and the status quo in relation to the establishment of CMAs were reported as follows:

- The development of business cases had been fast-tracked. The ICMA and BOCMA business cases were finalised and had been presented to stakeholders for comment, reviewed by DWA and would be submitted to the Minister of Water Affairs. DWA: Legal Services had been requested provide legal opinion on the establishment of the CMAs to accompany the business case submissions. Stakeholder consultation processes for Limpopo, Olifants and Pongola-Mzimkulu CMAs have been taking place, and the business cases for these CMAs would be finalised by May 2013.
- National Treasury would have to fast-track the CMA establishment process by approving the business cases and scheduling CMAs under the Public Finance Management Act (PFMA) as Schedule 3A public entities. Initial discussions have been held with National Treasury in this regard.
- The submission for the appointment of an Advisory Committee to deal with the structure and composition of all governing boards had been submitted to the Minister of Water Affairs for consideration once she had approved the CMA business cases.
- The creation of task teams had been approved by the NSC and would be formalised in order to address DWA internal issues, such as staff transfers, viability and sustainability of CMAs and the delegation of functions to CMAs.
- Solutions to address all the issues raised by the RSCs had been proposed.
- A generic framework for the structure of CMAs had been put in place.
- The high-level estimation of the costs related to the establishment of CMAs had been presented in the document, *Financial Viability of Catchment Management Agencies (3rd version)*, which had been circulated to the PMG and presented at the PMG meeting on 31 August 2012. Baseline figures from the Regional Offices were used to derive the consistent costs of each CMA encompassing staff costs, overhead costs and programme costs. It was estimated that an amount of at least between R2.5 and R3 million would be required for the establishment of each CMA. The overall budget for CMA establishment would increase to approximately R60 million by the fifth year when the CMAs were expected to be fully operational.

The immediate way forward involved the following actions:

- Ministerial approval of the ICMA and BOCMA business cases
- Finalisation of business cases for the Limpopo, Olifants and Pongola-Mzimkulu CMAs
- Regular RSC meetings and comprehensive stakeholder consultation
- Development of a regional communication strategy that is aligned with the national strategy and approved by the CD: Communication.
- Updating of the risk management plan
- Putting in place a project team comprising resources dedicated to the CMA establishment programme.
- Changing and streamlining governance processes across all DWA entities in the General Amendment Bill.

Discussion

Mr Selepe mentioned that in terms of the delegation of functions to CMAs, the relevant task team should focus on the future role of the DWA Regional Offices and ensure that there was no duplication of functions with the CMAs. Ms Sigwaza remarked that substantial engagement was required in relation to this matter, and DWA's role in terms of regulation was outlined in numerous documents. It had been agreed at a previous meeting that the Rules of Engagement be compiled, outlining the roles and responsibilities of DWA and CMAs.

Mr van Zyl enquired whether an approved implementation plan for the establishment of CMAs was in place and indicated that he should receive such a plan by Monday, 11 February 2013 for inclusion in the NWRS 2. It was important that the costs of the establishment of CMAs, as presented, reflect the true situation. The chairperson emphasised that the points raised by Mr van Zyl indicated that each of the actions mentioned in the presentation should be addressed by the task teams. The task teams would also be required to do a complete analysis to ensure that the facts presented were correct and to confirm the staffing requirements and the impacts on staff for planning purposes. Ms Sigwaza added that the financing of the CMAs was a critical matter and was being considered by National Treasury. NSC members' comments on the document referred to by Ms Bofilatos (*Financial Viability of CMAs: Financial Analysis and Policy Considerations, 3rd version*) would be welcomed.

Ms Makhanya commented that the impact on Regional Office staff should be clarified as soon as possible. It was also important to clarify the transfer of functions to CMAs. A clear position must be taken with regard to verification and validation (V&V). The entire process would be frustrated if these decisions were not taken. The chairperson indicated that the points raised related to strategic policy and should be pronounced by the NSC. He emphasised the need to continue aiming towards the three-year deadline for the establishment of nine CMAs and to monitor progress closely. Ms Sigwaza indicated that DWA: IO had ensured the participation of DWA: HR in the NSC in order to clarify the impact on staff. The figures reflecting the staff that might be impacted would be verified and analysed by the task team, assisted by DWA: HR. A working document concerning the transfer of functions had been distributed to NSC members.

Ms Deedat commented that the water user platforms and catchment management forums (CMFs) were not visible in the CMA establishment process and would always be regarded as add-ons instead of being integrated into the process. She suggested that the RSCs should engage with this issue. She queried the extent to which the CMAs had been incorporated into the National Water Resource Strategy (NWRS) and suggested that this matter should be addressed. Ms Sigwaza reiterated that the integration of the CMFs was being taken very seriously by DWA. Two draft position papers had been drawn up in this regard. The NWRS 2 required the incorporation of the concept of decentralisation in the chapter on institutions. A forum would be held to discuss CMFs.

6. PROGRESS WITH THE ESTABLISHMENT OF CMAs BY THE REGIONS

6.1 Inkomati-Usuthu (Mr Johan van Aswegen)

There were two scenarios in Mpumalanga: the existing CMA that covers the Inkomati WMA and the addition of Usuthu WMA, which falls under the jurisdiction of the KwaZulu-Natal (KZN) Regional Office. The establishment of the RSC ran parallel with activities such as CMFs already taking place in the WMAs.

Progress was reported in terms of:

- *Establishment of the RSC, ToR and stakeholder consultation*
The Interim RSC (known in Mpumalanga as the proto-regional committee), incorporating HR, legal services, finances, water quality and technical representation, had been established and three meetings had been held. The draft ToR and the stakeholder database were in place, and the first stakeholder meeting had been held.
- *Implementation plan and communication plan*
The draft communication plan and the draft implementation plan were in place and required approval from the RSC and DWA.
- *Business case development*
The draft business case had been finalised, presented to the ICMA Board and discussed by the RSC. Legal opinion had been sought with regard to the amalgamation of the two WMAs into one CMA, and the business case had been submitted to DWA for further approval by National Treasury and the Department of Public Service and Administration (DPSA).
- *Support plan required for the project*
Ongoing financial support would be required from DWA, and the CMA would require assistance from DWA in terms of capacity building, particularly skills capacity. A professional service provider (PSP)

was already assisting the RSC. Support would be required from DWA: Legal Services in terms of the legality of the CMA establishment process. Legal opinion would impact on notices and proclamations.

- **Challenges and recommendations.**
Communication should be strengthened to ensure coordination between all DWA Directorates, and capacity should be strengthened in the regions in order to fulfil the communication function.

Comments

Mr Buthelezi commented that the progress made by the Mpumalanga Regional Office was impressive. The issue of legal opinion was critical, particularly as the ICMA was already in place.

Ms Schreiner remarked that, in terms of legal opinion, lawyers would offer legal advice on what could be done. It would be necessary for the RSC to consider how to address the matter from a management perspective. Numerous challenges relating to the disestablishment of an existing, functioning institution must be taken into account. She also requested that in future the regions' progress reports should be set against targets and timeframes.

Action: Project management team

Ms Deedat pointed out that it would be helpful for the progress reports to indicate how the CMAs would respond to specific challenges relating to the establishment process.

Action: Project management team

6.2 Breede-Gouritz (Ms Ashia Petersen)

Progress was reported in terms of:

- **Steering Committee and stakeholder consultation**
The Provincial Steering Committee had not yet been established, and a meeting would be held on 15 February to discuss the formal establishment of the committee. Despite this, engagement had taken place with a broad range of stakeholders at various intervals since the gazetting of the proposed nine CMAs.
The Western Cape Regional Office was not involved in any WRM in the Breede-Overberg WMA. BOCMA was a fully functional CMA that dealt and engaged with its stakeholders without the Regional Office. Although the Gouritz WMA had been gazetted as a CMA, it was not operational. Engagements with the WMAs, together with BOCMA, had confirmed the stakeholders' view that they would accept the new boundaries of the CMA and the integration of the Breede and Gouritz WMAs into one CMA on certain conditions.
- **Implementation plan, communication plan and business cases**
A draft implementation plan and a draft communication plan had been developed as part of the business case, and newsletters had been sent to all stakeholders. However, CSOs had not yet been engaged as actively as water users. Numerous actions had been taken in terms of the draft implementation plan set against key milestones and timeframes. Financing for the CMA as well as the staffing for the potential area offices had been ring-fenced.
- **Support required**
Support was required in terms of capacity and skills development, specifically in terms of the communication plan, public participation and administration. The Regional Office also required a budget for CMA establishment.
- **Challenges**
Challenges were experienced concerning:
 - Legal opinion on the possible amalgamation or merge of CMAs had not yet been received.
 - Clear guidance as to the respective roles and responsibilities of the CMAs and Regional Offices
 - The absence of a budget to provide Regional Offices with funding for the establishment of the new CMAs
 - The lack of capacity, particularly skilled capacity, and mismatches between the requirements of positions and the organogram
 - Timeframes and their dependence on policy processes
 - Internal financing and accounting mechanisms that would ensure the economic viability of the CMAs

- *The finalisation of the NWRS 2 and the review of the National Water Act (NWA)*
- *Creation and funding of an organogram aligned to deliver on the priority of creating and operationalising nine CMAs.*

Comments

The chairperson mentioned that a meeting between DWA and National Treasury on the issues related to a budget for the establishment of CMAs would take place, and internal mechanisms were in place to discuss budgetary issues. It was evident from the progress reports that the Inkomati-Usuthu and the Breede-Gouritz CMAs could be established within two years.

6.3 Limpopo (Ms Lucy Kube)

Progress was reported in terms of:

- *Formation of the RSC*
The Limpopo RSC had been formed and inaugurated on 19 November 2012. The composition of the RSC took into account HR, finance, technical, communication, legal and labour issues relating to the establishment of the CMA, and included representation from a broad range of external stakeholders.
- *Business case, implementation plan and needs analysis*
The business case, the implementation plan and ToR of the RSC had been presented to stakeholders on 19 November 2012. Stakeholders had been given until 28 February 2013 to make input on the information presented to them. The inputs would be consolidated and brought to the next RSC meeting during March 2013. A needs analysis had been completed and submitted to DWA: Head Office (HO) together with the implementation plan.
- *CMF meetings*
The North-West and Limpopo Regional Offices had worked together to establish nine CMFs and to support the public participation process in the Crocodile (West)-Marico WMA. Several meetings had been held with the CMFs in the Limpopo WMA, Luvuvhu and Mutale catchments, and the following matters were discussed at those meetings:
 - *The conclusion of the Institutional Reforms and Realignment project (IRR)*
 - *The progress report on the establishment of the Limpopo CMA*
 - *The gazetting of the nine CMAs*
 - *Concerns regarding the proposed WMA (the name and demarcation of the area of operation)**The Limpopo Provincial Government had sent comments concerning the establishment of a CMA to the DDG: Regions.*
- *Challenges and support required*
Continued stakeholder engagement and political buy-in were crucial for CMA establishment. DWA: HO had been very supportive, and the Regional Office would be in a position to budget for the establishment of a CMA. Internal capacity was required.

Comments

Ms Ralekoa pointed out that it was necessary to unpack the exact functions of the RSCs in order to progress with the process of establishing CMAs.

The chairperson assumed from the presentation that administrative support was required in terms of reporting, ensuring that top management at DWA were kept fully informed, and that the process was coordinated at all levels.

6.4 Pongola-Mzimkulu (Mr Jay Reddy)

The current three WMAs in KZN would be collapsed into one, forming one CMA. A portion of the northern part of KZN (Mkhondo region) would fall under Mpumalanga region, and discussions were under way concerning the inclusion of this portion into the Inkomati-Usuthu CMA.

Progress was reported in terms of:

- *Formation of the KZN RSC*

Planning meetings were held between DWA: HO and the Regional Office in July 2012 to discuss the CMA establishment process for KZN. Approximately three RSC meetings had been held, and the RSC ToR had been adopted, the draft business case presented, the draft implementation plan discussed and several other key milestones addressed. The next RSC meeting was scheduled to take place in March 2013 when the finalised implementation plan would be discussed.

- **Stakeholder engagement meetings**

A comprehensive process was in place linking all stakeholder engagements. To date, three stakeholder engagement meetings had taken place in three different centres and had been well attended by a range of stakeholders. In addition, numerous CMF meetings had been held to update stakeholders on the CMA processes. An intensive stakeholder database was used for all engagements with any DWA projects in KZN. Although stakeholders had raised some concerns, in general they were anxious to proceed with the establishment of a CMA. Further stakeholder engagements included presentations and discussions on the CMA process in each of the 21 CMFs in KZN and a very successful two-day Lesson-sharing Workshop with BOCMA and the Western Cape Regional Office, to engage on their experiences and knowledge on the establishment and post-establishment phases of the CMA. Other RSCs were encouraged to consider a similar visit to the established CMAs.

Planned stakeholder engagement activities for February and March 2013 included an Internal Regional Engagement Session scheduled for 20 February 2013 aimed at sensitising and educating staff on the concept of the CMA as well as addressing the concerns and fears in relation to staff matters. An Inkomati RSC meeting was scheduled for 12 and 13 February 2013, when the team from Inkomati would be introduced to the Mkhondo CMF. A further three Reference Group meetings were scheduled for 4, 5 and 6 March 2013 to discuss the draft business case and highlight the way forward in terms of the CMA implementation plan. The fourth RSC meeting would take place at the end of March 2013.

- **Development of a business case**

The business case was almost complete and required input from various stakeholders, and alignment to the needs and dynamics of the Pongola-Mzimkulu WMA. The draft business case was being circulated to both internal and external stakeholders for review and comment and it was expected to be finalised within the next two months. Further discussion was required with regard to the financial model and organisational structure of the CMA.

- **Support required**

The appointment of a PSP was required in order to support the Regional Office in terms of the following:

- The Advisory Committee
- Extensive capacitation and empowerment of the Governing Board
- Assistance in setting up the actual institution, such as venue selection
- Supporting the CEO in terms of appointment of staff, alignment of systems, policies and procedures to DWA
- Drafting of policies.

- **Challenges and recommendations**

There was a clear lack of policies and guidelines regarding the following:

- The establishment and post-establishment of CMAs, to assist the Regional Offices in creating a sustainable institution
- The procedures in aligning systems, strategic objectives of DWA, reporting and regulation
- A clear distinction of roles and responsibilities between the Regional Office and the CMA
- The remuneration packages for the CMA organogram
- The transfer of staff, budget and other resources from DWA and the Regional Office
- A clear list of the delegation of functions and budgets to the CMA.

Comments

Mr Buthelezi remarked that it was clear from the presentation that implementation of the project could begin as soon as possible.

Mr Reddy emphasised that the CMA process must be taken to provincial and local government. The high-level process in KZN had been tabled at the Premier's technical meetings, the Ministers' meetings and the provincial development and planning commission, as well as being presented in media and radio campaigns, ensuring the involvement of people at all levels of society.

Mr Mahunonyane reiterated the importance of communicating to national stakeholders and getting them involved. Stakeholder engagement had to be strategic. The chairperson requested that those responsible for communication should note this remark. It was essential to consult before decisions were made.

6.5 Mzimvubu-Tsitsikamma (Ms Portia Makhanya)

Although the Mzimvubu-Tsitsikamma CMA would be established in Phase 3 of the CMA implementation plan, the Eastern Cape Regional Office had put preparatory steps in place towards the process, and stakeholders were eager to see the establishment of the CMA.

Progress was presented in terms of:

- **Establishment of the RSC, ToRs and stakeholder consultation**
The process to form an RSC began with the first regional consultation on 30 August 2012, and the RSC had been formed by 10 December 2012, when the ToRs were discussed and adopted. The second meeting was scheduled for 11 February 2013. External stakeholders would be invited to join the committee at a later stage. In the meantime, stakeholders had been engaged in the existing forums, including one that was chaired by the MEC for Local Government who supports the CMA establishment process. The CMFs had been revived, and their linkages with other structures still had to be formalised. CSOs would be included in the stakeholder consultation process, and a bimonthly newsletter would be distributed to internal and external stakeholders.
- **Implementation /communication plan**
A detailed draft plan had been circulated to all the RSC members for comment and would be tabled for discussion at the RSC's February meeting.
- **Development of the business case**
A budget of R500 000 had been made available to the Regional Office for the appointment of a PSP to assist with the development of the business case. The PSP is expected to be appointed by mid-February 2013, and the business case would be completed and finalised by December 2014. The Mzimvubu-Tsitsikamma CMA was expected to be established in the 2014 /15 financial year, ahead of the targets set in the CMA implementation plan.
- **Support required**
Continuous support from DWA: HO was necessary, particularly in terms of securing a budget, providing a clear national plan with specific targets that hold the Regional Offices accountable, and improved communication. The Regional Office also required support from the National Office in engaging the Minister of Water Affairs as well as political leaders from Provincial and Local Government.
- **Challenges and recommendations**
The uncertainty among officials must be addressed, and the functions of the Regional Office and the CMA should be clarified. Political leaders at all levels must be engaged in order to promote the CMA concept, and communication must be streamlined in order to present a cohesive message to all stakeholders. Funding must be made available to the Regional Office in order to effectively implement the necessary actions to establish the CMA.

6.6 Orange (Mr Moses Mahunonyane)

The establishment of the Orange CMA was scheduled for Phase 3 of the CMA implementation plan. The work that would be done by the various task teams would address most of the core issues and concerns of the Regional Offices.

The RSC had been formed, and three meetings had been held to date. The upper and lower Orange River WMAs had been merged into one WMA. The implementation plan had been submitted to DWA: HO, and the RSC ToR had been finalised.

Challenges included the lack of budget and the necessary capacity and skills required to establish the CMA. Clarity was required from DWA: HO in this regard. Mr Mahunonyane's presentation would be forwarded to NSC members.

Action: Mr Mahunonyane

6.7 Vaal (Mr Mogale Matseba)

The RSC had been constituted, and three meetings had been held to date. The ToR had been drafted and forwarded to DWA: HO, the implementation plan and communication plan had been drafted and required further discussion before finalisation. A database of stakeholders had been created, and a stakeholder engagement plan was in place. CMFs were well established in Gauteng.

Challenges included the lack of a budget for the project to establish the CMA, and funds were required for the development of a business case. Once stakeholders had been engaged, it was important to follow through with the necessary action towards establishing the CMA. Engagement with high-level political stakeholders was crucial in order to substantiate and ensure support for DWA's CMA programme. The Regional Offices were dependent on assistance from DWA: IO to support the CMA establishment project in the regions. Internal communication must be streamlined, and all stakeholders must be kept up to date with developments at all levels. The issue of staff transfers was sensitive and should be dealt with appropriately. The Gauteng and Free State Regional Offices had already considered the delegation of functions to the CMA, which had proved to be a helpful exercise.

It was recommended that the task teams should produce discussion documents to stimulate engagement with stakeholders on the details concerning the establishment of CMAs.

Comments

Mr Selepe mentioned that a document that dealt with the delegation of functions had already been prepared. The task teams should take cognisance of the substantial amount of work that has already been done.

6.8 Olifants (Mr Johan van Aswegen)

A draft communication plan had been developed. The RSCs were in place, and two meetings had been held to date. Although the Mpumalanga and Limpopo Regional Offices were working closely together on the project, there were areas of sensitivity in engaging with external stakeholders in both regions. The Regional Heads had undertaken to address the provincial concerns and discuss ways to take the matter forward.

Drafting of the business case for the CMA had not yet commenced. Support was required from DWA: HO in terms of finances, capacity and skills, and communication should be strengthened.

Additional information with regard to progress to date was available from relevant documentation that had been distributed to NSC members.

6.9 Berg-Olifants (Ms Ashia Petersen)

The Berg-Olifants CMA would be established in Phase 3 of the CMA implementation plan. Currently, all available resources at the Regional Office level were being directed towards the establishment of the Breede-Gouritz CMA.

Although substantial consultations had taken place with stakeholders at various levels, an RSC had not yet been constituted. No objections had been received concerning the establishment of the Berg-Olifants CMA. The implementation and communication plans had not yet been put in place, but newsletters had been distributed to stakeholders.

Support was required from DWA: HO in terms of capacity and skills, administration and a budget for the establishment process. The concerns and challenges experienced in the establishment of the CMA were similar to those of the Breede-Gouritz CMA, in that legal opinion had to be obtained with regard to the amalgamation or merge of the gazetted CMAs in order to accommodate the changed WMA boundaries and obtain clarification with regard to the roles and responsibilities.

The RSC platform would be used to run the processes to establish both CMAs in parallel by having the same level of engagement with both sets of stakeholders, which together with experience gained from BOCMA would enable the establishment of the Berg-Olifants CMA to be fast-tracked. Staff would be recruited in a way that would facilitate the staff transfer process.

Concluding remarks

The chairperson requested the regional representatives to make their progress reports available to NSC members prior to NSC meetings in future.

Action: DWA Regional Office representatives

7. ADDRESSING CHALLENGES IN THE ESTABLISHMENT OF CMAs

The chairperson requested NSC members to consider the contents of the risk management plan, a document that listed the risks relating to the establishment of the CMAs, in the context of how the risks relate to the progress reports from the Regional Offices and what should be done to mitigate the risks. In terms of the ownership of risks, it was necessary to ensure that the relevant officials accepted responsibility for the risks. The risk management plan would be taken further by the PMG.

Action: Project management team/NSC members/PMG

NSC members raised the following points:

- Mr Moyi remarked that the importance of communication was evident from the presentations. DWA: HR has to put plans in place to guide the transfer of posts to CMAs and to appropriately manage the staff transfers. The NSC may want to adopt the plans developed by HR. DWA: HR should be kept informed of all developments in this regard.
- Mr Mahunonyane mentioned that the HR processes should commence without delay, as they could take more time and effort than the CMA establishment process. It was of utmost importance that CMA staff were in place by the time the institutions were established.
- Ms Mbassa emphasised the importance of coordinating all the processes involved in the establishment of CMAs and for DWA to drive the process, both nationally and from within the Regional Offices. Regions should provide more-detailed reports, and risks must be identified. Prioritisation of the activities should be carefully considered, and finances must be secured. The CMA establishment process was intense and required substantial resources and dedication to see it through. The project should not be undertaken if there was any uncertainty about DWA's ability to bring the project to completion because of funding constraints. The feasibility and economic viability of the CMAs were major risk factors that must be addressed comprehensively and realistically. The risk of starting this process and not being able to bring it to fruition was very high. Political consultations should be separated from the consultations with other stakeholders. It was very important that the Minister of Water Affairs should set the foundation for stakeholder consultation. The regions had not played a role in shaping the NWRS 2 in an organised manner, and had committed to engage in order to influence the CMA implementation plan because the regions' focus is on implementation. The message that was sent to the public should reflect the move towards a new era of WRM.
- The chairperson emphasised that the points raised by Ms Mabassa had been identified as risks and included in the risk management plan. The consequences of these risks and proposed mitigations should be highlighted to the NSC. It might be necessary that the DDGs, instead of the CD: IO, meet with the Minister of Water Affairs and that they take responsibility for ensuring that the risks were mitigated.
- Mr van Zyl highlighted the following issues that required further discussion:

- *The two main issues that emerged clearly from all the progress reports were the importance of the implementation process and action plan for the establishment of CMAs, and the enabling actions and risk factors in relation to funding, capacity and skills.*
- *The regions had not reported on public participatory management. This issue must be addressed.*
- *The CMAs were intended to help WRM, and the NWRS provides WRM actions that are to be earmarked by the CMAs. It was important to link the two activities and consider the reality of what was in place to carry out the actions. He expressed concern about these operational, functional areas.*
- *It would be important to put interim operations in place until the CMAs were established and became fully operational.*
- *Ms Makhanya added that the Eastern Cape Regional Office had experienced substantial budget pressure for most of the current financial year. She proposed that DWA top management should consider reprioritising allocations from unused/underspent pockets of funding to provide funding for this priority project.*
- *The chairperson remarked that the comments from NSC members had confirmed the five priority areas that would be addressed by the task teams, as well as the concerns relating to the operationalisation of implementation plans.*

8. UPDATE ON PROGRESS ON THE NWRS 2 (MS MARIE BRISLEY)

Ms Brisley presented a brief overview of the progress made to date concerning the NWRS 2. The first draft of the NWRS 2 had been published on 7 September 2012 for comment by 7 December 2012, extended to 31 January 2013 at the request of stakeholders. Consultation workshops had been held in all the provinces and with stakeholders from all sectors. Input received at the meetings as well as the formal submissions received from most of the sectors had to be taken into consideration. Some sector-specific workshops would be held during February and March 2013.

The way forward involved the following actions and timeframes:

- *Redrafting the NWRS 2, incorporating comments and inputs, by March 2013*
- *Submit to DWA Governance Structures, by April 2013*
- *Submit to Minister for approval, by May 2013*
- *Submit to Government structures, by May 2013*
- *Submit to Cabinet for final approval, by June 2013*
- *Implementation agreements formalised, by 3 March 2014*
- *Implementation of the NWRS 2, ongoing*
- *Development of the monitoring, review and reporting framework, by September 2013.*

It was important that the NWRS 2 was adopted and committed to, not only by DWA but by the entire water sector, to ensure effective implementation of the strategy.

All the DWA and sector programmes needed to be aligned and incorporated into the NWRS 2, all implementation plans agreed upon and an integrated communication plan developed. Information sharing would have to be coordinated through a central information hub. An NWRS 2 task team was in place for the regions. The team meets biweekly and was responsible for providing feedback to the regions.

9. SUMMARY OF THE KEY ISSUES AND WAY FORWARD (MS THOKO SIGWAZA)

The key issues hampering progress in establishing CMAs and the required actions, managed by the project management team, were summarised as follows:

	Key issue/action	Responsible party or person
1	<i>Four task teams had been established and would commence their work with immediate effect. The task team leaders, supported by DWA: IO would constitute the respective teams by 25 February 2013.</i>	<i>Task team leaders</i>

	Key issue/action	Responsible party or person
2	<i>Reporting framework and targets needed to be developed and streamlined.</i>	<i>Regional Offices</i>
3	<i>Leadership at a national level, not only from CD: IO, was crucial because the CMA programme cut across all DWA Chief Directorates. DDGs were required to take up this matter at a strategic level.</i>	<i>DDGs</i>
4	<i>Political leadership and support were required, particularly to resolve political issues related to the CMA programme.</i>	<i>DDGs</i>
5	<i>Clarification and confirmation of the organogram, roles and responsibilities of the Regional and National Offices were required.</i>	<i>DDGs</i>
6	<i>The four DDGs on the NSC should attend the regular meetings with the Minister where progress and concerns about the CMA programme are discussed (in the place of the CD: IO).</i>	<i>DDGs</i>
7	<i>CSOs and CMFs should be involved in all engagements concerning the CMA programme.</i>	<i>Regional Offices</i>
8	<i>There was a need for dedicated support capacity in the regions, especially a mix of skills ranging from economics to finance; filling the vacancies in the regions was being addressed by DWA HR. Strong support is required particularly in terms of project management. The DDG: Regions was required to address the need for dedicated support and capacity (including the appointment of PSPs) with a focus on the CMA programme.</i>	<i>DDG Regions/HR</i>
9	<i>A meeting must be held with National Treasury to discuss budget requirements for the CMA programme, in order to address the regions' concerns about the lack of allocated funding for this purpose.</i>	<i>CD: IO</i>
10	<i>The DDGs were required to address the internal accounting systems and the reprioritisation and reallocation of funds in other DWA programmes that have not been utilised. The task teams should also address this issue.</i>	<i>DDGs and task teams</i>
11	<i>Billing issues, the different budgetary processes for the nine WMAs, inaccuracies and delays in terms of invoices, low collection rates for WRM charges and charge recovery per WMA would be addressed by the Viability and Sustainability of CMAs task team.</i>	<i>Viability and Sustainability of CMAs task team.</i>
12	<i>A new vision was being developed for Water User Associations (WUAs).</i>	<i>CD: IO</i>
13	<i>Support of CMAs from the National Office was crucial.</i>	<i>DDGs</i>
14	<i>It is of utmost importance that the following processes be finalised:</i> <ul style="list-style-type: none"> • <i>Legal opinion with regard to the amalgamation or merge of the two existing CMAs must be finalised.</i> • <i>Alignment of the CMA programme with the NWRS 2 and working towards the timeframes indicated by Ms Brisley</i> • <i>The review of the NWA</i> • <i>Alignment of the CMA structure with the business of DWA</i> • <i>Political buy-in</i> • <i>Inclusive stakeholder engagements, clear communication plans and material</i> • <i>Operationalisation of the task teams.</i> 	<i>CD: IO</i>

10. CLOSURE

The next NSC meetings had been scheduled as follows:

31 May 2013

23 August 2013

29 November 2013

28 February 2014.

Ms Bofilatos thanked the DDGs present at the meeting for having shown their support for the CMA establishment process.

The chairperson thanked everyone for their participation and attendance. The meeting ended at 13:45.

Chairperson

Date

ANNEXURE A: ACTION ITEMS (additional to action items presented in Ms Sigwaza's summary of key issues under item 9 of the minutes)

	<i>Action</i>	<i>Responsible party or person/s</i>
1	<i>Item 4: The task teams would be further constituted by their respective chairpersons within the next two weeks, the composition of the task teams would be circulated to NSC members, and progress on activities of each task team would be reported at the next NSC meeting.</i>	<i>Project management team</i>
2	<i>Item 4: The NSC adopted the ToR of the NSC with the inclusion of:</i> <ul style="list-style-type: none"> • <i>Relevant points raised by the NSC</i> • <i>The task team leadership, roles and composition</i> • <i>Communication as part of the change management task team.</i> 	<i>Project management team</i>
3	<i>Item 6.1: [Ms Schreiner] requested that in future the regions' progress reports should be set against targets and timeframes.</i>	<i>Project management team</i>
4	<i>Item 6.1: Ms Deedat pointed out that it would be helpful for the progress reports to indicate how the CMAs would respond to specific challenges relating to the establishment process.</i>	<i>Project management team</i>
5	<i>Item 6.6: Mr Mahunonyane's presentation would be forwarded to NSC members.</i>	<i>Mr Mahunonyane</i>
6	<i>Item 6.9: The chairperson requested the regional representatives to make their progress reports available to NSC members prior to NSC meetings in future.</i>	<i>DWA Regional Office representatives</i>
7	<i>Item 7: The chairperson requested NSC members to consider the contents of the risk management plan, a document that listed the risks relating to the establishment of the CMAs, in the context of how the risks relate to the progress reports from the Regional Offices and what should be done to mitigate the risks. In terms of the ownership of risks, it was necessary to ensure that the relevant officials accepted responsibility for the risks. The risk management plan would be taken further by the PMG.</i>	<i>Project management team/NSC members/PMG</i>

ANNEXURE B: ATTENDANCE LIST

NAME	INSTITUTION
<i>Phakamani Buthelezi</i>	<i>BOCMA</i>
<i>Hameda Deedat</i>	<i>Civil Society Organisation</i>
<i>Nomvuso Mjadu</i>	<i>DAFF</i>
<i>Ramabulana Ndwamato</i>	<i>DAFF</i>
<i>Siziwe Blie</i>	<i>DWA EC</i>
<i>Pumza Lubelwana</i>	<i>DWA EC</i>
<i>Portia Makhanya</i>	<i>DWA EC</i>
<i>Moses Mahunonyane</i>	<i>DWA FS</i>
<i>Ephraim Matseba</i>	<i>DWA GP</i>
<i>Matseba, Mogale</i>	<i>DWA: GP</i>
<i>Alex Hattingh</i>	<i>DWA HO (HR)</i>
<i>Collen Morodi</i>	<i>DWA HO</i>
<i>Damane Skosana</i>	<i>DWA HO</i>
<i>Edgar Lamola</i>	<i>DWA HO</i>
<i>Emmah Malatji Mmatlala</i>	<i>DWA HO</i>
<i>Eustathia Bofilatos</i>	<i>DWA HO</i>
<i>Fred van Zyl</i>	<i>DWA HO</i>
<i>Herman Keuris</i>	<i>DWA HO (WRM)</i>
<i>Isa Thompson</i>	<i>DWA HO</i>
<i>Konanani Khorombi</i>	<i>DWA HO</i>
<i>Maria Morabe</i>	<i>DWA HO</i>
<i>Marie Brisley</i>	<i>DWA HO</i>
<i>Masia Mgwambani</i>	<i>DWA HO</i>
<i>Masindi Kenneth</i>	<i>DWA HO</i>
<i>Matome Mahasha</i>	<i>DWA HO</i>
<i>Mbangiseni Nepfumbanda</i>	<i>DWA HO (Acting DDG WRM) (Chairperson)</i>
<i>Mercy Mosupye</i>	<i>DWA HO</i>
<i>Mpho Mofokeng</i>	<i>DWA HO (Deputy CFO)</i>
<i>Mthembi Prudence</i>	<i>DWA HO</i>
<i>Ngoako Ramonetha</i>	<i>DWA HO</i>
<i>Nozipho Mbele</i>	<i>DWA HO</i>
<i>Oscar Mulaudzi</i>	<i>DWA HO</i>
<i>Sam Moyi</i>	<i>DWA HO</i>
<i>Sam Thobejane</i>	<i>DWA HO</i>
<i>Tabita Napakade</i>	<i>DWA HO</i>
<i>Thabelo Masevhe</i>	<i>DWA HO</i>
<i>Thoko Sigwaza</i>	<i>DWA HO</i>
<i>Thandeka Mbassa</i>	<i>DWA HO (DDG Regions)</i>
<i>Tsakane Baloi</i>	<i>DWA HO</i>
<i>Tuleka Gqweta</i>	<i>DWA HO</i>
<i>Jay Reddy</i>	<i>DWA KZN</i>
<i>Helgard Muller</i>	<i>DWA HO (DDG Policy and Regulation)</i>
<i>Lucy Kobe</i>	<i>DWA Limpopo</i>
<i>Johann van Aswegen</i>	<i>DWA MP</i>
<i>Jomo Lambani</i>	<i>DWA MP</i>
<i>Stanford Macevele</i>	<i>DWA MP</i>
<i>Wendy Ralekoa</i>	<i>DWA NW</i>
<i>Ashia Petersen</i>	<i>DWA WC</i>
<i>MS Enele</i>	<i>DWA WC</i>
<i>Joseph Mabunda</i>	<i>ICMA</i>
<i>Marcus Selepe</i>	<i>ICMA</i>

NAME	INSTITUTION
<i>Barbara Schreiner</i>	<i>Pegasys</i>
<i>Heather Erasmus</i>	<i>Write Connection (Scribe)</i>
APOLOGIES	
<i>Mary-Jean Gabriel</i>	<i>DAFF</i>
<i>Tsheliso Ntili</i>	<i>DWA FS</i>
<i>Hennie Smit</i>	<i>DWA GP</i>
<i>Zandile Mathe</i>	<i>DWA HO</i>
<i>Mohapi Ndileka</i>	<i>DWA HO</i>
<i>Johan van Rooyen</i>	<i>DWA HO</i>
<i>ONV Fundakubi</i>	<i>DWA HO</i>
<i>Rashid Khan</i>	<i>DWA WC</i>
<i>Bryan Jackson</i>	<i>ICMA</i>

ANNEXURE C: ACRONYMS

<i>BOCMA</i>	<i>Breede-Overberg Catchment Management Agency</i>
<i>CD</i>	<i>Chief Directorate</i>
<i>CFO</i>	<i>Chief Financial Officer</i>
<i>CMA</i>	<i>Catchment Management Agency</i>
<i>CMF</i>	<i>Catchment Management Forum</i>
<i>CSIR</i>	<i>Council for Scientific and Industrial Research</i>
<i>CSO</i>	<i>Civil Society Organisation</i>
<i>DAFF</i>	<i>Department of Agriculture, Forestry and Fisheries</i>
<i>DBSA</i>	<i>Development Bank of Southern Africa</i>
<i>DDG</i>	<i>Deputy Director-General</i>
<i>DPSA</i>	<i>Department of Public Service and Administration</i>
<i>DWA</i>	<i>Department of Water Affairs</i>
<i>HO</i>	<i>Head Office</i>
<i>HR</i>	<i>Human resources</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>KZN</i>	<i>KwaZulu-Natal</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>PFMA</i>	<i>Public Finance Management Act</i>
<i>PMG</i>	<i>Project Management Group</i>
<i>PSP</i>	<i>professional service provider</i>
<i>RSC</i>	<i>Regional Steering Committee</i>
<i>ToR</i>	<i>Terms of Reference</i>
<i>V&V</i>	<i>Verification and validation</i>
<i>WMA</i>	<i>Water Management Area</i>
<i>WRC</i>	<i>Water Research Commission</i>
<i>WRM</i>	<i>Water Resource Management</i>
<i>WTE</i>	<i>Water Trading Entity</i>
<i>WUA</i>	<i>Water User Association</i>