

## Part B: Programme Performance



## PART B: PROGRAMME PERFORMANCE

### PROGRAMME PERFORMANCE IN TERMS OF VOTE 34

Programme performance is the non-financial performance of the Department which includes reports on the extent to which the Department has delivered on its strategic plan (2006/07) and budget (Vote 34 2006), focusing on the achievement of desired outcomes and the delivery of planned outputs. The reporting framework for programme performance is in accordance with the Strategic Plan and, the vote as tabled in parliament as follows:

**Table 1: Vote 34**

	2006/07	2007/08	2008/09
R '000	To be appropriated		
MTEF allocations, of which:	4 660 303	5 306 347	6 604 984
• Current payments	2 839 402	3 175 667	3 656 545
• Transfers and subsidies	1 719 844	2 030 204	2 733 132
• Payments for capital assets	101 057	100 476	215 307
Statutory amounts	-	-	-
Responsible Minister	Minister: Water Affairs and Forestry		
Administering Department	Department: Water Affairs and Forestry		
Accounting Officer	Director-General: Water Affairs and Forestry		

### Aim

The aim of the Department of Water Affairs and Forestry is to ensure the availability and supply of water at national level to facilitate equitable and sustainable social and economic development; to ensure the universal and efficient supply of water services at local level; and to promote the sustainable management of forests.

The overall performance of the programmes enables the department to achieve its aim. The programmes performed under this vote are as follows:

Programme 1 : Administration; Programme 2 : Water Resources Management; Programme 3 : Water Services and Programme 4 : Forestry

# Part B: Programme 1 Administration



## PROGRAMME 1: ADMINISTRATION

Policy and strategic support was provided in line with the emerging clarity on roles and the repositioning of the Department as a regulator and to facilitate integrated water services management. The devolution of water services delivery to the local level of governance has seen the Department direct its energies to supporting local government. Major national programmes such as Project Consolidate and Masibambane were leveraged effectively by the Department to focus and give substance to its support to municipalities. A critical milestone in the transition was the signing and subsequent implementation of the Transfer Framework for water services. By the end of the financial year, four hundred and sixty five (465) employees had been transferred to Water Service Authorities.

### 1.1 Corporate Services

#### 1.1.1 Organisational alignment

More attention was paid to developing and supporting the leadership team. Once alignment was achieved at the level of Top Management, it was important to review the governance structures and processes that facilitate decision making and department-wide communication.

#### 1.1.2 Human Resources

##### (a) Organisational Development interventions

The reconfiguration and implementation of organisational structures for the Regions, Finance and Corporate Services Branches were critical to the alignment process. This process was complemented by the human resource capacity assessment that was conducted for the Branch: Regions.

A comprehensive Employee Wellness Programme was introduced and implemented during this period aimed at promoting employee wellbeing and empowerment.

As part of the programmes offerings, HIV and AIDS awareness and education workshops were rolled out across the regions. Employees could access trauma debriefing, counselling, life-skills training as well as Voluntary Counseling and Testing (VCT) services on a daily basis.

##### (b) Capability building

In light of the substantial challenge of retaining and growing the Department's technical human resource base, urgent attention was paid to developing and

implementing a dedicated Retention Strategy. This Strategy filled the void in the public sector system and allowed the Department to retain a critical mass of engineers, scientists and technicians. A Business case and Implementation Plan for a Water and Forestry Learning Academy were developed for implementation in the 2007/2008 financial year and this forms the long-term strategy for building and maintaining the technical corps that is critical to the Department's future access to the skills and knowledge required to deliver on its mandate.

A training manual on Performance Management and Development was developed to enhance and institutionalise the implementation of the Department-wide Performance Management and Development System. This was further strengthened by the training that was provided to Senior Management Service (SMS) on performance and financial management.

The procedure and guidelines for renewal of employment contracts were developed to better manage the employment relationship to further embed a culture of performance management in the Department.

A coaching programme has also been implemented as an effective tool for leadership, and competency development as well as support accessed by SMS members.

The learnership and internship programmes have become important vehicles for experiential learning and have increased their intake during this period. There were two hundred and three (203) learners enrolled in the learnership programme with learning tracks in Water Purification, Water Reticulation and Waste Water Process. Meanwhile the internship programme had sixty-one (61) interns placed in functional areas as varied as: forestry, environmental management, financial, legal, food technology, environmental health, water management, water and sanitation, Working for Water, information services, environmental science and studies, water quality and training management.

#### 1.1.3 Legal Services

Two pieces of legislation were drafted and while one was submitted for the Minister's consideration, the other was published for comment. These were the National Water Services Act as well as the National Water Resources Infrastructure Agency Bill.

#### 1.1.4 Information Services

Significant resources were invested in the refurbishment of the Information Technology (IT) infrastructure and this has had the effect of increasing customer

care satisfaction levels as well as enhancing the availability and continuity to 90% levels. This injection of resources was complemented by the governance structures which were established to streamline the role of the IT support service and consolidate the disparate IT systems, aligning service provision with Departmental needs.

### **1.1.5 Administration**

New systems were installed and old systems were reviewed to create efficiencies and improve the turnaround time in the following areas: security services, fleet management, telephone system and video conferencing.

Some compliance was achieved with regard to the stipulated National Intelligence Agency (NIA) security standards.

### **1.1.6 External Transformation**

The Department continues to make strides in achieving Government's transformation imperatives of creating jobs and alleviating poverty. The Department has identified a number of projects that have been reprioritised as part of the Accelerated and Shared Growth Initiative for South Africa (Asgi-SA). These projects include work currently taking place within the water and forestry resources. Five projects were identified as amenable to conversion and were duly registered as the Department's contribution to the National Youth Service Programme (NYSP). These include: Working for Water, Working on Fire, Sanitation, Health and Hygiene, and infrastructure development. The latter includes the construction of De Hoop Dam in Limpopo province.

A Memorandum of Agreement was signed between the Minister of Water Affairs and Forestry, the Premier of Limpopo Province and the Executive Mayor of Greater Sekhukhune District Municipality on the De Hoop Dam, specifically addressing Broad Based Black Economic Empowerment (BBBEE) with social economic development targets. The agreement, known as the "De Hoop Dam" Charter, seeks to create empowerment opportunities for local people through procurement, employment and training opportunities.

The Departmental Service Delivery Improvement Plan was finalised and submitted as per the requirements of the Department of Public Service and Administration (DPSA). The recommendations emerging from the Public Service Commission (PSC) Client Satisfaction Survey are being implemented as part of service delivery enhancement. In line with the Department's commitment to continuously improving its services, it also participated in the research conducted by the PSC on Monitoring and Evaluation. A comprehensive audit on the Department's contribution towards BBBEE was completed as was the draft strategic framework on Transformation and Youth development.

### **1.1.7 Women Empowerment**

A series of Breakfast seminars, focusing on management and leadership, were facilitated to create awareness and build confidence among women employees. A major event was hosted in the Limpopo province to mark Women's Month with the aim of profiling and acknowledging women's contribution to sanitation and the water sector. Women and men in the Department participated in a two day 'strategic conversation' workshop aimed at determining the direction of the gender programme and the focus of the mainstreaming strategy. This resulted in the development of the draft strategic gender framework for the Department. International Women's Day was celebrated under the theme "Women and the Environment."

### **1.1.8 Communication Services**

An Events Management framework was developed to ensure that the Department's events are not only geared towards awareness raising and education but are also leveraged for branding. The internal communications magazine was revamped and has since become an important tool for information sharing across the organisation, with the Department's employees being the primary contributors.

### **1.1.9 Challenges**

Corporate Services has the following challenges:

- The working environment at the Department's Head Office remains a challenge with outdated facilities and parking and crime constraints in the area contributing to the problem;
- Attraction and retention of technical skills due to 2010 hype;
- Creating a performance management driven culture;
- Implementing a deliberate and targeted training and development programme that is informed by the strategic capability gaps of DWAF;
- Inadequate management capability;
- The improvement of public awareness, understanding and education on water and forestry issues remains a challenge.

## **1.2 Finance**

Salient aspects of the review period included the appointment of a Professional Service Provider (PSP) to deploy a financial manager to the National Office and to Regional Offices. The Systems Application Products (SAP) User's forum was established and PSPs were appointed to fast-track the process by training power users and supplementing the existing Departmental capacity.

Most reporting requirements were met, including:

- Monthly expenditure reports (Main Account) to National Treasury, Head of Department and Executive Authority; and
- Quarterly Progress reports to the Portfolio Committee as required.

In terms of compliance with preferential procurement policy, policies on acquisition delegations, Supply Chain Management (SCM) and PSP procurement were approved by the Director-General. Training and workshops on SCM, PSP policies and delegations were successfully conducted and at least 60% of all SCM practitioners were reached.

The high level national and regional level structure was provisionally approved and subsequently submitted to the Office of the Accountant General for consideration. With the assistance of a PSP, a change management support strategy was prepared and an additional PSP was appointed to implement a change management programme.

Training programmes were aligned with accrual implementation, and partial alignment with the timelines of core departments' restructuring plans was achieved. In addition, the Audit Steering Committee was reconstituted.

Several workshops were conducted with Head Office and the Regions in preparation for the audit. Interim audits were completed and management responses were provided on all queries received.

### **1.2.1 Challenges**

Monthly expenditure reports on the Trading Account were not submitted to the Head of Department and Executive Authority due to the cut over to the SAP system. The first report is expected to be available by the end March 2007. From a Finance perspective, systems and processes must be institutionalised to bring reporting in line with best practice.

## PROGRAMME 1: ADMINISTRATION (CORPORATE SERVICES): KEY OUTPUTS AND SERVICE DELIVERY TRENDS

**Strategic Objective: To create a healthy and high performance culture to support and leverage the corporate strategy**

Outputs	Service Delivery Indicators	Actual Performance
Satisfying work climate and environment	Improvement on communication  20% increase in customer satisfaction  Final performance assessments for 2006/07 conducted	<ul style="list-style-type: none"> <li>Governance structures reviewed and operationalised to facilitate effective communication between Top Management and Senior Management and between Managers and Employees.</li> <li>55% customer satisfaction on Information Technology (IT) services achieved.</li> <li>Performance reviews conducted at regular intervals and final performance assessments completed after the close of financial year.</li> <li>Management and Development Training Manual developed.</li> </ul>
Aligned and robust Human Resource (HR) architecture	Retention strategy developed  Human resource policy frameworks developed and reviewed	<ul style="list-style-type: none"> <li>Retention strategy developed, approved and implemented.</li> <li>Internship policy framework developed and implemented.</li> <li>Procedure for renewal of contracts framework developed and implemented.</li> </ul>
Competent and adaptable workforce Leadership culture institutionalised	All employees exposed to 60 hours of training and development  2 accelerated development programmes implemented  Leadership development programme	<ul style="list-style-type: none"> <li>1 932 Employees trained (11.5%).</li> <li>1 Accelerated development programme for middle managers implemented.</li> <li>Executive coaching programme implemented for Senior Management Service (SMS) level.</li> </ul>

**Strategic Objective: To lead, facilitate and support the transformation and restructuring processes to meet the changing needs of organisation and transformation imperatives**

Outputs	Service Delivery Indicators	Actual Performance
Aligned organisational structures  Restructuring support provided  Transformation support provided	Organisational alignment improved  HR restructuring support provided  Transformation support provided	<ul style="list-style-type: none"> <li>Organisational structures for: Branch Regions, Finance and Corporate Services approved.</li> <li>Transfer Framework for the implementation of Water Services transfers signed and implemented.</li> <li>Transformation plan for De Hoop consulted and approved.</li> </ul>
Improved Employment Equity (EE) profile	Improved EE profile	<ul style="list-style-type: none"> <li>20% EE improvement on SMS achieved.</li> </ul>
Empowering and supportive environment	Awareness and education programmes implemented  Communication platforms created  Communities of practices implemented	<ul style="list-style-type: none"> <li>Awareness and education programmes on HIV and AIDS, Wellness and Gender equality and equity implemented and on-going.</li> <li>Broad employee participation achieved through implementation of governance structures.</li> <li>Information and knowledge sharing platforms implemented and on-going.</li> </ul>

Outputs	Service Delivery Indicators	Actual Performance
Self-disciplined and motivated staff	Chief Directorates' team building sessions held  Monetary and non-monetary reward system implemented	<ul style="list-style-type: none"> <li>Team building sessions undertaken for: <ul style="list-style-type: none"> <li>Top Management</li> <li>Finance Branch</li> <li>Corporate Services Branch</li> <li>Policy and Regulation Branch.</li> </ul> </li> <li>Long service recognition awards implemented.</li> <li>Monetary performance rewards implemented for non-SMS.</li> </ul>

**Strategic Objective: To improve the efficiency of systems and processes to promote customer-driven support services (protection, office services, facilities, fleet management) and adhere to compliance requirements**

Outputs	Service Delivery Indicators	Actual Performance
Improved turn-around time	100% client satisfaction	<ul style="list-style-type: none"> <li>A client satisfaction survey was conducted in regard to Information Services where it was found that a 20% improvement in client satisfaction had been achieved over the previous year. Surveys in regard to other services were not conducted.</li> </ul>
Adherence to compliance	Full compliance achieved	<ul style="list-style-type: none"> <li>An assessment with regard to general compliance was not conducted. However, some compliance was achieved with regard to NIA security standards (40%). There remains room for improvement.</li> </ul>
Operational efficiency improved	All systems related to administration reviewed and implemented  All policies related to administration reviewed and implemented	<ul style="list-style-type: none"> <li>New systems reviewed and implemented: Security, fleet management, cell phone and video conferencing. Approximately 40% outstanding.</li> <li>Accommodation policy reviewed.</li> </ul>

**Strategic Objective: To develop policies and a legislative environment that effectively govern the relationship of the Department with associated institutions and support the strategic intent of the Department**

Outputs	Service Delivery Indicators	Actual Performance
Development of legislative frameworks	National Water Resources Infrastructure Agency (NWRIA) Bill submitted to Parliament in August 2006	<ul style="list-style-type: none"> <li>Draft NWRIA Bill published for comment. The process is approximately 70% complete.</li> </ul>
Revised National Water Services Act (NWSA)	NWSA Bill submitted to Parliament in August 2006	<ul style="list-style-type: none"> <li>Draft NWSA Bill developed and submitted for consideration by the Minister. The process is approximately 70% complete.</li> </ul>
Relevant regulations drafted legislation	Regulations to facilitate support to poor resource farmers: <ul style="list-style-type: none"> <li>Dam Safety; and</li> <li>Forest Criteria and indicators drafted</li> </ul>	<ul style="list-style-type: none"> <li>Support to resource poor farmers: Regulations published and circulated for comment.</li> <li>Draft regulations on Dam Safety ready for publication.</li> <li>Forest criteria in the process of being published.</li> </ul>



**Strategic Objective: To strengthen the efficiency of information systems to serve operational and strategic requirements of the Department**

Outputs	Service Delivery Indicators	Actual Performance
IT Infrastructure plan developed and implemented	20% increase in efficiencies	<ul style="list-style-type: none"> <li>All areas of the infrastructure plan revised and 15% increase in efficiencies achieved.</li> </ul>
IT policies, strategies and procedures related to policies and procedures	100% reductions in audit queries  Strategies developed	<ul style="list-style-type: none"> <li>Objective approximately 80% complete.</li> <li>Draft Information Technology enterprise architecture model developed.</li> <li>Minimum Master Systems Plan requirements introduced.</li> <li>Draft Information Services security policy developed.</li> </ul>
IT Financial Management	100% Contract management and Service Level Agreement management	<ul style="list-style-type: none"> <li>Master agreement and Service Level agreements reviewed. Objective approximately 70% complete.</li> </ul>
Customer Relations Management	30% increase in customer satisfaction	<ul style="list-style-type: none"> <li>Customer Relationship strategy developed.</li> <li>55% increase in customer satisfaction.</li> </ul>
System Availability	99.9% System Availability	<ul style="list-style-type: none"> <li>90% System Availability achieved.</li> </ul>
IS Resource management (asset and facilities)	100% compliance to best practice, NIA and PFMA	<ul style="list-style-type: none"> <li>Best practice interventions implemented on security issues and IT governance structures – 80% compliance achieved.</li> </ul>
Business Continuity and Disaster Recovery planning	Business Continuity plan  Disaster Recovery strategy developed	<ul style="list-style-type: none"> <li>Business Continuity plans for all systems in production.</li> <li>Disaster Recovery Implementation framework for all systems- 90% complete.</li> </ul>

**Strategic Objective: To promote and enhance public awareness and understanding of departmental programmes, activities and achievements in support of Government's vision**

Outputs	Service Delivery Indicators	Actual Performance
Departmental communication policies and strategy  Improved public understanding of departmental projects and programmes	Communication policy  Communication strategy  Event support provided	<ul style="list-style-type: none"> <li>Communication policy developed.</li> <li>Communication strategies and plans developed for Water Week, Arbour Week and Sanitation Week. 100% achieved.</li> <li>Event support provided for all National Events.</li> </ul>
Positive media image	100% media coverage for programmes	<ul style="list-style-type: none"> <li>100% media coverage through:                             <ul style="list-style-type: none"> <li>11 TV interviews;</li> <li>30 Radio interviews; and</li> <li>4 Media briefings.</li> </ul> </li> </ul>
Effective branding and communication of departmental programmes	100% communication strategic support provided to branches	<ul style="list-style-type: none"> <li>60% communications support achieved through development of the following branding tools:                             <ul style="list-style-type: none"> <li>60 TV advertisements;</li> <li>32 Print newspaper; and</li> <li>13 Billboards.</li> </ul> </li> </ul>
Communication implementation strategies	Yearly calendar of events/programmes developed and approved by 31 March  Communication implementation strategies developed	<ul style="list-style-type: none"> <li>Year calendar developed.</li> <li>Communication implementation strategies developed for all 9 events.</li> </ul>

## PROGRAMME 1: ADMINISTRATION (FINANCE): KEY OUTPUTS AND SERVICE DELIVERY TRENDS

### Strategic Objective: To put in place an effective Financial Management system

Outputs	Service Delivery Indicators	Actual Performance
Compliance with PFMA, MTEF and MTSF requirements	<p>Monthly expenditure reports to National Treasury (NT), Head of Department (HoD) and Executive Authority (EA)</p> <p>Budget and funding requests to NT in terms of guidelines</p> <p>Develop and customise Systems Application Products (SAP) to suit needs</p>	<ul style="list-style-type: none"> <li>• Monthly expenditure reports (Main Account) to NT, HoD and EA.</li> <li>• Monthly expenditure reports (Trading Account) to HoD and EA not submitted due to cut over to SAP. First report expected end March 2007.</li> <li>• Monthly requisitions to NT for funds and compliance certificates submitted on time.</li> <li>• Monthly reports on suspense accounts and internal debt prepared.</li> <li>• Budget planning meeting took place.</li> <li>• Internal debt balance and long outstanding Subsistence and Travel advances not yet reduced. Tenders were invited to secure the services of a Professional Service Provider (PSP) to assist with the task.</li> <li>• Clearance of unallocated deposits in suspense account not yet finalised.</li> <li>• 'Cut over' to SAP on 3 October 2006, Monthly meetings of Steering Committee and fortnightly meetings on Integration Committee to monitor and guide implementation. User forum established.</li> <li>• PSPs appointed to provide Trainers and Power Users to supplement existing Departmental capacity.</li> </ul>
Under-spending on budget allocation maintained at less than 2%	Quarterly reports to HoD and Portfolio Committee	<ul style="list-style-type: none"> <li>• Made inputs to and participated in Portfolio Committee and Select Committee annual report hearings.</li> <li>• Quarterly Progress reports to Portfolio Committee.</li> <li>• Departmental under-spending did not meet the target of 2%. Overall budget expended at 93%.</li> <li>• Oversight and support to Branch Heads to reduce under-expenditure not yet in place.</li> </ul>

Outputs	Service Delivery Indicators	Actual Performance
Support to Regional Offices to ensure effective financial management	Bi-monthly meetings with business units  Deploy capacity to Regions	<ul style="list-style-type: none"> <li>• Adhoc meetings arranged.</li> <li>• PSP appointed to deploy Financial Managers to Regional Offices and at National Office.</li> <li>• Support from the Office of the Auditor-General finalised and commenced with recruitment of staff.</li> </ul>
Ensure effective Supply Chain Management (SCM) for the Department	Compliance with preferential procurement policy	<ul style="list-style-type: none"> <li>• Policies on acquisition delegations, SCM and PSP procurement approved by Director-General.</li> <li>• Broad-based Black Economic Empowerment (BBBEE) policy for the Department not in place.</li> <li>• Work progressing on preparation of a data-base for providers with the support of Chief Information Officer. Target date end May 2007.</li> <li>• Monthly HDI statistics provided to NT.</li> <li>• Monthly Regional Asset steering committee meetings held with Regions.</li> <li>• Training and workshops on SCM, PSP policies and delegations conducted, reaching at least 60% of all SCM practitioners.</li> <li>• Weekly meetings of Departmental Control Committee.</li> </ul>
Improve revenue management of the Trading Account	Finalise tariffs and achieve collection targets	<ul style="list-style-type: none"> <li>• Tariffs for 2008 finalised and approved.</li> <li>• Status quo report delivered on Revenue Management plans in preparation to deal with issues arising and development of an action plan to improve general revenue management.</li> </ul>

**Strategic Objective: To effectively restructure Finance Branch and Regional Finance components**

Outputs	Service Delivery Indicators	Actual Performance
Cash Accounting and Accrual Accounting units established and resourced	<p>Cash Accounting and Accrual Accounting units separated</p> <p>National and Regional structures populated with resources and operationalised</p> <p>Training programmes aligned to accrual implementation</p>	<ul style="list-style-type: none"> <li>• High level National and Regional level structure approved by the Director-General.</li> <li>• Ongoing training programmes aligned to SAP implementation.</li> <li>• With the assistance of a PSP, prepared a change management support strategy and a PSP appointed to implement a change management programme.</li> <li>• Partial alignment with the timelines of core departments restructuring plans.</li> <li>• Commenced the process of developing high level business processes.</li> <li>• Re-allocation of interim roles and responsibilities to existing management team pending approval of new structures.</li> <li>• New Finance structure not populated. Migration of staff into new structure not yet achieved – pending approval of structures.</li> <li>• Oversight responsibilities of finance and the relationship with institutional oversight under discussion.</li> </ul>
Regional structures established to mirror the head office structure	National and Regional structures populated with resources and operationalised	<ul style="list-style-type: none"> <li>• Segregation of duties not fully achieved in terms of Cash Accounting unit and Accrual Accounting unit in terms of dedicated resources and independent processes – interim arrangements in place.</li> <li>• New job descriptions and performance agreements per role not finalised.</li> <li>• Identification of resource gaps through a resource migration plan incomplete.</li> </ul>

**Strategic Objective: To put in place a functional Asset Management system**

Outputs	Service Delivery Indicators	Actual Performance
Project Charter for 'enterprise wide' asset management	Project Charter approved by Management	<ul style="list-style-type: none"> <li>• Draft Project Charter approved and Project Steering Committee established.</li> </ul>
Develop and implement an asset management strategy and implementation plan	<p>Operational asset management data base</p> <p>Operational project plan and resources secured</p>	<ul style="list-style-type: none"> <li>• Requirement analysis report completed.</li> <li>• PSP appointed following a public tender process to conduct a full verification and valuation of major water infrastructure assets.</li> </ul>

Outputs	Service Delivery Indicators	Actual Performance
Comprehensive Asset Register for the Department (end November)	<p>Controls and procedures in place</p> <p>Completed asset register updated on a regular basis</p>	<ul style="list-style-type: none"> <li>PSP appointed to assist with training and capacitating the Department with daily management of assets including the review and updating of policy, 14 personnel deployed to Regions and Head Office.</li> <li>PSP appointed to assist with full verification of assets – verification completed in all regions and Head Office with the exception of construction.</li> <li>Capacitating of staff through on-the-job training and workshops.</li> <li>Asset Forum established, monthly steering committee meetings held and information sessions conducted by way of road shows.</li> <li>Comprehensive asset registers for the Department’s main and trading activities partially complete.</li> <li>Work incomplete on updating of asset management strategy.</li> <li>Policies on asset management for the trading and main account completed and due for sign off.</li> <li>Strategies have been compiled for: Fixed Asset Funding, Fixed Asset Acquisition, Fixed Assets Operation and Maintenance, Fixed Assets Safeguarding and Maintenance, Fixed Asset Disposal. This represents some 10% of the task at hand.</li> </ul>

**Strategic Objective: To improve the Annual Audit**

Outputs	Service Delivery Indicators	Actual Performance
General oversight and management of the annual external audit	<p>Audit plan agreed</p> <p>Regular meetings of the Audit Steering Committee</p> <p>Responses to audit queries in terms of the Service Level Contract (SLC)</p> <p>Annual Financial Statements (AFS) submitted by 31 May and audit completed by 31 July</p> <p>Establish Audit Steering Committee</p> <p>Responses to management letter on interim audit</p> <p>Submit AFS for the main and trading accounts</p> <p>Responses to management letter on the final audit</p> <p>Input to the Annual report</p>	<ul style="list-style-type: none"> <li>Audit Steering Committee reconstituted.</li> <li>Audit strategy and budget for all accounts submitted by Auditor-General and accepted.</li> <li>Analysis of 2005/06 audit compiled and documentation provided to National and Regional Offices.</li> <li>Workshop conducted with Head Office and Regions in preparation for the audit.</li> <li>Meetings held with the Audit Executive in preparation for the commencement of the audit.</li> <li>Implementation commenced for the 2006/07 audit.</li> <li>Preparation for and implementation of performance audit on sanitation and basic water supply.</li> <li>Interim audit completed and management responses provided on all queries.</li> <li>Work commenced on end of year procedures for the preparation of the AFS for all accounts.</li> <li>Inputs to Annual report to be received during June and July 2007.</li> </ul>



# Part B: Programme 2

## Water Resources Management



## PROGRAMME 2: WATER RESOURCES MANAGEMENT

The aim of Water Resources Management (WRM) is to ensure that the country's water resources are protected, used, developed, conserved, managed and controlled in a sustainable and equitable manner for the benefit of all people. The programme's objectives are:

- To ensure reliable and equitable supply of water for sustainable economic and social development, including poverty eradication;
- To ensure the protection of water resources;
- To develop effective water management institutions and provide support;
- To align staff and stakeholders toward a common vision for integrated water resource management and develop, capacitate and empower them in best practices; and
- To promote integrated water resource management globally, particularly in Africa in support of NEPAD.

WRM is managed within the framework of 12 sub-programmes, namely Equitable Supply; Sustainable Supply; Protection Policies; Protection Measures; Institutional Regulation; Institutional Development; Strategic Alignment; Stakeholder Empowerment; African Co-operation; Water Resource Administration; Water Resource Support; and Operations of Water Resources.

### 2.1 State of Water Resources

#### 2.1.1 Rainfall and Water Availability

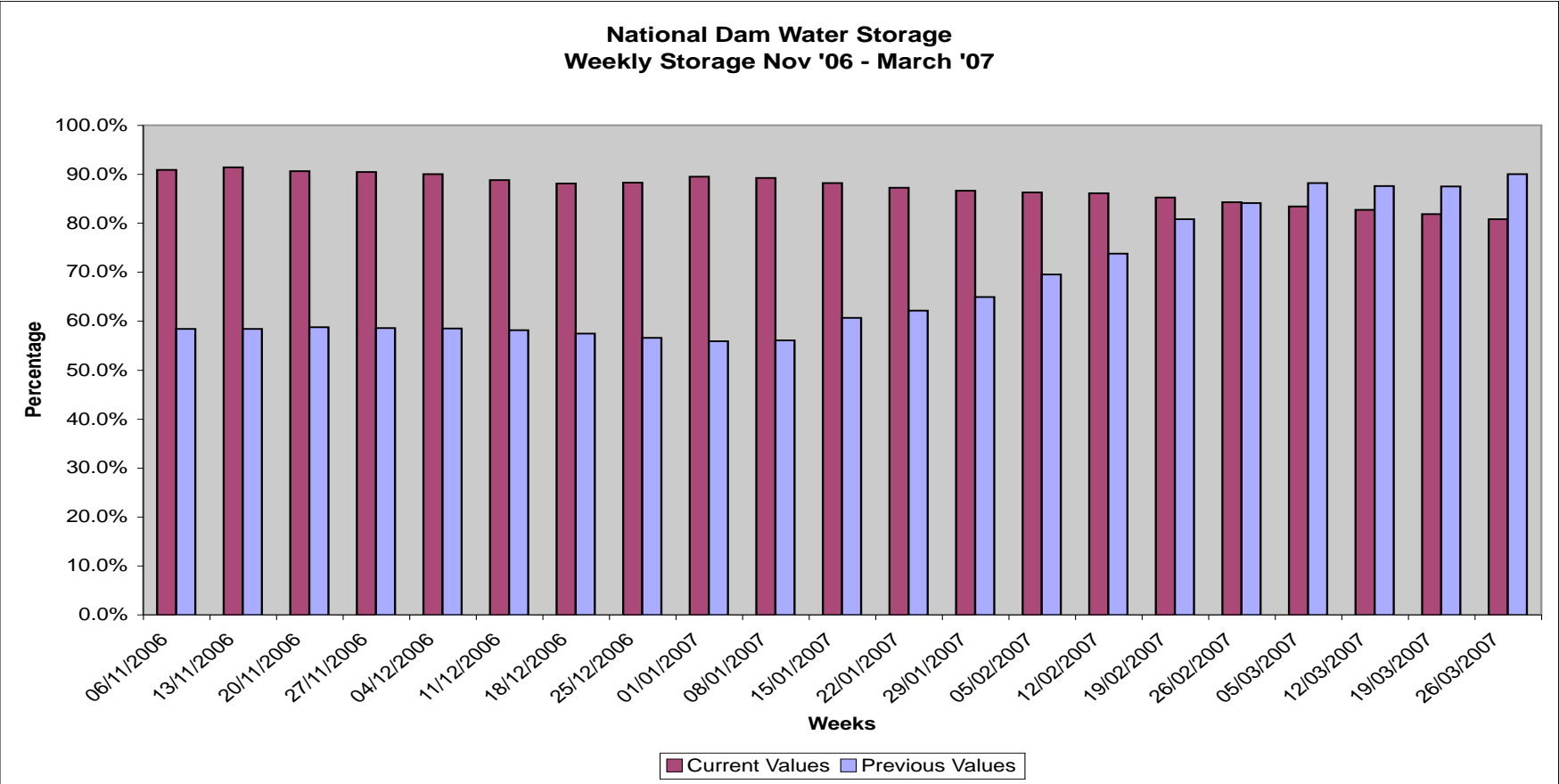
The average level of the 145 state dams monitored by the Department stood at 80.8% by the end of March 2007. This is about 10% less than the 90% for the corresponding period in 2006 and reflects an apparently healthy situation. It is important, however, that this conclusion be re-examined in context as set out below.

During January 2007, the reported average level of all monitored dams was at its second highest level in 27 years, with more than a quarter of the dams full or overflowing and more than half in excess of 90%. With the subsequent lack of rain and very high summer temperatures in February and March 2007, dam levels began to decline. **Figure 1** reflects the weekly dam levels as a percentage of the full supply for the last five months of the financial year (November 2006 - March 2007, depicted as "current" values), together with corresponding measurements for the same period in the previous year ("previous" values). Actual dam levels are reflected in **Table 1**. Trend lines for the current and previous years, depicted in the graph, reflect a marked difference in trends.

The lower line exhibits a rising trend, with the dams filling from around 60% at the beginning of November 2005 to around 90% towards the end of March 2006. The upper line reflects a falling trend, with dams starting off at relatively high levels of around 90% at the beginning of November 2006 and dropping by an average of about 0.5% per week to levels of around 80% by the end of March 2007. On 26 March 2007 only 12% of the dams were 100% full and only 37% were more than 90% full. At that stage, although still within the summer rainfall period when reserves should have been growing, the country had already begun to erode its reserves.



**Figure 1: Weekly dam levels November 2006 to March 2007**

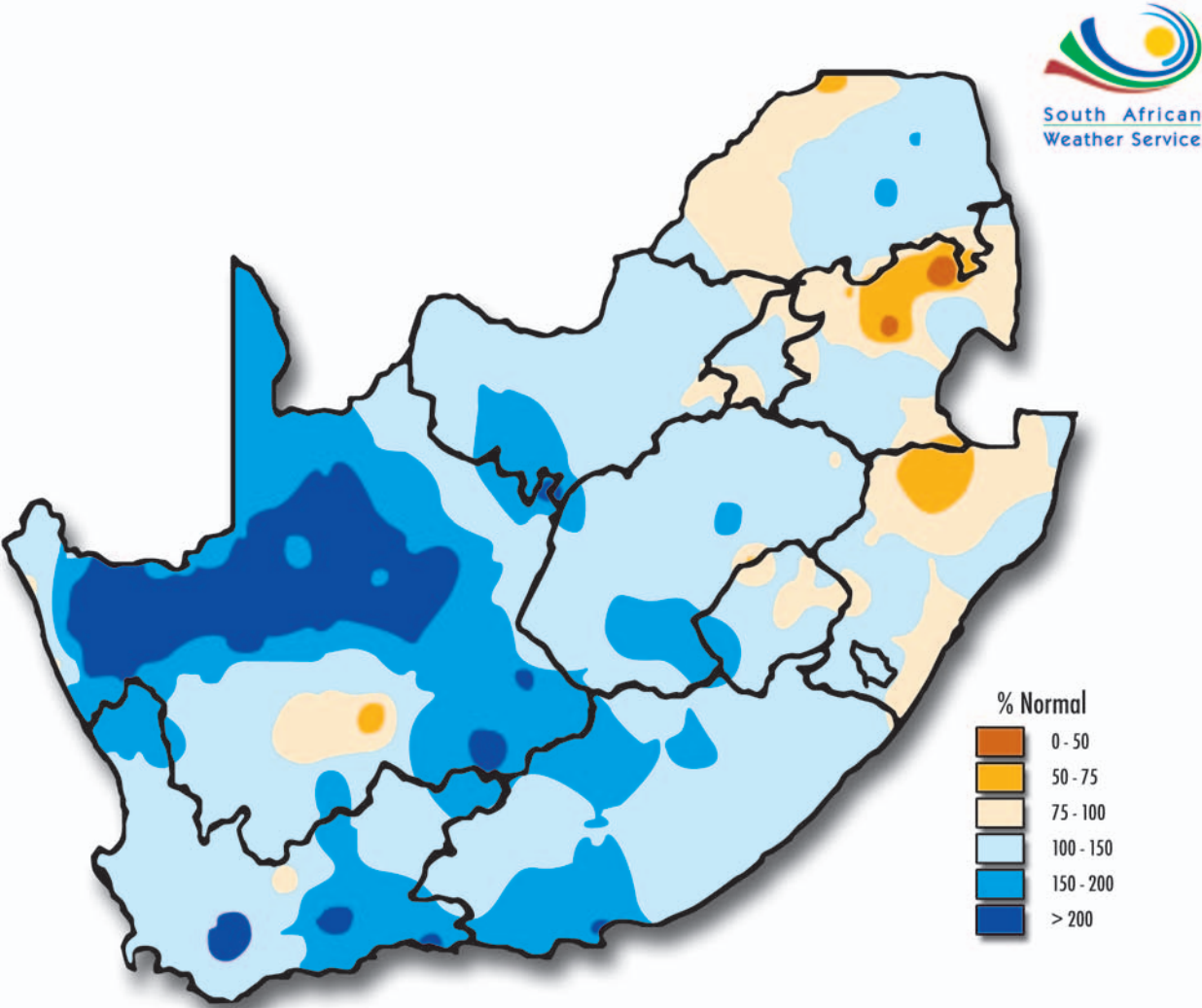


**Table 1: National dam water levels November 2006 to March 2007**

Date	Water levels for current year (2006/07) [Percentage of full supply level]	Water levels for previous year (2005/06) [Percentage of full supply level]
06 November 2006	90,9	58,4
13 November 2006	91,4	58,4
20 November 2006	90,6	58,7
27 November 2006	90,4	58,6
04 December 2006	90,0	58,5
11 December 2006	88,8	58,1
18 December 2006	88,1	57,4
25 December 2006	88,3	56,6
01 January 2007	89,5	55,9
08 January 2007	89,2	56,0
15 January 2007	88,2	60,6
22 January 2007	87,2	62,1
29 January 2007	86,6	64,9
05 February 2007	86,3	69,5
12 February 2007	86,1	73,8
19 February 2007	85,2	80,8
26 February 2007	84,3	84,1
05 March 2007	83,4	88,2
12 March 2007	82,7	87,6
19 March 2007	81,8	87,5
26 March 2007	80,8	90,0

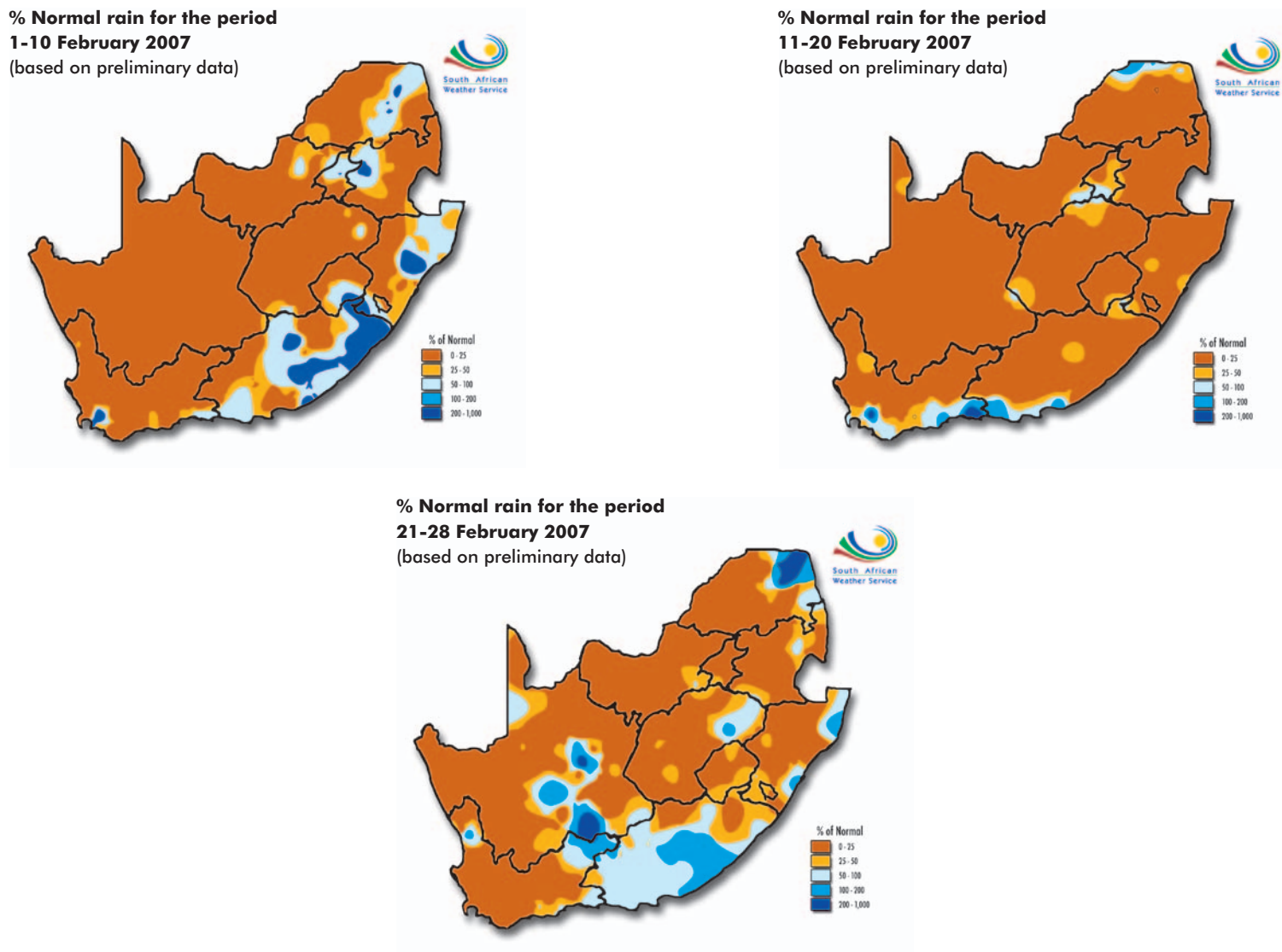
Against this background there is no reason to relax endeavours to conserve water. Although the majority of state dams are designed and operated to bridge drought periods which are longer than one year, the only reason for the “apparently healthy” position at year-end was the very good rains experienced during the previous year. These are reflected in the rainfall map for the period October 2005 to September 2006 (**Figure 2**), when the average rainfall was between 150% and 200% above normal.

Figure 2: Percentage of Normal for the Hydrological Season October 2005 to September 2006 (based on preliminary data)



The quarter of declining rainfall levels experienced in the last quarter of the reporting period are particularly evident in the rainfall maps of February 2007 (**Figure 3**), when large areas of the country received between 0 and 50% of the normal rainfall expected. This impacted on dams in the summer rainfall regions.

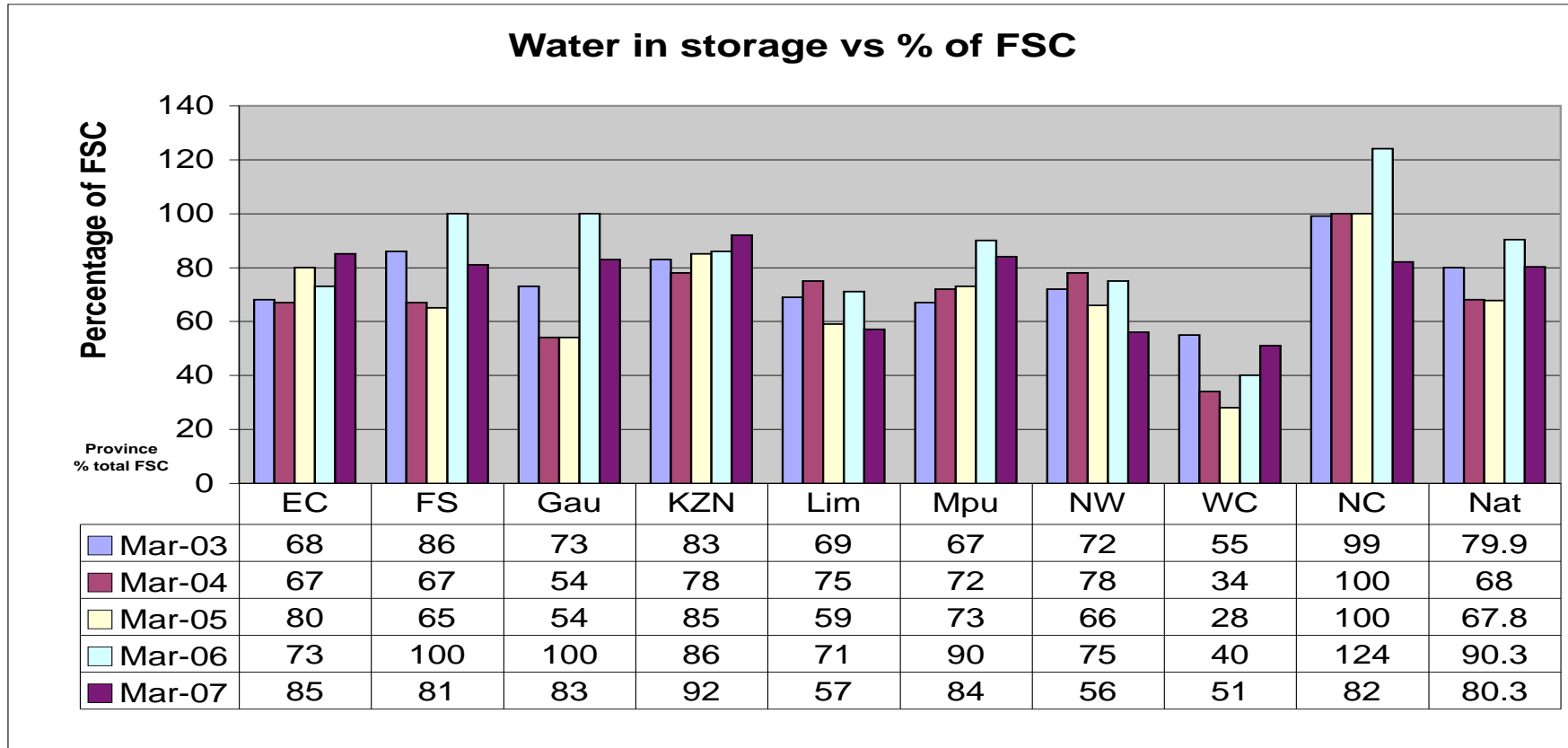
**Figure 3: Percentage of Normal rainfall**



Of the 145 dams monitored, 11 were below 30% in capacity by the end of March 2007. Since these dams are all situated in the summer rainfall area there was little likelihood that the situation would improve.

**Figure 4** presents a comparative set of data on water in storage as a percentage of full supply capacity (FSC) from March 2003 to March 2007.

**Figure 4: Water in storage as a percentage of full supply capacity**



**Table 2: Water in storage dams as a percentage of full supply capacity**

Province	Mar-03	Mar-04	Mar-05	Mar-06	Mar-07	% of Normal Total	FSC
Eastern Cape	68	67	80	73	85	6.3	1807
Free State	86	67	65	100	81	56.2	16037
Gauteng	73	54	54	100	83	0.1	41
KwaZulu-Natal	83	78	85	86	92	15.9	4529
Limpopo	69	75	59	71	57	2.6	739
Mpumalanga	67	72	73	90	84	9.8	2805
North West	72	78	66	75	56	2.8	789
Western Cape	55	34	28	40	51	5.8	1650
Northern Cape	99	100	100	124	82	0.5	143
National	79.9	68.0	67.8	90.3	80.3	100.0	28540
	<b>22815.99</b>	<b>19403.51</b>	<b>19350.84</b>	<b>25770.31</b>	<b>22904.66</b>		
	<b>79.9</b>	<b>68.0</b>	<b>67.8</b>	<b>90.3</b>	<b>80.3</b>		

### 2.1.2 Water Restrictions

By the end of the reporting period water restrictions, in terms of agricultural use, had been imposed on the dams listed in **Table 3**. Re-evaluations are carried out in April/May, but it appeared likely that restrictions would be increased rather than lifted.

**Table 3: Dams which had water restrictions on agricultural use, and still have**

Dam	Province	Dam Level	Restriction on Agricultural Use
Nzehelele	Limpopo	69%	30%
Albasini	Limpopo	47%	70%
Groot+ Middle Letaba	Limpopo	26%	50%
Ebenezer	Limpopo	64%	50%
Tzaneen	Limpopo	60%	50%
Klein-Maricopoort	North West	31%	40%
Koster	North West	25%	100%
Kromellenboog	North West	22%	100%
Molatedi	North West	11%	75%
Allemanskraal	Free State	21%	60%

No water restrictions were applied in the metropolitan areas. However, since 2003, communities and towns in the rural areas, which rely largely on groundwater, have been severely impacted by drought conditions as a result of sub-normal rains over multiple rainfall seasons. Inhabitants of many rural towns have become so accustomed to water being available only during certain hours of the day, that these relatively low levels of water availability have become part of their lifestyles.

Those communities which have not yet been provided with basic water supplies are especially hard hit. Since 2003, the Department has been instrumental in obtaining around R800 million in additional funds for emergency water provision by municipalities in four allocations. No such additional allocation was made during the 2006/07 financial year, which compounded water supply problems to the affected areas. However, the Department has begun processing the request for further fund allocations for emergency water provision via the national disaster management structure, which should alleviate the situation in the year ahead.

### 2.1.3 Water Use

Water use must be formally authorised by a licence, general authorisation or in terms of Schedule 1 of the National Water Act, 1998. At the end of the reporting period, while the CMAs were in the process of being set up or, where established, were in the process of being delegated the relevant powers, the Department remained the only competent authority to deal with these authorisations.

The Department is in the process of verifying and validating water use in all catchments to ensure reliable data on water use in the country.

Water use for 2006/07 was captured on the Department's Water Authorisation and Registration Management System and is reflected in Table 4.

**Table 4: Water use per Water Management Area (WMA) for 2006/07**

WMA No.	WMA Name	Sum of Total Water Use per Sector (m3)				Grand Total
		Agriculture: Irrigation/ Livestock Watering	Domestic/ Industrial	Forestry	Unbillable	
1	Limpopo	528,916,194	51,245,807	1,459,659	467,912	582,089,571
2	Luvuvhu Letaba	396,761,896	41,873,712	35,985,257	15,204,417	489,825,282
3	Crocodile (W), Marico	679,042,703	260,684,293	13,529	46,677,764	986,418,289
4	Olifants	681,428,273	322,997,405	27,309,838	31,893,339	1,063,628,854
5	Inkomati	979,977,333	379,788,083	249,181,907	7,748,686	1,616,696,010
6	Usutu-Mhlatuze	529,547,484	365,578,559	349,026,379	1,633,853	1,245,786,275
7	Thukela	255,708,451	128,966,003	30,104,833	1,371,504	416,150,792
8	Upper Vaal	453,268,033	1,907,914,523	10,797	747,701	2,361,941,054
9	Middle Vaal	280,853,074	313,215,774	-	3,650	594,072,499
10	Lower Vaal	597,476,237	165,166,569	-	216,401	762,859,207
11	Mvoti-Umzimkulu	230,001,939	493,214,783	209,862,138	1,065,019	934,143,879
12	Mzimvubu-Keiskamma	120,914,188	149,759,131	49,692,740	78,103,292	398,469,350
13	Upper Orange	774,519,830	99,838,933	-	-	874,358,763
14	Lower Orange	925,054,240	80,663,008	-	52,716	1,005,769,964
15	Fish-Tsitsikamma	1,042,701,122	146,441,367	15,842,984	12,926,745	1,217,912,218
16	Gouritz	390,126,034	62,252,958	11,685,877	268,612	464,333,481
17	Olifants/Doorn	416,023,848	11,740,065	116,943	655,120	428,535,976
18	Breede	926,377,886	76,618,003	4,995,668	3,479,868	1,011,471,424

		Sum of Total Water Use per Sector (m3)				
WMA No.	WMA Name	Agriculture: Irrigation/ Livestock Watering				Grand Total
		Domestic/ Industrial	Forestry	Unbillable		
19	Berg	345,150,867	376,292,064	4,283,622	3,914,155	729,640,707
	<b>Grand Total</b>	<b>10,553,849,632</b>	<b>5,434,251,038</b>	<b>989,572,171</b>	<b>206,430,754</b>	<b>17,184,103,595</b>

### Forestry Use

The decline in the volumes of water used by the Forestry sector in both the Breede and Berg Water Management Areas (WMAs) resulted from the validation process embarked on by the Department and MTO, the current commercial owner of forests previously owned by the Department. During this process, it was established that some of the forestry areas on the register no longer existed. These were removed from the National Register for Water Use. In Limpopo and the Western Cape, on the other hand, additional forestry related water use was registered as a result of the process.

### Domestic/Industrial Use

Several other ad hoc validation processes took place throughout the country resulting in the increased volumes of water registered for Domestic/Industrial use in the Inkomati, Upper Vaal, Usutu-Mhlathuze and Olifants/Doorn. In most WMAs, the volume of unbillable water decreased due to the various data clean ups.

### Unbillable Use

Irrespective of the WMA in which water use takes place, a "0" based Water Resources Management tariff is currently levied in respect of the following:

- Agriculture: aquaculture;
- Community woodlot;
- Evaporation loss;
- Indigenous forest;
- Industrial residue;
- Mine residue;
- Oxidation;
- Pollution control;
- Recreation;
- Schedule 1;
- Urban (excluding industrial and/or domestic);
- Wastewater disposal; and
- Windbreak.

These unbillable water use quantities will reduce once the Waste Discharge Charge is implemented as per the revised Pricing Strategy.

The effect of expending resources was observed after the water audit in the Breede and Berg Rivers where it was noted that subsequent to the clearing of invasive alien plant species in the riparian areas, the stream is flowing throughout the year and water levels have increased in the stream channel. As vegetation cover has developed there is little run-off, water is retained within the area by plant vegetation and the water quality has changed from 'muddy' to clear.

### 2.1.4 Ecological Condition of Rivers

South Africa operates one of the oldest water resource monitoring networks, particularly in terms of quantity or flow. The importance of qualitative information on South Africa's water resources was realised around 1972, leading to the establishment and maintenance of national monitoring programmes. These are further mandated in Chapter 14 of the National Water Act, 1998.

- The National Aquatic Ecosystem Health Monitoring Programme, better known as the River Health Programme (RHP), uses biological indicators (e.g. fish communities, riparian vegetation and aquatic invertebrate fauna) to assess the health of river systems. The ecologically sound management of South Africa's rivers is crucial since the health of a river impacts directly on its capacity to support the population and its activities in the vicinity in terms of goods and services.

The Ten-Year report of the RHP was released in the reporting period. Factors impacting most on the health of our rivers (stressors) are illegal water abstractions which result in modification of the in-stream habitat, the destruction of riparian vegetation, and invasion by alien species. Whilst not all South Africa's rivers have been covered yet, results based on biological indices are reflected in **Table 5**.



**Table 5: River Health**

State of River Health	% of Rivers Studied 2005/06	% of Rivers Studied 2006/07
Natural to good state	39	40
Fair state	33	32
Poor state	28	28

The improvement reflected in **Table 5** is not substantial. This is due primarily to:

- The fact that the programme is still expanding in an attempt to cover the 632 strategically selected sites in the country;
- The fact that recovery can be a lengthy process, depending on the cause of degradation;
- Inadequate or complete lack of intervention in some areas by those authorised to initiate recovery; and
- Inadequate capacity to assist with both the monitoring and the recovery process.

The RHP is operational in most WMAs and is currently expanding to include not just rivers, but wetlands and estuaries, so as to provide a holistic picture. The picture will be fully complete once aquifer-dependent ecosystems are also linked. WRC/CSIR funded studies to this effect have already begun.

- The *National Chemical Monitoring Programme* assesses and reports on the chemical status of water resources in South Africa. Based on the report produced in 2002, the main water quality challenges for domestic water users are high total dissolved salts and, in some places, high fluoride concentration.

Challenges facing irrigated agriculture are the high sodium absorption ratio, electrical conductivity, pH and chloride. Another challenge, not only in South Africa but globally, is eutrophication or excessive plant growth (including algae) in dams (e.g. Hartbeespoort dam). This growth is caused by high levels of nutrient inputs from single point sources of pollution (e.g. waste discharge from Waste Treatment Works) and diffuse sources of pollution (e.g. agricultural run-off, informal settlements, etc) in catchments. Currently annual reports indicate that 50% of dams in South Africa are seriously impacted (hypertrophic), while the rest range from good (oligotrophic) to poor (mesotrophic).

Cholera-causing bacteria are not monitored directly, but the Department, together with the Department of Health, monitors the risk indirectly through indicators such as *E Coli* and *Total coliform*. The sporadic outbreak of cholera and other water related diseases, due mainly to poor sanitation and poor hygiene at household level, remains a concern.

- The Department is currently designing the *National Toxicity Monitoring Programme* to assess and report on the radiological (radioactivity) and toxicological (poisons) quality status of South African water resources. This programme will also report on the status of DDT and other Persistent Organic Pollutants in South Africa. This information will be reported internationally at the Stockholm Convention through the DEAT.

Another international obligation is the reporting of chemical water quality to Glodatabase in Canada through the recently designed Global Environmental Monitoring Systems-Water Programme. This focuses on inorganic chemical data and is tightly linked to existing chemical monitoring programmes.

The water resource quality monitoring programmes mentioned above are conducted in trans-boundary water management agreements, such as the Komati River Basin Authority. With continued water resource monitoring, trends will be identified against which the outcome of management interventions will be measured.

## 2.2 Programme Policy Developments

### 2.2.1 Water Allocation Reform, Access to Water and Support for Resource-poor Farmers

The Water Allocation Reform position paper was approved by the Director-General and is awaiting Ministerial approval. The toolkit, Version 5, was updated and Regions were trained in its use.

During the period under review, a sum of 185 water use licences were issued for abstraction, impeding and diverting the flow of water in a water course and for afforestation. **Table 6** below sets out which provinces received the licences, for what purpose and the number of licences issued to Historically Disadvantaged Individuals (HDIs).

Regulations on the financial assistance and support to resource-poor farmers have been gazetted for public comments. In co-ordination with the Department of Agriculture, 69 rain harvesting tanks were erected in villages around Limpopo, Free State, North West, KwaZulu-Natal and the Eastern Cape.

**Table 6: Licences issued in 2006/07 in terms of the National Water Act, 1998**

Region	Water Use				
	Abstraction	Impending and diverting	Afforestation	HDI	Total
Eastern Cape	32	-	12	2	46
Gauteng	1	4	-	-	5
KwaZulu-Natal	15	1	58	8	82
Limpopo	1	-	-	1	2
Mpumalanga	6	2	2	1	11
North West	2	-	-	-	2
Northern Cape	13	-	-	-	13
Western Cape	8	-	-	-	8
Free State	16	-	-	-	16
<b>Total</b>	<b>94</b>	<b>7</b>	<b>72</b>	<b>12</b>	<b>185</b>

### 2.2.2 Establishment of Institutions

The Inkomati CMA, established previously, became functional and the Chief Executive Officer was appointed. Financial systems were put in place, the Department and the Inkomati CMA prepared the budget and money was transferred. The initial staff was appointed and an agreement to transfer staff from the Department was concluded.

Another seven CMAs, i.e. Breede, Mvoti-Mzimkhulu, Crocodile (West) and Marico, Usutu-Mhlathuze, Thukela, Gouritz and Olifants/Doorn have been established by Government Notice, the first three during the previous financial year and the latter four during the reporting period.

### 2.2.3 International Matters

During the last financial year the Department was able to achieve co-ordinated support for River Basin Organisations such as the Tripartite Permanent Technical Commission between South Africa, Mozambique and Swaziland and the Orange-Senqu River Basin Commission (ORASECOM). Some of the achievements are the implementation of the Masibambane Agreement, active participation in the African Ministerial Council on Water (AMCOW), signing of a number of bilateral co-operation agreements with Russia, Rwanda, and Tanzania and negotiating cross-border veld fire protection and veld fire fighting arrangements with Mozambique, Swaziland and Lesotho. Areas of co-

operation between South Africa and both India and Brazil were identified. The Department also played a leading role in negotiating a Non-Legally Binding Instrument for all types of forests at the United Nations.

### 2.2.4 Water Conservation and Water Demand Management (WC/WDM)

The Department successfully hosted a National WC/WDM Indaba for the entire water sector, wherein key decisions were taken on the need to develop and enforce national Water Conservation and Water Demand Management Regulations, a Water Use Efficiency information system, and a national WC/WDM Fund. The Department provided support to increase the implementation of WC/WDM within the Emfuleni Local Municipality, resulting in water savings in excess of 18 million cubic meters per annum with financial savings of close to R50 million to the municipality.

A WC/WDM strategy has been developed for the Vaal River System covering three WMAs and the re-use of industrial water is taking place on the Vaal system.

Five additional studies were commissioned to conduct detailed situation assessments for the Umvoti, Uthukela, Usuthu-Mhlathuze, Olifants and Inkomati WMAs.

A water conservation and demand management education and awareness campaign has been developed and a Blue Ribbon symbol, to be used as a national call to action for water conservation and demand management, has been lodged.

Community Water Efficiency Programmes were implemented in Gauteng, Free State, Eastern Cape and KwaZulu-Natal. A total of 1 400 schools registered for participation in the South African Youth Water Project in 2007.

## 2.2.5 Working for Water and Working on Fire

Working for Water (WfW) is an Extended Public Works Programme, administered by the Department on behalf of the Department of Environmental Affairs and Tourism (DEAT) and the National Development Agency (NDA), which is designed to effectively manage invasive alien plants in South Africa in order to protect our natural diversity. This is implemented in a labour intensive manner so as to optimise the socio-economic empowerment opportunities presented by the programme. The following are the key achievements in 2006/07:

- Employment opportunities were generated in all provinces through more than 300 projects;
- R470.8 million was spent at an average of R579 per hectare treated;
- A total of 813,471 hectares were treated of which 149,171 hectares were initial clearing and 664,300 hectares were follow up treatments;
- 29 470 people were employed and trained;
- 1,864,257 person days of work were achieved (97% of target);
- An average of 63 days of employment were provided per individual;
- Of the workers, 17,093 were women (58%), 6,778 were youths (23%) and 589 were disabled.

Over the last five years, WfW supported several value added industry projects through the development of capacity and exposure during WfW exhibitions at trade shows and other events. Of these, two projects, namely Vulindlela in Mpumalanga and Qolora in the Eastern Cape, are still being supported by the programme. Three other projects, Planet Wise and Genadendal Natural Products in the Western Cape and Invader Craft in Limpopo, are running as independent businesses. Planet Wise and Genadendal Natural Products employ more than 100 people in the projects producing garden products. These are not included in the WfW achievements above as they are independent businesses.

The programme experienced its first success in testing the true impact of improving the productive potential of land after the clearing of dense areas of Acacia at Cape St. Francis in the Eastern Cape. During the financial year,

five hectares of roofing thatch, established after clearing some five years ago, matured. It is estimated that as much as R64 800 per hectare can be recovered from the harvesting of the thatch. The equivalent of this should be reinvested in clearing to benefit the Sea Vista community through job creation in further clearing and the management of the thatch.

*Working on Fire (WoF)* utilised approximately R38.9 million from the Department's budget during 2006/7, representing its full budget plus additional funding provided by the Department. Additional amounts were allocated by the Department of Provincial and Local Government (DPLG) – approximately R13.5million for aerial fire-fighting, the KwaZulu-Natal Department of Agriculture and Environmental Affairs – R5.0 million, and SANTAM and other partners through Operation Firewatch to combat fires in informal settlements – over R1.5m. None of the additional amounts were administered by the Department and the figures below do not reflect these. The following are the key achievements in 2006/07:

- A total of 355 fires were fought;
- 314 fires involved initial attack, with 7,204 person-days (85% of total Fire Suppression efforts) utilised on 10,553 hectares (average of 34 hectares per fire);
- 43 fires involved extended attack, with 1,528 person-days (15% of total Fire Suppression efforts) utilised on 6,498 hectares (average of 151 hectares per fire);
- Employment and training was provided to 1,586 people;
- 321,632 person-days of work were provided (96% of target, and representing 202 person-days per person, on average);
- Of these person-days, 81,614 training days were provided (126% of target), focusing primarily on operational/fitness/drill (52%), Department of Labour training (7%), health and safety (14%), sport (12%), and other training (15%);
- Of the people employed, 79% were black, 19% were coloured, 0.1% were Indian, and 2% were white; and
- 29% were women and 95% were youths or under the age of 35.

Ground crews allocated their time as follows: training 27%; stand-by time (necessary on high-risk days) 17%; fire suppression 2%; manual fuel reduction 2%; clearing/burning of fire belts 10% prescribed burning 1%, social upliftment 2%, awareness activities 1%, post-fire rehabilitation 0.1%, general base duties 10%, supervision (i.e., crew-leaders) 10%, leave 7% and other (e.g. community awareness, clearing of weeds, clearing of litter) 10%. Greater focus will be placed on manual fuel reduction, clearing/burning of fire belts, and post-fire rehabilitation in the year ahead.

### 2.2.6 Addressing Illegal Water Use

The Department has become part of the Environmental Prosecuting Forum led by the National Prosecuting Authority (NPA). Successful prosecution was administratively implemented in 112 cases in the Free State, Northern Cape, North West, Limpopo and Mpumalanga. These cases involved unlawful abstraction, unlawful construction of dams and unlawful discharge of waste water. A desk-top review of backlogs in addressing illegal use was completed in all regions and an implementation plan was developed to inform and fast-track response.

### 2.2.7 Charging for Water

The revised Water Pricing Strategy was approved, established by Government Notice and is being implemented. It incorporates the Waste Discharge Charge System which gives effect to the principle that the polluter pays. This principle aims to promote the internalisation of environmental costs by waste dischargers as well as the creation of financial incentives for those who reduce waste and use water resources in an optimal way. Funds recovered will be used by municipalities to counteract the pollution caused.

### 2.2.8 Protection of Water Resources

The classification system for water resources was gazetted for public comment. In addition four Reserve studies and 25 Rapid Level Reserve studies were completed and a template was submitted for approval. This is being done to facilitate the issuing of water use licences.

### 2.2.9 Water Resource Monitoring

The expansion of the National Microbiological Monitoring Programme is 100% complete and continuous maintenance of the programme is being done in all the 19 Water Management Areas. This aims at providing early warning of the potential occurrence of water borne diseases such as cholera, particularly to water service providers.

### 2.2.10 Planning for the Future

Good progress was made with investigations to reconcile the country's projected water demands and possible water supply. A joint feasibility study on LHWP Phase II is progressing well and it was jointly agreed by technical experts representing Lesotho and South Africa that a detailed study be undertaken for a dam at Polihali, with a gravity tunnel to Katse Dam, before a final project layout can be presented for decision making.

Progress with other pre-feasibility and feasibility studies on water reconciliation solutions has been appreciable. These include the Olifants River Water Resources Development Project: De Hoop Dam and Associated Water

Distribution Infrastructure; Groot Letaba River Water Resource Development Project: Construction of Nwamitwa Dam and possible Raising of Tzaneen Dam; Mokolo River Augmentation Project; Clanwilliam Dam Raising and Phase 2 of Mooi-Mgeni Transfer Scheme: Construction of Spring Grove Dam and the Associated Water Distribution Works.

Various other studies were initiated to develop national strategies to reconcile water availability and use. In this regard two major reconciliation studies, namely the Vaal System Reconciliation Strategy Study and the Western Cape Reconciliation Strategy Study progressed well. A study to validate and verify water allocations in the Mokolo Catchment was completed during this reporting period.

## 2.3 Challenges

As reported in the 2005/06 State of Water Resources report, the sector-wide challenge of recruiting and retaining staff remains a concern. Most of the positions are of a technical nature and are classified by the Department as scarce skills. A number of units therefore operated without full staff complements.

Although the process of issuing water use licences is being streamlined to ensure efficiency and effectiveness, the transformation of Irrigation Boards to Water User Associations still remains a challenge.

The Compliance Monitoring and Enforcement Unit is functional and is progressing with the matter of illegal water use. Desktop studies were conducted to identify possible illegal use in all Regions. The unit is engaging in the verification of this information and enforcement of compliance.

## PROGRAMME 2: WATER RESOURCE MANAGEMENT: KEY OUTPUTS AND SERVICE DELIVERY TRENDS

### Strategic Objective: Ensure equitable allocation and authorisation of water use

Outputs	Service Delivery Indicators	Actual Performance
500 new resource-poor farmers granted financial support via subsidy system	Measurable impact on establishment and development of resource-poor farmers	<ul style="list-style-type: none"> <li>Final draft of regulations for financial support to resource-poor farmers completed.</li> <li>69 Rain harvesting tanks constructed.</li> </ul>
Implementation of Water Allocation Reform programme piloted in five catchments	Measurable impact on poverty eradication and rural development	<ul style="list-style-type: none"> <li>Water Allocation Reform Position paper approved by Water Resource Functional Management Committee and Director-General and awaiting Ministerial approval.</li> <li>Toolkit Version 5 updated.</li> <li>Final draft of the Validation and Verification Guide completed.</li> <li>Subsidies given to 54 resource-poor farmers through Impala Water User Association.</li> <li>Validation completed in Moloko.</li> <li>50 ha made available to resource-poor farmers.</li> <li>Started with project to develop a framework for water allocation to guide compulsory licensing in the Inkomati WMA.</li> </ul>
Water use licence applications evaluated and use authorised where approved	Licence applications processed within a reasonable time, in co-operation with other departments where necessary	<ul style="list-style-type: none"> <li>Guideline on external licensing process for all water uses and internal checklist on taking and storing completed.</li> <li>26 Licence applications audited and referred back for corrections or passed on for submission to delegated authority.</li> <li>24 Licences issued for existing water users.</li> <li>Draft authorisation protocol circulated to stakeholders for comment. Draft strategy and protocol developed. PPP pilots initiated and final agreement with NT not achieved.</li> <li>Consultation regarding Strategic Plan initiated. Gijima funding application submitted for Pongolapoort Dam Public Private Partnership, awaiting approval.</li> <li>With regard to the national roll-out of wetlands delineation policy guidelines and procedures it should be noted that a draft position paper was circulated to various stakeholders and departmental regions. A consultant was appointed for the roll-out process, training scheduled and material developed.</li> </ul>
Existing lawful use verified in eight catchments	Use certified	<ul style="list-style-type: none"> <li>Priority study areas were developed in the Inkomati WMA.</li> <li>In the Mhlathuze Catchment, water use proposals were finalised and water user workshops were arranged.</li> <li>With reference to verification of water use in Jan Dissels, comments were addressed and final letters sent off.</li> <li>Validation and verification in the Vaal catchment is 71% complete.</li> </ul>

Outputs	Service Delivery Indicators	Actual Performance
Authorisations to use water (general authorisations and licences reviewed every five years)	Conditions of use revised where necessary	<ul style="list-style-type: none"> <li>Development of draft Allocation plan initiated in Mhlathuze catchment.</li> <li>Announcement of Compulsory Licensing (CL) process initiated.</li> </ul>
Trading of water use authorisations taking place	<p>Trades complying with policy</p> <p>Trades reported in annual reports of water management responsible authorities</p>	<ul style="list-style-type: none"> <li>32 Licences were audited in terms of S25 (2) of the National Water Act, 1998.</li> </ul>

**Strategic Objective: Ensure effective and efficient use of water**

Outputs	Service Delivery Indicators	Actual Performance
Actions taken for non-compliance with conditions of water use authorisations	Visible interventions to promote compliance with conditions of water use authorisations including support, directives, and prosecutions where necessary	<ul style="list-style-type: none"> <li>Local government support and Intervention Protocol in final stage.</li> <li>A project was mobilised to ensure the development and implementation of a generic Compliance Monitoring and Enforcement policy and guideline.</li> </ul>
Water conservation/water demand management (WC/WDM) awareness and promotion programmes implemented	WC/WDM institutionalised in regional offices and water management and service institutions	<ul style="list-style-type: none"> <li>1 400 schools registered for participation in the South African Youth Water Project in 2007.</li> <li>Community Water Efficiency Programme Implemented in Gauteng, Free State, Eastern Cape (EC) and KwaZulu-Natal (KZN).</li> <li>The Department / SANParks Community Water Efficiency Projects: Permaculture Training course in three communities, completed ahead of schedule.</li> <li>Re-use of industrial water taking place on the Vaal.</li> <li>WC/WDM Indaba held in March 2007.</li> <li>Provided training to water control officers for WC/WDM awareness purposes.</li> </ul>

Outputs	Service Delivery Indicators	Actual Performance
Existing infrastructure operated and maintained effectively	<p>Water supplied in accordance with agreements with users</p> <p>Interruptions in supply minimised</p>	<ul style="list-style-type: none"> <li>• Water Care works processes and personnel registration and classifications are continuing and the function is in the process of being transferred to Water Services.</li> <li>• Bulk Raw Water was supplied in most cases in accordance with agreements and demands.</li> <li>• Strategic supply to Eskom met in full.</li> <li>• Domestic/Industrial and Agriculture demands not met in all instances due to drought conditions. Water restriction were implemented at the following schemes: <ul style="list-style-type: none"> <li>– Hluhluwe Dam: 70% restriction on agriculture and 10% on Domestic and Industrial use.</li> <li>– Kouga dam: 25% water restriction on agricultural use (since lifted).</li> <li>– Western Cape Water Supply System: 10% Restriction on water supplied from system.</li> <li>– Koster Dam: 100% restriction on agricultural use.</li> <li>– Klein Maricopoort Dam: 40% restriction on agricultural use.</li> <li>– Nzhelele Dam: 30% restriction on agricultural use.</li> <li>– Albasini Dam: 70% restriction on agricultural use.</li> <li>– Middle Letaba and Nsami Dam: 50% restriction on agricultural and 20% Domestic and Industrial use.</li> <li>– Great Letaba: 50% restriction agricultural use.</li> </ul> </li> </ul>
Use of water from existing government water schemes optimised	<p>Water allocations taken up by users, in consultation with other relevant departments</p> <p>Government water schemes upgraded to improve performance where required</p>	<ul style="list-style-type: none"> <li>• 50 ha made available to resource-poor farmers in the Western Cape (WC).</li> <li>• Refurbishment: <ul style="list-style-type: none"> <li>– Gariep Dam Silt Outlet no.3.</li> <li>– Replace load cells on Dam Wall cranes.</li> <li>– Tugela/Mhlathuze Outlet Works.</li> <li>– Pongola Poort Dam Flood Gates.</li> <li>– Ngagane government water scheme, Ntshingwayo Dam Outlet Works.</li> <li>– Gamtoos Siphons - Manufacture siphon replacement section.</li> </ul> </li> <li>• Rehabilitation: <ul style="list-style-type: none"> <li>– Qamata Irrigation scheme – 4 Irrigation dams.</li> <li>– Shiloh Irrigation Scheme – Construction of pump station and rising main replacing defunct canal system.</li> </ul> </li> </ul>

**Strategic Objective: Investigate water balance and find national (water management area level-, catchment level- or system level) and international reconciliation solutions**

Outputs	Service Delivery Indicators	Actual Performance
Joint feasibility study on LHWP Phase II completed	Agreement between the Republic of South Africa (RSA) and Lesotho	<ul style="list-style-type: none"> <li>Study delayed. Start of a Joint Feasibility Study.</li> <li>Study delayed to a later date in order to obtain baseline environmental information.</li> </ul>
Joint feasibility study of a storage dam in Lower Orange River completed	Agreement between RSA and Namibia	<ul style="list-style-type: none"> <li>Priority of study reassessed. Not to proceed.</li> </ul>
Joint management plan for Orange River: investigations for further phases started	Agreement among RSA, Namibia, Lesotho and Botswana	<ul style="list-style-type: none"> <li>Preparatory work for feasibility study according to schedule. On target for completion of Phase 1 of the Study during 2007/08.</li> </ul>
Joint studies on international river basins undertaken	Reports at all project stages approved by relevant joint technical committee or commission	<ul style="list-style-type: none"> <li>Participation in joint studies on Orange, Limpopo, Inkomati and Maputo rivers and Zambezi transfer to southern Mozambique on track.</li> </ul>
National strategies developed to reconcile water availability and use	<p>Appropriate information available to facilitate compulsory licensing</p> <p>Alignment with provincial growth and development and other relevant strategies</p>	<ul style="list-style-type: none"> <li>Commissioned WC/WDM Situation Assessment and Strategy Development studies in three KZN WMAs. The inception reports were received.</li> <li>Finalised WC/WDM assessment and implementation plan for Mokolo. Final reports for all sectors and the Lephalale municipality were received.</li> <li>Vaal study (Agricultural component) finalised. Collaborated with DPLG to implement measures identified in study.</li> <li>A meeting took place with DPLG to map out implementation and assessment of the other five municipalities.</li> </ul>
Pre-feasibility and feasibility studies on water resources reconciliation solutions undertaken	<p>Recommendations for implementation of schemes</p> <p>Alignment with provincial growth and development and other relevant strategies</p>	<ul style="list-style-type: none"> <li>Phase 2 of Mooi-Mgeni Transfer feasibility study is on track.</li> <li>The Mokolo/Lephalala (Ellisras) Water Resource Augmentation: Feasibility study was delayed after resignation of a senior staff member.</li> <li>The Groot Letaba River Water Resource Development: Construction of Nwamitwa Dam was delayed due to refinement of scope of work.</li> <li>The compilation of the Clanwilliam Dam Raising: Feasibility Study report is on schedule.</li> </ul>



## Strategic Objective: Implement solutions for reconciling water supply and demand

Outputs	Service Delivery Indicators	Actual Performance
Prioritised invasive alien plant species (terrestrial and aquatic) treated and cleared	<p>150 000 hectares initial clearance</p> <p>500 – 750 000 hectares follow-up</p> <p>10 -12 000 person years employment created for ± 30 000 people</p> <p>Measures to deal with aquatic weeds included in environmental management plans</p>	<ul style="list-style-type: none"> <li>• 828 621 hectares of invasive alien plant species treated and cleared.</li> <li>• 10 – 12 000 person years employment created for 29 470 people.</li> </ul>
Development and implementation of water conservation and water demand management measures by water management and water services institutions supported by the Department	Support provided to 20 institutions	<ul style="list-style-type: none"> <li>• Facilitated implementation of model farm to pilot efficient irrigation systems and practices for improved water use in Mhlathuze area. Data collected and analysed. Irrigation farms evaluated and compared. Progress meeting held.</li> <li>• Initially four farms selected; but one farm under land claim. No irrigation taking place on this farm.</li> </ul>
Design, construction and commissioning of new infrastructure progressed, including:	<p>Approved by Cabinet</p> <p>Social and Environmental issues accounted for</p>	<ul style="list-style-type: none"> <li>• Support provided to: Olifants River Water Resources Development Project Phase II (De Hoop); Flag Boshielo; Amatole government water scheme; environmental planning, site inspections and rehabilitation: Luvuvhu River; Berg River; Sabie River; Hluhluwe government water scheme.</li> </ul>
Berg River Water Project	Implementation as per plan	<ul style="list-style-type: none"> <li>• Construction of the Berg Water Project (Supplement scheme) advanced to 88% complete.</li> </ul>
Olifants River Water Resources Development Project (De Hoop Dam)	Implementation as per plan	<ul style="list-style-type: none"> <li>• Phase 2 environmental appeals only resolved in October 06. Six months construction delay. With regard to the preparation of the site, the first graves were exhumed.. Tender design and tender documents completed. Detail design advanced to 40% complete.The tender for the realignment and reconstruction of Road P169-1 (R555) was advertised. The project was launched at the start of water week on 19 March 2007.</li> <li>• Signing of a BEE Charter for the implementation of the project focusing on local environmental development (LED), affirmative procurement and labour. The charter was signed between the Minister, Premier of Limpopo province and the Executive Mayor of the Greater Sekhukhune District Municipality. This is a first co-operative governance pact between the three spheres of government for the implementation of a government project of this magnitude.</li> </ul>

Outputs	Service Delivery Indicators	Actual Performance
Nandoni water treatment works	Implementation as per plan	<ul style="list-style-type: none"> <li>Water Treatment Works: Design advanced to 87%. Construction advanced to 79% complete. The requirement for an Administration/ Control building must still be resolved.</li> <li>Distribution Network: Design advanced to 53% complete. Construction advanced to 19% complete. Final design of pipeline Mavambe to Vuwane is being redone due to larger road reserve. NR6 pipeline started late.</li> </ul>
Inyaka water treatment works	Implementation as per plan	<ul style="list-style-type: none"> <li>Design advanced to 80% complete.</li> <li>Construction advanced to 23% complete.</li> </ul>
Hluhluwe Dam (KwaZulu-Natal)	Implementation as per plan	<ul style="list-style-type: none"> <li>Construction of RWS advanced to 75% complete.</li> </ul>
Mooi-Mgeni transfer scheme Phase 2 (Spring-Grove Dam)	Implementation as per plan	<ul style="list-style-type: none"> <li>Phase 2 – Mooi-Mgeni transfer feasibility study not completed, due to the fact that the response of users to agree to implementation was slow.</li> </ul>
Eastern-Vaal Sub-system Pipeline	Implementation as per plan	<ul style="list-style-type: none"> <li>Construction of works advanced to 46% complete. Abstraction works behind schedule. Pipe-laying behind schedule. Temporary abstraction works to be built to enable commissioning of pipe contract by March 2008. Eight months extension awarded for completion of works within the original budget.</li> </ul>

**Strategic Objective: Ensure water related disaster preparedness and safety of dams**

Outputs	Service Delivery Indicators	Actual Performance
Policies, legislation, strategies and guidelines for water-related emergency and disaster management in place and updated as necessary	<p>Organisational structure, practices and procedures defined</p> <p>Proactive approach to emergency and disaster management adopted by water managers</p> <p>Preparation of disaster management plans promoted and managed</p> <p>International issues and requirements incorporated</p>	<ul style="list-style-type: none"> <li>R160 million drought, R7.55 million flood and R6 million tsunami relief funds managed.</li> <li>Finished re-assessment of drought relief needs.</li> <li>1st intake enrolled as Departmental interns.</li> <li>2nd intake financed and enrolled.</li> </ul>
Policies, legislation, strategies and guidelines for water-related emergency and disaster management implemented	<p>Organisational structure functional</p> <p>Coherence in approaches among water and disaster management sectors</p> <p>Emergencies and disasters effectively managed</p> <p>Preparation of disaster management plans progressed</p> <p>Effective participation in international forums</p>	<ul style="list-style-type: none"> <li>Co-ordination of drought and flood relief activities achieved.</li> <li>Continued co-ordination of tsunami assistance to Maldives and Sri Lanka.</li> <li>Did not succeed in obtaining additional drought relief funds for municipalities.</li> </ul>

Outputs	Service Delivery Indicators	Actual Performance
Multi/Inter-departmental information system to support water-related emergency and disaster management developed and maintained	Progressive improvement in availability and use of data and information from domestic and international sources to facilitate emergency and disaster management	<ul style="list-style-type: none"> <li>Obtained access to highly skilled resources through partnership agreement with National Disaster Management Centre and United Nations.</li> </ul>
Dam safety legislation administered and national dam safety programme managed	<p>Dams with a safety risk registered and classified</p> <p>Safety of dams evaluated by approved professional persons in terms of the National Water Act, 1998 (Act No. 36 of 1998)</p> <p>Construction, enlargement and alterations undertaken in accordance with regulations</p>	<ul style="list-style-type: none"> <li>100% Achieved. Drafted guidelines on dealing with illegal dams.</li> <li>Compiled draft dam safety regulations. The draft regulations must still be translated and published for public comment.</li> </ul>
Safety of departmental dams assessed, and dams rehabilitated where necessary	Risk of operational and structural failure minimised	<ul style="list-style-type: none"> <li>Ensured compliance with dam safety legislation. Appropriate steps were taken in cases of non-compliance.</li> <li>Compiled draft dam safety regulations. The draft regulations must still be translated and published for public comment.</li> <li>With regard to the rehabilitation of 150 dams it can be reported that the preparatory work for the rehabilitation work advanced to 11% complete.</li> </ul>

**Strategic Objective: Ensure the protection of inland and estuarine water-based ecosystems and groundwater in the context of impact on land-based ecosystems**

Outputs	Service Delivery Indicators	Actual Performance
Classification of water resources: pilot testing of classification system	Major rivers classified in catchments to facilitate water allocation reform	<ul style="list-style-type: none"> <li>Two stakeholder workshops were held. The 1st draft gazette of the Classification System was developed. Classification System gazetted for public comment.</li> </ul>
Comprehensive Reserve determinations commenced in four priority catchments, and three more identified and initiated	Appropriate information available to facilitate compulsory licensing	<ul style="list-style-type: none"> <li>Four Reserve studies were completed and templates submitted for approval. (Olifants/Doring template still to be finalised).</li> </ul>
Ad hoc surface water reserves determined (by Desktop, Rapid and Intermediate methods)	Reserve determinations undertaken to facilitate individual licence applications	<ul style="list-style-type: none"> <li>Templates for the Tongati/Mdhloti Intermediate study, as well as the ad hoc Low Confident Reserves were prepared and submitted to the Director-General.</li> </ul>
Ad hoc groundwater resource Reserves determined	Reserve determinations undertaken to facilitate individual licence applications	<ul style="list-style-type: none"> <li>25 Rapid level Reserves completed.</li> </ul>
Quantification of the dependency of terrestrial ecosystems on groundwater	Dependencies accounted for in- licensing decisions	<ul style="list-style-type: none"> <li>Draft policy completed by PSP and submitted.</li> </ul>
Determine the effectiveness of fish ladders as a mitigation measure for obstructions to the migration of aquatic species	Best practices model established	<ul style="list-style-type: none"> <li>Project to commence in April 2007.</li> </ul>

**Strategic Objective: Ensure the minimisation of impacts of waste discharge and disposal and other land-based activities on water resources**

Outputs	Service Delivery Indicators	Actual Performance
Further development and systematic implementation of Resource Protection and Waste (RP&W) policy	RP&W policy finalised, published and implemented	<ul style="list-style-type: none"> <li>Phase III completed. Registration forms completed. Workshops held in Mpumalanga and North West.</li> </ul>
Impacts of waste discharge and disposal activities assessed and interventions prioritised	Sectoral strategies and operational guidelines – to facilitate assessment of impacts of waste discharge and disposal activities and prioritisation of interventions – updated, finalised, published and implemented	<ul style="list-style-type: none"> <li>Sectoral strategies and operational guidelines completed.</li> <li>Roll-out of local government intervention protocol initiated.</li> </ul>
Further development of Remediation policy and strategy	<p>Integrated approach to addressing the impacts of historical or accidental waste discharge and disposal activities and water resources</p> <p>Methodologies and sectoral guidelines finalised and published</p>	<ul style="list-style-type: none"> <li>Development of strategy and guidelines to remediate land-based activities to commence in April 2007.</li> </ul>
Physical rehabilitation at abandoned mines and Departmental waterworks undertaken as required	Waterworks designed and constructed at prioritised abandoned mines and Departmental waterworks	<ul style="list-style-type: none"> <li>Arbor Colliery: 95% complete. Fencing of Pit no 4 and 5. (Hydroseeding out on tender remains a challenge).</li> <li>KwaZulu-Natal: Kliprand Mine: 100% completion of rehabilitation.</li> <li>Indumeni Mine: Drawings for watercourse alteration not completed.</li> <li>Natal Navigation Colliery (NNC)4 Mine: Dam construction.</li> <li>Finalised 100% of planning for dump rehabilitation. The construction of the dam is however not complete.</li> </ul>
Emergency pollution incidents remedied	Timely action taken to minimise effects on water resources	<ul style="list-style-type: none"> <li>Ongoing support given with regard to emergency incident remedies.</li> </ul>
Further development of financial instruments for waste discharge and disposal	<p>Waste Discharge Charge System finalised</p> <p>Development of Strategy for Financial Security by Industry (section 30 National Water Act, 1998)</p>	<ul style="list-style-type: none"> <li>Implementation of Waste Discharge Charge System to promote waste reduction and water conservation in progress.</li> </ul>

Outputs	Service Delivery Indicators	Actual Performance
Environmental best practice guidelines and specifications to mitigate the effects of land based activities, including infrastructure development on water resources implemented	Impacts of land based activities mitigated	<ul style="list-style-type: none"> <li>Draft plan on involvement of RP&amp;W Agric in small scale agricultural activities. Draft Implementation Strategy completed, but not implemented; Implementation of Environmental best practice guidelines and specifications and awareness and capacity building at the Department. Support to development of guidelines for peat mining extractions and wetland management; Saldanha Langebaan Groundwater government water scheme: Aquifer recharge; DEAT with regard to reviewing of Environmental Impact Assessment and Environmental Management Programme reports with regard to water resources impacts (6 reports reviewed); Evaluated 13 township establishment infrastructure projects.</li> <li>Development and implementation of operational policies and best practice guidelines for industrial sectors were not achieved.</li> <li>Approval of guidelines from Water Resources Functional Management Committee. PSP procurement process not completed.</li> <li>Draft Coastal Zone Management Bill and Memorandum of Understanding with DEAT finalised for marine outfall licence applications.</li> </ul>

**Strategic Objective: Develop and support institutional arrangements for national water resources infrastructure**

Outputs	Service Delivery Indicators	Actual Performance
Functionality of the Department's Infrastructure Branch progressed	<p>Asset inventory updated</p> <p>Billing system and revenue management system functional</p> <p>Business processes to improve infrastructure management efficiency implemented</p> <p>The revised structure implemented</p>	<ul style="list-style-type: none"> <li>Service provider appointed to re-assess value of assets.</li> <li>SAP system implemented in October 2006, and reconciliation between Basic Accounting System and SAP undertaken.</li> <li>Managerial posts were advertised. Deputy Director-General was appointed. Migration plan 60% completed.</li> <li>Not achieved because of delayed approval of establishment and appointment of managers.</li> </ul>
Preparations to establish National Water Resource Infrastructure Agency (NWRIA) progressed	<p>Draft NWRIA Bill prepared</p> <p>Comprehensive organisational and implementation plans prepared</p> <p>Effective institutional oversight unit established in the Department</p>	<ul style="list-style-type: none"> <li>Draft Bill completed and presented to Top Management and Minister for approval.</li> <li>Development of implementation plans delayed because of difficulties in finalising appointment of Project Manager, but internal workshops with Departmental officials and TCTA members were held.</li> <li>Steps are being taken to improve the institutional oversight capacity of the Department.</li> </ul>

**Strategic Objective: Develop and support institutions at water management area level**

Outputs	Service Delivery Indicators	Actual Performance
Four catchment management agencies (CMAs) established: <ul style="list-style-type: none"> <li>- Thukela (KZN)</li> <li>- Usuthu-Mhlathuze(KZN)</li> <li>- Gouritz (WC)</li> <li>- Olifants/Doorn (WC)</li> </ul>	Establishment proposals developed through public consultation  Establishment approved by Minister  Governing Boards appointed	<ul style="list-style-type: none"> <li>• The process of nominations for members to serve on the Advisory Committee is under way for all four CMAs.</li> <li>• Development of Guidelines for Evaluation of Public Participation and Empowerment in establishment of Water Management Institutions 75% completed.</li> </ul>
Financial, technical and capacity-building support provided to CMAs	Financially and technically viable institutions  Extent of functional responsibilities delegated to CMAs	<ul style="list-style-type: none"> <li>• Support provided to Inkomati CMA. R3.0 million transferred to Inkomati CMA.</li> <li>• Recommendations of Advisory Committees for Breede, Mvoti and Crocodile West submitted to Minister.</li> <li>• Development of Capacity Building and empowerment framework for participation of HDIs 75% completed.</li> <li>• IT governance issues outstanding - has systems implications.</li> <li>• Breede process to appoint Governing Board slower than originally surmised.</li> <li>• Transferred R6 853 million seed funding to Inkomati CMA. R3 353 of which is roll over from 2005/6 financial year.</li> </ul>
Performance of CMAs monitored	Business Plans and Annual Reports (including Financial Statements) reviewed and approved	<ul style="list-style-type: none"> <li>• Inkomati first business plan signed by Minister. Draft Operational roll-out plan received.</li> </ul>

**Strategic Objective: Develop and support institutions at local level**

Outputs	Service Delivery Indicators	Actual Performance
New Water User Associations (WUAs) established, especially for resource-poor farmers, according to needs	Establishment proposal developed through public consultation  Establishment approved by Minister	<ul style="list-style-type: none"> <li>• Edikeni, Bushman River, Imfunda Yophongolo and Middle Letaba WUAs established. Draft proposals for Letsitela, N'wamitwa and Luvuvhu WUAs submitted to Limpopo Region.</li> <li>• Management committees elected for Zonderend and Maalgate WUAs.</li> <li>• Regional liaison meetings with Mpumalanga, Gauteng, Limpopo regions.</li> <li>• Meeting held with Management Committee and workforce in Lower Orange River Water User Association, Boegoeberg and Vaalharts.</li> </ul>
Existing irrigation boards transformed to WUAs	Transformation proposal developed through stakeholder consultation  Establishment approved by Minister	<ul style="list-style-type: none"> <li>• Kabous, Hex Valley, Maalgate, Zonderend and Nkweleni WUAs established. Buffels, Korente-Vette, Hex Valley and Elandskloof re-submitted to Minister.</li> <li>• The process of establishment of other WUAs delayed due to the need to review the approach.</li> </ul>
Responsibility for operation and maintenance of schemes delegated to WUAs	Contracts in place  Staff transferred	<ul style="list-style-type: none"> <li>• Not achieved.</li> </ul>

Outputs	Service Delivery Indicators	Actual Performance
Financial, technical and capacity-building support provided to WUAs	Financial, technical and capacity-building support provided to WUAs	<ul style="list-style-type: none"> <li>• Management committees elected for Zonderend and Maalgate WUAs.</li> <li>• Implementing Agent policy approved.</li> <li>• Billing Agent policy approved.</li> <li>• Management committees established for Mutshimbwe, Mutale and Nenzhelele WUAs.</li> </ul>
Performance of WUAs monitored	Performance of WUAs monitored	<ul style="list-style-type: none"> <li>• Draft Business plan received for Tosca/Molopo WUA. Business Plans for Kakamas and Boegoeberg reviewed.</li> <li>• Checklist for evaluation of proposals and business plans developed.</li> <li>• Reviewed business plans for uPhongolo, Mutshimbe and Mutale and upper Mlazi WUAs.</li> </ul>

### Strategic Objective: Provide Strategic Direction

Outputs	Service Delivery Indicators	Actual Performance
Compilation of information for National Water Resource Strategy, Second Edition	Details of latest developments in approach to managing water resources accounted for	<ul style="list-style-type: none"> <li>• National Water Resource Strategy Second Edition due for publication in January 2010.</li> <li>• Awareness policies maintained.</li> <li>• Review protocol initiated.</li> </ul>
State of Water Resources Report	Published in Annual Report	<ul style="list-style-type: none"> <li>• Draft completed covering 2005/6 hydrological year.</li> </ul>
First Progress Report on Consolidated Environmental Implementation and Management Plan (CEIMP) Second Edition compiled	Report approved by Committee for Environmental Co-ordination	<ul style="list-style-type: none"> <li>• First edition of the audit report on the CEIMP was compiled. A sustainable indicator report was also compiled. Inputs incorporated into CEIMP Second Edition.</li> </ul>
Awareness of strategic issues affecting water resources maintained, and generation of new knowledge and approaches	<p>New developments accounted for in management approaches</p> <p>The Department's research needs identified and met</p>	<ul style="list-style-type: none"> <li>• Co-ordination up to date.</li> <li>• Papers prepared from time to time for presentations nationally and internationally. On-going.</li> <li>• Water sector colloquia held on two occasions.</li> </ul>
Policies and strategies for managing water resources internally consistent with the requirements of other relevant laws and policies	Consistent approaches among all departmental units	<ul style="list-style-type: none"> <li>• Internal: Participation in the development of most new WRM policies and strategies done.</li> <li>• External: Interactions with other government departments and institutions done.</li> <li>• Compilation of a catalogue for WRM policies and strategies had to be postponed due to other urgent priorities.</li> <li>• 70% WRM projects planning finalised.</li> </ul>
Framework for addressing historical, social and economic impacts of existing dams systematically implemented	Social and economic impacts appropriately addressed	<ul style="list-style-type: none"> <li>• Ongoing.</li> </ul>
Activities to implement the National Water Act, 1998 co-ordinated	Progress monitored and regularly reported	<ul style="list-style-type: none"> <li>• Planning information was completed for 70 of 100 projects. Quarterly progress reporting for October to December 2006 was initiated.</li> </ul>

**Strategic Objective: Co-ordinate the development and ensure the implementation of strategies for catchment management**

Outputs	Service Delivery Indicators	Actual Performance
Catchment Management Strategies submitted by catchment management agencies reviewed and evaluated	Submitted Catchment Management Strategies prepared in accordance with approved guidelines in accordance with the National Water Act, 1998; not in conflict with the NWRS; and approved by the Minister	<ul style="list-style-type: none"> <li>Catchment Management Strategy Guidelines finalised and print-ready.</li> <li>Three road shows completed.</li> </ul>
Where no CMA exists, the Department's Internal Strategic Perspectives reviewed and updated where necessary	Internal Strategic Perspective reflects latest information and management approaches	<ul style="list-style-type: none"> <li>Internal Strategic Perspectives reviewed and found to be up to date.</li> </ul>
Development and application of tools to analyse and model water resources reviewed and evaluated	Consistent approach to analysing and modelling water resources at catchment scale	<ul style="list-style-type: none"> <li>Advisory Committee on water resource modelling established to give guidance on which models to be developed and their applications.</li> </ul>

**Strategic Objective: Establish, implement and maintain the national monitoring and information management system**

Outputs	Service Delivery Indicators	Actual Performance
Existing monitoring system for water resources operated, maintained and expanded where necessary	Relevant and sufficient data collected at prescribed intervals Rationalisation and integration of component monitoring systems Co-ordination of data collection with other water-sector role players	<ul style="list-style-type: none"> <li>Monthly disposal reports checked. Record kept of water usage/loss.</li> </ul>
New and special monitoring programmes for water resources developed and implemented	Integration of new programmes with existing monitoring system	<ul style="list-style-type: none"> <li>Maintain the National River Health Monitoring Programme and continue with the national coverage phase.</li> </ul>
Existing information systems for water resources operated and maintained, and further developed where necessary	Availability of relevant and sufficient information  Adherence to relevant legislative requirements for information sharing  Conformity with National Water Resource Information Standards  Rationalisation and linking of component information systems	<ul style="list-style-type: none"> <li>Ongoing support to Joint Project Meeting (JPM) and Operational User Group (OUG).</li> <li>Liaison with Water Resources Information Management (Water Management Systems implementation with regard to Water Discharge Charge System).</li> <li>Maintained the National Microbiological Monitoring Programme in 14 WMAs. 1-3 additional WMAs are being included in the monitoring programme and the expansion was completed as planned.</li> </ul>
Information systems converted to facilitate decentralised use by water management institutions	Responsibility for aspects of information management progressively decentralised to CMAs and WUAs	<ul style="list-style-type: none"> <li>Testing of restructured database now functioning from Structured Query Language server database and the database is being re-populated.</li> </ul>



**Strategic Objective: Ensure representative and capacitated staff for integrated water resource management**

Outputs	Service Delivery Indicators	Actual Performance
Programmes of training, skills development and mentoring developed and implemented	Progressive improvements in staff capacity to undertake water resources management Skills Development Plans implemented Requirements of BBBEE met	<ul style="list-style-type: none"> <li>Scientific and technical training continued and functional units were capacitated through courses/workshops. A Phase II agreement was negotiated with United Nations Educational Scientific and Cultural Organisation (UNESCO), Flemish Government and Water Research Commission, and documents were drafted. The capacity building and awareness project commenced.</li> </ul>
Implementation of targeted recruitment campaign, within South Africa and elsewhere, for scarce occupational classes continued	Progressive improvements in staff capacity to undertake water resources management Requirements for employment equity met	<ul style="list-style-type: none"> <li>Linked to HR plans.</li> </ul>
Gender mainstreaming strategy implemented	Improved sensitivity to and understanding of gender issues among staff	<ul style="list-style-type: none"> <li>Linked to HR plans.</li> </ul>
Support for specialist training networks via Further Education and Training-Water continued	Effective targeted training via existing networks New networks established as required	<ul style="list-style-type: none"> <li>Ongoing.</li> <li>Appointment of WRC as implementing Agent for Further Education and Training-Water Phase II.</li> </ul>

**Strategic Objective: Ensure capacitated and empowered stakeholders**

Outputs	Service Delivery Indicators	Actual Performance
Implementation of programmes of stakeholder engagement, awareness creation and communication continued	Progressive improvements in capacity of water management institutions, water users, stakeholders and the general public to understand and participate in water resources management	<ul style="list-style-type: none"> <li>Women were involved in the establishment of WUAs, and people were trained to prepare Business Plans.</li> <li>Inkomati CMA members were trained to develop the catchment management strategy.</li> </ul>
Pilot implementation of the gender mainstreaming strategy	Improved sensitivity to and understanding of gender issues among management institutions, water users, stakeholders and the general public	<ul style="list-style-type: none"> <li>Gender Audit on women empowerment completed.</li> <li>Engagement of the Department institutions and stakeholders on gender issues is ongoing.</li> <li>National Women's Month Event held at Kromhoek; Women in Water, Sanitation and Forestry Awards; Women Leadership sessions held in Pretoria; International Women's Day Function attended.</li> </ul>

**Strategic Objective: Promote integrated water resource management in shared watercourses**

Outputs	Service Delivery Indicators	Actual Performance
Participation in and support to shared watercourse institutions	<p>Joint projects</p> <p>Basin studies</p> <p>New Agreements</p>	<ul style="list-style-type: none"> <li>• ORASECOM and Limpopo Commission active in quarter.</li> <li>• ORASECOM Hosting Agreement signed.</li> <li>• Attended Southern African Development Community (SADC) River Basin Organisation Workshop and AMCOW River Basin Organisation Meeting.</li> </ul>

**Strategic Objective: Improve co-operation with other countries and external bodies**

Outputs	Service Delivery Indicators	Actual Performance
Improved multilateral and bilateral regional co-operation in Africa	Support to and participation in SADC, AMCOW, African Union, NEPAD activities, and bilateral co-operation in Africa	<ul style="list-style-type: none"> <li>• Participated in Bi-National Commission with Rwanda.</li> <li>• Hosted SADC Ministers of Water meeting.</li> <li>• AMCOW/AMCOST meeting in Egypt.</li> <li>• Meetings held to discuss Cross Border Veld Fire management issues between Lesotho and Mozambique.</li> <li>• Visit to Tanzania to finalise Memorandum of Understanding (MoU).</li> </ul>
Improved co-operation with developing countries outside Africa	International visits, meetings, statements, agreements and exchange of information	<ul style="list-style-type: none"> <li>• Feasibility study on Cuba Co-operation leading to Phase III of co-operation.</li> <li>• First draft of the Department International Strategy completed.</li> <li>• The Department won the bid to host UNESCO Hydrology for the Environment, Life and Policy Symposium.</li> </ul>
Improved co-operation with developed countries	International visits, meetings, statements, agreements and exchange of information	<ul style="list-style-type: none"> <li>• Meetings at Ministerial level with European Union and Netherlands on bilateral co-operation.</li> <li>• Russia Bilateral Agreement finalised.</li> <li>• Programme document signed with Netherlands.</li> <li>• Assistance from the US Forests Service on the National Fire Danger Rating System received.</li> </ul>
Active participation in international and multilateral organisations	Active participation and effective inputs	<ul style="list-style-type: none"> <li>• Actively participating in United Nations Forestry Foundation (UNFF) processes through UNESCO International Hydrological Programme and WRC and the Department of Science and Technology (DST) as well as DEAT links.</li> </ul>

**Strategic Objective: Influence the global agenda for integrated water resource management**

Outputs	Service Delivery Indicators	Actual Performance
Input to the international debate on water resource management	Active participation and effective inputs in forums such as the United Nations Commission for Sustainable Development, the World Water Forum and the World Water Council	<ul style="list-style-type: none"> <li>• Participated at the World Water Forum.</li> <li>• Meeting with Komati River Basin Water Authority in Swaziland on Water Resource Information exchange on international basins.</li> </ul>
Facilitate access to Official Development Assistance	Official Development Assistance promoted, facilitated and co-ordinated	<ul style="list-style-type: none"> <li>• Official Development Assistance Status Report finalised and Donor Assistance Co-ordinating Council meeting held.</li> <li>• Donor programmes under implementation.</li> <li>• UNESCO National commission budget on capacity building in Integrated Water Resources Management.</li> </ul>



# Part B: Programme 3

## Water Services



### 3. PROGRAMME 3: WATER SERVICES

The purpose of the Water Services Programme is to ensure that effective, efficient, sustainable and affordable water and sanitation services are provided to the people of South Africa, as well as to economic users. In its role as sector leader of water services, the Department has the following four core responsibilities: policy, support, regulation and information management.

The responsibilities of the Water Services Programme are managed within the framework of the following 13 sub-programmes: Provisioning Policies; Water and Sanitation Services; Water Sector Policies; Water Sector Support; Institutional Policies; Institutional Support; Transfer Policies; Transfer of Functions; Africa Initiative; African Participation; Water Services Support; Operations of Water Services; and Water Services Administration.

#### 3.1 State of Water Services

##### 3.1.1 Access to Basic Water Supply

During the year under review (2006/07), water was supplied to a further 1.25 million people, and sanitation to a further 940 000 people. Currently, 2.9 million people have no access to a basic water supply and a further 4 million have access to a water supply that does not meet the set minimum standards.

Whilst the rate of delivery has improved compared to the previous financial year, considerable challenges lie ahead of the sector in order to meet the set targets. Insufficient funding and implementation capacity at local government level continue to be a challenge. It is estimated that in order for the sector to meet the targets, about 400% improvement in service delivery is required. Furthermore, the sustainability of existing infrastructure is becoming a threat to progress already made in providing water to communities. In the new financial year, the Department will take a lead in developing a strategy to ensure sustainable water services delivery. The Department will also continue to mobilise resources in and outside the country in order to deal with the shortage of technical expertise at municipal level.

**Table 7: Access to Basic Water Supply Infrastructure (population, millions)**

Period	Census Population	Total Improved Supply (not only RDP)	With Access to Basic Services but below RDP service levels	No Access to Infrastructure	% Access to services (infrastructure)
Current (March 2007)	48.9	46.0	4.0	2.9	94
People served April 2006 - March 2007		1.25			
Previous Year (March 2006)	48.6	45.2	4.8	3.4	93
People served 1994 - March 2007		17.43*			
1994	38.9	23.0		15.9	59

**Notes:**

- \* Total improved supply also includes people served to higher than RDP levels of service  
Figures only reflect infrastructure provided and do not reflect quality of ongoing service provision

**Comments:**

- Water Supply backlog figures are based on the 2001 Census and updated using the result of implemented projects across the sector.
- The population figures given are based on Stats SA mid year 2006 estimates and have been adjusted by 1.009% to reflect the annual population growth.

- The information on served people is based on input from the Department, the Departments of Housing and Local Government and estimates from Non-Governmental Organisations (NGOs) and Local Government.
- Access to basic (RDP) services improved from 59% of the population in 1994 to 94% of the population in March 2007.

### 3.1.2. Basic Household Sanitation

The 2006/07 financial year saw an increase in sanitation delivery, with 940 000 people receiving access to basic sanitation facilities. This figure excludes beneficiaries from the housing and bucket eradication programme. There are still 14.33 million people without basic sanitation infrastructure and if the 2010 targets are to be met, the rate of delivery has to be increased. Appropriate technology, unavailability of small contractors at community level and funding are amongst the challenges facing sanitation delivery.

**Table 8: Access to Basic Sanitation Infrastructure (population, millions)**

Period	Census Population	Supply, Basic level or higher	No Access to Infrastructure	% Access to services
Current (March 2007)	48.9	34.6	14.33	71
People served April 2006 - March 2007		.94		
Previous Year (March 2006)	48.6	33.3	15.3	69
People served 1994 - March 2006		9.9		
1994	38.9	18.5	20.4	48

### 3.1.3 Bucket eradication

Delivery during the 2005/06 financial year included both informal and formal areas due to lack of clarity on the definition of the bucket backlog by municipalities. In addition, the target for the financial year was 39 000 based on available funds, however, municipalities replaced 61 376 buckets through municipal funds. A total of 71 747 buckets were therefore removed during the 2006/07 financial year. The Free State continues to retain the largest sum of buckets (73%), followed by the Eastern Cape (16%), whilst the remainder of the backlog is shared between the Northern Cape (6%), the North West (3%) and finally the Western Cape (1%).

**Table 9: Infrastructure Provided**

Total Buckets Remaining at Beginning of Period	Total Buckets Eradicated during Period	Total Buckets Remaining
190 048	71 747	118 301

**Note:**

- Figures only reflect infrastructure provided and do not reflect quality of ongoing service provision

**Comments:**

- Sanitation supply backlog figures are based on Census 2001 and updated according to the result of implemented projects across the sector.
- The given population figures are based on STATS SA 2006 mid year estimates and have been adjusted by 1% to reflect the annual population growth.
- The information on people served is based on input from the following sectors: the Department, the Department of Housing, the DPLG and estimates from NGOs and Local Government.
- Access to services improved from 49% of the population in 1994 to 70% of the population in March 2007.

### 3.1.3 Free Basic Services

**Table 10: Affordable access to water (Free Basic Water)**

Period	Total WSAs	Total Population (millions)	WSAs Providing Free Basic Water	Total Population with Free Basic Water (%)	Population with Access to Infrastructure with Free Basic Water (%)
Current 2006/07	169	49	164 (97%)	74,4	80
Previous Year (2005/2006)	170	48.6	165 (97%)	74	80

**Comment:**

- The Report focuses only on municipalities which are Water Services Authorities (WSAs) that implement Free Basic Water.

**Table 11: Poor people that benefit from Free Basic Water**

Period	Poor as percentage of Total Population	Percentage of Poor served with Free Basic Water
Current Year (2006/07)	47	68.9
Previous Year (2005/06)	47	68

**Comment:**

- In this reporting period the definition of the poor changed to a household earning less than R800 per month as opposed to R1 000 per month.

### 3.1.4 Service Quality

The results in the table following are based on the Local Government "self assessment" survey which reflects Local Government's views on Service Quality and Drinking Water Quality (DWQ) Management. The figures quoted for both DWQ and Service Quality Management do not just reflect adherence to standards, but also to a combination of outcomes.

**Table 12: Drinking Water Quality as reflected by Local Government**

Perspective	Water Services Authorities reporting acceptable Drinking Water Quality Management Standards	
	2005/06 Overall %	2006/07 Overall %
National	55	60
Eastern Cape	53	42
Free State	90	71
Gauteng	69	75
KwaZulu-Natal	50	61
Limpopo	55	51
Mpumalanga	60	37
North West	20	71



Perspective	Water Services Authorities reporting acceptable Drinking Water Quality Management Standards	
	2005/06 Overall %	2006/07 Overall %
Northern Cape	43	36
Western Cape	63	59

**Comments:**

- The 2006 results are based on feedback from 98% (166) of 170 Water Services Authorities.
- The 2007 results are based on 56% (94) of the 169 WSAs reporting on drinking water quality, monitored at 2,068 sites.
- Last year's figures reported on WSAs, whilst this year's analysis is based on the number of sites monitored per province.
- 60% of sites adhered to Drinking Water Quality Requirements as per SANS 241 (Class 1 - Green). Compared to the 2006 adherence, this reflects an improvement of 5% (from 55% to 60%).
- The lowest compliance with Drinking Water Quality criteria is in the Northern Cape and Mpumalanga provinces where regular non-compliance with the SANS 241 standards is observed.

**Table 13: Service Quality as reflected by Local Government**

Perspective	Municipalities reporting acceptable service quality	
	2005/06 %	2006/07%
National	34	47
Eastern Cape	35	44
Free State	31	63
Gauteng	53	59
KwaZulu-Natal	28	45
Limpopo	33	34
Mpumalanga	41	50
North West	26	31
Northern Cape	29	31
Western Cape	42	63

**Comments:**

- The 2006 results are based on feedback from 98% (166) of 170 Water Services Authorities (WSAs) as opposed to the 2005 results which were based on feedback from 74% (126) WSAs.
- Last year's figures reported on all Local Government Institutions (not just WSAs) while this year's figures report only on WSAs.
- Indicators used are "the existence of a customer service system, levels of staffing, equipment, resources, funding and most importantly the capability to respond to call outs within 24 hours". There is an improvement of 15% in "Service Quality". However, the majority of this improvement can be attributed to the one in the reporting sample (from 74% to 98%).
- 69% of WSAs indicated that they have a callout system (consumer care) in place; however, based on the interruption figures received from these systems, only 37% respond effectively to customer requests.
- The self-assessment of municipalities indicates that only 31% are adequately staffed. This figure corresponds with other staffing indicators from performance assessments of water and waste-water treatment works.

- The actual skills levels of the staff are of great concern, with 50% unskilled and a further 39% semi-skilled. This is aggravated by the fact that 55% of WSAs indicated the lack of an institutional development plan, while 23% lack management reporting on water and service quality.
- Financial planning and management of water services is not satisfactory; with 48% of WSAs indicating the lack of a 5 year capital investment programme, and only a minority confirming proper operational budgeting.

### 3.1.5 Water Tariffs

**Table 14: Domestic water tariffs: Various national weighted perspectives**

Unit of Analysis	Tariff 6-20kl (incl. VAT) R	Tariff 20-60kl (incl. VAT) R	Tariff >60kl (incl. VAT) R	Sample Size	Actual Returns	Percentage Returns
Mathematical Average of Local Municipality (LM) tariffs	4.28	5.23	6.44	237	227	96
Population-weighted Average	5.71	10.67	16.58			
Volume-weighted Average	5.61	9.24	17.24			

**Comments:**

- The above tariffs are all VAT inclusive.
- The 2005/2006 tariff survey focussed on LMs as the lowest building block, from where the above national average tariffs were calculated according to three different methods:
  1. The mathematical average adds the tariffs of all municipalities within each block and then divides the sum by the total number of municipalities (returns). This represents the average tariff among the municipalities/institutions, regardless of their size.
  2. The population-weighted average considers the number of people affected within each LM and within each tariff block. This reflects the typical rates paid by a household for each block considering the fact that fewer people use the higher blocks due to limited affordability.
  3. The volume-weighted average considers people and their service levels, thus representing the average value of 1kl of water used in each of the blocks.
- Contrary to previous surveys, this survey collated the tariff information in the actual volume blocks used by each municipality and not in pre-defined block volumes. For comparison, the various blocks were proportioned back to the common block structure used in previous Annual Reports.
- Out of 231 LMs, 221 responded in time for this report. Two more LMs had been newly established and did not have tariffs. With the addition of the 6 Metropolitan Councils, the total response was 227 or 229 out of 237 (96% or 97%)
- These figures represent averages in line with previous Annual Reports and were analysed according to the Local Government tariffs. The percentage increases from 2004/2005 to 2005/2006 for each of the above blocks and averages are shown in the table below.

**Table 15: Averages are in line with previous Annual Reports using the Local Government tariffs as units of analysis**

Data	6 to 20 kl %	20 to 60 kl %	>60 kl %
Average of Tariff/Charge (R/kl, including VAT)	8	14	23
Total Population Weighted Av (R/kl, including VAT)	12	66	128

Volume Weighted Av (R/kl, including VAT)	4	32	120
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- From the above figures, it is evident that the upper blocks increased substantially (23% on mathematical average, >100% for weighted averages).
- While the above shift indicates cross-subsidisation of Free Basic Water (FBW) from high income users, it is specifically evident in the areas with a water shortage (e.g. Cape Town) as a measure of demand management. Due to fewer users in the upper blocks, the average tariffs rise exponentially in the people and volume weighted average calculations.
- Overall, 33 new LMs introduced free basic water (15% of total LMs).
- The proportion of LMs with increases within the Consumer Price Index (CPI) and above the CPI is shown below.

**Table 16: Proportion of LMs with increases within the CPI and above the CPI**

Data	6 to 20 kl %	20 to 60 kl %	>60 kl %
% of LMs with changes within or below CPI	31	27	26
% of LMs with changes above CPI	43	46	44
% of LMs that cannot be compared to previous yr (incl. R0 tariffs)	27	27	30

- Overall it can be stated that more LMs increased their rates above the CPI than within the CPI.

**Table 17: Domestic water tariffs: Rural and urban perspectives**

Perspective	Tariff 6-20kl (incl. VAT)			Tariff 20-60kl (incl. VAT)			Tariff >60kl (incl. VAT)			Sample Size	Actual Returns	Percentage Returns
	Average R	Min R	Max R	Average R	Min R	Max R	Average R	Min R	Max R			
Rural	4.18	1.48	11.10	5.03	1.58	11.90	6.19	1.60	21.53	108	101	94
Urban	4.36	0.96	11.05	5.38	1.04	27.67	6.64	1.41	57.00	129	126	98
Grand Total	4.28	0.96	11.10	5.23	1.04	27.67	6.44	1.41	57.00	237	227	96

**Table 18: Domestic water tariffs: Provincial perspectives**

Perspective	Tariff 6-20kl (incl. VAT)			Tariff 20-60kl (incl. VAT)			Tariff >60kl (incl. VAT)			Sample Size	Actual Returns	Percentage Returns
	Average R	Min R	Max R	Average R	Min R	Max R	Average R	Min R	Max R			
Eastern Cape	3.37	1.60	6.21	3.72	1.60	9.25	3.98	1.60	9.74	39	36	92
Free State	4.78	1.56	11.05	5.29	1.81	13.45	6.03	2.04	14.63	20	20	100
Gauteng	6.72	5.11	9.18	8.22	5.80	14.91	9.30	6.35	16.36	12	12	100
KwaZulu-Natal	4.96	2.28	11.10	6.68	2.63	11.90	8.63	2.63	21.53	51	50	98
Limpopo	3.51	1.55	6.16	3.93	1.61	6.93	4.77	1.71	11.11	26	24	92
Mpumalanga	4.41	1.71	6.82	4.92	2.95	8.76	5.24	3.00	8.97	17	15	88
Northern Cape	3.34	0.96	7.64	3.85	2.05	7.98	4.50	2.17	11.36	24	24	100
North West	4.85	1.48	8.38	5.40	1.58	8.77	5.96	2.29	9.33	23	21	91
Western Cape	3.68	1.04	6.13	5.48	1.04	27.67	8.88	1.41	57.00	25	25	100
Grand Total	4.28	0.96	11.10	5.23	1.04	27.67	6.44	1.41	57.00	237	227	96

**Comments:**

- The 2005/2006 tariff survey focused on LMs as the lowest building block for calculated roll-up to the above provincial average tariffs. (96% of LMs submitted their tariffs in time for this report)
- The 2005/2006 survey collated the actual blocks and tariffs from LMs. These were subsequently re-classified into above standard block sizes used in previous Annual Reports.
- In comparison to the 2004/2005 average tariffs the 6-20kl tariffs increased by 8%, the 20-60kl tariffs increased by 14%, while the >60kl tariffs increased by 23% on average.
- The proportionally higher increase in the upper blocks indicates increased cross-subsidisation for the 0-6kl block and possibly also for an introduction of demand management.
- The comparison of urban and rural tariffs shows that urban tariff increases have been on an average 5% to 10% higher than in rural areas, specifically in the higher blocks.
- Overall, it can be stated that Eastern Cape, Free State, Limpopo and Northern Cape had relatively low average tariff increases (mostly within CPI), compared to the other provinces. In comparison, Gauteng, Mpumalanga and North West had moderate tariff increases (10% in middle to 20% in higher blocks), while KwaZulu-Natal and Western Cape showed relatively high increases (30% to 60%, specifically in the higher blocks). Specific LMs with high tariffs in the upper blocks include the City of Cape Town, Umkhanyakude District Municipality, the City of Johannesburg, Mohokare LM, Matjabeng LM, and others. This may be due to increased cross-subsidisation, in the context of demand management, water shortage and poor raw water quality. Individual cases are discussed further in the survey report.

**Table 19: Commercial and industrial tariffs: National perspectives**

Perspective	Tariff 6-20kl (incl. VAT)			Tariff 20-60kl (incl. VAT)			Tariff >60kl (incl. VAT)			Sample Size	Actual Returns	Percentage Returns
	Average R	Min R	Max R	Average R	Min R	Max R	Average R	Min R	Max R			
Commercial	4.69	0.00	20.95	5.03	0.00	20.95	5.46	0.00	20.95	237	227	96
Industrial - potable	4.55	0.00	20.95	4.79	0.00	20.95	5.12	0.00	20.95	237	227	96
Industrial - bulk and raw water	4.37	0.00	11.05	4.62	0.00	12.48	4.96	0.00	17.69	237	227	96

**Comments:**

- The above tariffs are all VAT inclusive.
- These figures represent averages in line with previous Annual Reports according to Local Government tariffs.
- In comparison with the previous year, the average commercial tariffs increased by 14%, 10% and 11% for the respective rising blocks shown above.
- In comparison with the previous year, the average industrial (potable) tariffs increased by 19%, 18% and 21%, respectively.
- In comparison with the previous year, the average bulk and raw water tariffs increased by 23%, 25% and 10%, respectively.
- Above CPI inflation of the higher tariff blocks indicates that cross-subsidisation and water demand management are being applied.

**3.1.6 Sector Capital and Operating Expenditure**

**Table 20: Budgeted Capital Expenditure on basic services infrastructure (R million)**

Programme	Water		Sanitation	
	Projects 1994 to 2005/06 - Budget R	Projects 2006/07 - Budget R	Projects 1994 to 2005/6 - Budget R	Projects 2006/07 - Budget R
The Department -CWSS/WSS	7 130	1 622	1 261	
DPLG-CMIP/MIG	5 952	2 285	2 618	1 741
Department of Housing	1 843	635	1 930	
Department Public Works-Schools and Clinics	109	175	147	
<b>Total Sector</b>	<b>15 037</b>	<b>4719</b>	<b>5 958</b>	<b>1741</b>

**Comments:**

- Figures are based on the budgets of the Department, MIG and Housing budgets.
- The DPLG MIG figures are based on the 61.49% apportionment of the MIG funds (as per the Division of Revenue Act, 2006 (Act No. 2 of 2006) (DoRA)) to water and sanitation projects, plus R400m allocated to bucket eradication.
- The Housing, Schools and Clinics budget accounts for both Water and Sanitation projects.

- Figures exclude Local Government's own capital budgets.

**Table 21: Estimated Annual Water Services Operating Expenditure (R million)**

Perspective	Water Supply R	Sanitation R	Total for 2004/2005 R	
National Funding	11 364	6 033	17 397	Comment (1)
National Revenue from User Charges	8 787	4 931	13 718	Comment (2)
National Conditional Grants	580	248	828	Comment (3)
Equitable Share (water services portion)	1 999	853	2 851	Comment (4)
Provincial Expenditure	11 364	6 033	17 397	Comment (5)
Eastern Cape	754	786	1 539	
Free State	1 033	812	1 845	
Gauteng	4 118	1 032	5 151	
KwaZulu-Natal	1 953	660	2 613	
Limpopo	578	232	810	
Mpumalanga	577	379	956	
Northern Cape	231	176	407	
North West	658	456	1 113	
Western Cape	1 463	1 500	2 962	
Local Authority Overview	11 364	6 033	17 397	Comment (6)
Metropolitan Councils	5 645	2 997	8 642	
Local Municipalities	2 684	1 425	4 108	
District Municipalities	3 035	1 611	4 646	

**Comments:**

- Figures are calculated estimates and include both water supply and sanitation operating accounts (previously only water). Actual figures specific to water services are not readily available and it is therefore necessary to assess the national situation through modelling. Operating expenditure is calculated according to the Municipal Services Model and various other information sources (e.g. DoRA, Municipal budgets, NT) and specific case studies undertaken for the Department.
- Revenue estimates are based on the analyses of municipal accounts and budgets (2003 extrapolation using samples of subsequent years). Included is cross-subsidisation and other funding.
- The total figures were derived from DoRA Schedule 7 and thereafter proportioned to water supply and sanitation based on historical expenditure.
- The figures were derived from the total free basic services element of the equitable share and an "S" grant portion of 10%. The formula uses R800 per month as the poverty threshold.
- The expenditure can be split between distribution services (R8 billion; 48%), bulk services (R6 billion; 36%) and capital charges for maintenance (R2,5 billion; 16%).
- The split of total operating expenditure between authority types is derived from water supply revenues as the actual expenditures (e.g. salaries) are not ring-fenced by most municipalities.

### 3.2 Programme Policy Developments

The Department has played a significant role as the sector leader, regulator and provider of information, training and support, with the focus being at local government level. In this financial year, the Department developed a Sector-wide support strategy that seeks to address capacity constraints within all institutions in the sector. It is in this context that the Department has begun to forge closer relationships with Water Boards in order to maximise their role in improving service delivery. Total funding allocated to the basic water services programme via the Municipal Infrastructure Grant (MIG) was R3.5 billion (of which an estimated R1.8 billion was allocated for basic water supply and R1.7 billion for basic sanitation including R4 billion for bucket eradication). Implementation capacity within many municipalities is still not as desired, and has hampered the sector's efforts to meet the annual delivery targets. As a result, only 72% of the financial allocations were spent by Municipalities. Approximately 1,3 million additional people were provided with an improved basic water supply (against a target of 1.5 million people) and an overestimated 200 000 households with improved sanitation services (against a target of 350 000 households).

As part of its programme to accelerate delivery, the Department provided extensive planning support to Local Government through the implementation planning feasibility study guidelines, planning training sessions for officials and councillors, and the development of planning reference frameworks for all District Municipalities. This commitment resulted in a significant improvement in the quality of Water Services Development Plans (WSDPs) submitted by Water Service Authorities (WSAs). The Department explored the placement of interns; secondment of Department officials; mentorship agreements with water boards; and deployment of Cuban technical experts in municipalities to assist with project implementation. The new financial year will see intensification of support to local government, with the Department playing a leading role in mobilising resources in and outside the country.

Significant progress has been made with the implementation of the Strategic Framework for Water Services (SFWS). The initial drafts of the National Regulatory and Institutional Reform strategies have been completed and widely discussed with stakeholders, whilst the final draft of the Sector Support Strategy has been completed. The drafting process of the National Water Services Bill, which replaces the Water Services Act, 1997, is well underway. A strategic assessment of the Sector was initiated out to identify strengths and weaknesses, as well as to give both future strategic direction, and a Municipal Guideline for "Ensuring Water Services to Residents on Privately Owned Land" was completed.

Strategic support was provided to the adoption a local government support strategy aligned to the Local Government 5 Year Strategic Agenda: the councillor induction training and the development of the Provincial Water Sector Plans. As part of the Project Consolidate initiative, engineers have been deployed to expedite service delivery in municipalities. Local government has received support in different functional areas related to water services planning, infrastructure development, and monitoring and evaluation. This support was consolidated through municipal support plans.

A national initiative was launched with both the WRC and SALGA to benchmark the performance of WSAs. An annual National Water Services Consumer Opinion Survey was conducted by the Human Sciences Research Council (HSRC) on behalf of the Department to assess consumer satisfaction and identify gaps on service levels. A project aimed at raising the voice and awareness of the citizen, with respect to regulation, was also launched and is being piloted in the Western Cape. A toll-free line for the general public has also been set up by the Department.

Based on concerns over the quality of domestic water supply at municipal level and also on the reliability of service provision, the Department began a phased roll-out of a DWQ Management system for WSAs. A process to formalise the Department's Water Services Monitoring and Evaluation Framework within the Sector also began. There are still a number of challenges related to improvement of drinking water quality management systems at local level and the Department is continuing to provide support to municipalities.

The implementation of Free Basic Water (FBW) services programme is ongoing, and approximately 97% of municipalities provided FBW translating to 74% of the total RSA population. About 15.4 million of the 23 million poor households i.e. those households with an income less than R 800/month receive FBW. It is important to note that the provision of this service is under threat unless there is an immediate intervention to resolve challenges related to the maintenance of existing infrastructure. Although the Department's provincial support units (PSUs) continued their support to municipalities with the implementation of the FBW policy, institutional and implementation capacity problems in many municipalities hampered any significant progress with the provision of FBW (especially to the poor) during the current reporting period.

The Department continues its programme to eradicate the bucket toilet system and replace it with more dignified and appropriate types of sanitation services. R400 million has been spent in the current financial year for the eradication of 71 747 bucket toilet systems (against an annual target of 80 000). Households are being provided with a level of service that varies from VIPs (Ventilated

Improved Pit Latrines) to full water-borne sanitation. The challenge ahead will be to eradicate the balance of about 118 000 bucket toilet systems in established settlements by the end of 2007. In this regard, the availability of bulk infrastructure and water resources has been a challenge. Significant lessons that have been learnt in the bucket eradication programme will be very useful to the sector as it moves towards meeting the 2008 and 2010 water and sanitation targets.

Health and Hygiene continues to be part of the Department's Water and Sanitation programme, and efforts are made to also embed this programme into the MIG projects implemented at municipal level. In the year under review, approximately 1,9 million people were made aware of the importance of good health and hygiene practices, through radio and print media. Health and Hygiene promotion is also incorporated into the Housing Programme now. The Departments of Health, Housing and the Department have developed a health and hygiene package that is part of Housing Customer Care programme.

The Department signed a Memorandum of Collaboration with 7 out of 9 provincial Departments of Education, through which a number of achievements have been made. A Public awareness and education programme has been successfully implemented in collaboration with the Department of Education and other sector stakeholders. This programme also incorporates water resource management and sanitation into the school curriculum for Grades R to 9. It has already reached 20 000 learners. In addition, Youth and Women Awards have been established, and aim at recognizing the role of women and youth in water and sanitation. Learners and schools receive cash prizes, computers, water pumps, bursaries, and international exposure in these awards.

Finally, the Department, together with the Department of Health, embarked on a project to develop a National Health and Hygiene Strategy for Water and Sanitation Services. This was done through a consultative process with all the stakeholders. The final draft is awaiting approval by the Department of Health. It is also envisaged that pilot studies, undertaken during this financial year, will lead to the implementation of the HIV/AIDS strategy in the 2007/08 financial year.

### 3.3 Challenges

Whilst it is projected that bucket toilet systems will have been eradicated by the end of 2007, the achievement of universal access to basic water supply and sanitation within the targeted time frame will require a concerted and increased effort. Addressing the provision of water and sanitation facilities to schools and clinics is another area where specific attention is required.

The implementation of effective drinking water quality monitoring systems at municipal level remains a huge area of concern. This concern is further complicated by the limited human and technical resources to operate and manage the electronic drinking water quality management system that is being rolled out in order to rectify problems at municipal level.

The unavailability of sufficient technical expertise at municipal level continues to hamper effective implementation of institutional and infrastructure programmes. This is seen as the key contributing factor to the poor water services planning and to the existing slow pace of delivery in municipalities.

Linked to this challenge, is the unavailability of credible baseline information for planning at all levels, including monitoring and evaluation of service delivery. Sustainability of existing infrastructure is also emerging as a key challenge. This includes poor technology choices, poor integration of services, lack of trained staff for operation and maintenance, and also poor budgeting for post implementation costs. Asset management, water demand management and water conservation still require attention.

Limited integration of service delivery (especially the one related to alignment of sector and area planning) has also impacted on both sustainability and infrastructure development elements. The alignment of water resources and water services planning and (especially water services and housing development programmes), has hampered the eradication of bucket toilet systems, and water and sanitation backlogs in certain areas, especially urban settlements.



### PROGRAMME 3: WATER SERVICES: KEY OUTPUTS AND SERVICE DELIVERY TRENDS

**Strategic Objective: To ensure that all people in South Africa have access to a functioning basic water supply facility**

Outputs	Service Delivery Indicators	Actual Performance
Backlog reduced by a further 1,5 million people	Reliable sector reports indicating people served, measured against agreed KPIs	<ul style="list-style-type: none"> <li>Backlogs were reduced by a further 1,25 million people.</li> </ul>
At least R2 billion allocated to all government spheres to meet the basic water supply needs of the country	Annual MIG allocation and donor funding for Basic Water Supply; Regular reporting and strategic assessment	<ul style="list-style-type: none"> <li>MIG allocation for water and sanitation was R3,852 billion, which is 61.49% of total MIG allocation.</li> </ul>
To guide and support the development and roll-out of a functional MIG process and ensure that MIG projects meet sector targets and KPIs	Implementation of water supply projects according to MIG principles and national water services goals	<ul style="list-style-type: none"> <li>Participated in process but implementation capacity constraints within local government delayed roll out.</li> </ul>
The Department monitors and supports municipalities to achieve targets	Regular reporting and assessment	<ul style="list-style-type: none"> <li>Developed a comprehensive Local Government Support plan aligned to Department of Provincial and Local Government 5 year strategic agenda.</li> <li>Interviewed 155 WSAs and published 143 WSA Checklists (this programme was used as a tool to determine the ability of the WSAs to fulfil their legislative mandate).</li> <li>80% of municipalities have municipal support plans which outline the interventions required to enable them to deliver the basic services.</li> <li>Deployed 21 engineers to provide hands-on support on the sanitation programme.</li> <li>Participated in Project Consolidate.</li> <li>Conducted Councillor Induction training for newly elected councillors.</li> <li>DWQ Management Electronic System developed and implemented – 2 068 sites monitored nationally.</li> <li>Hands-on support is provided to municipalities on drinking water quality.</li> <li>55% of municipalities are providing monthly reports on DWQ.</li> </ul>

**Strategic Objective: To ensure that all people in South Africa have access to a basic sanitation facility**

Outputs	Service Delivery Indicators	Actual Performance
Backlog reduced by a further 350 000 households per annum	Quarterly monitoring and evaluation reports to Water Services  Functional Management Committee and biannual reports to Cabinet	<ul style="list-style-type: none"> <li>About 305 000 households provided with basic sanitation. (incl. buckets)</li> <li>8 clinics provided with water.</li> <li>11 clinics provided with sanitation.</li> <li>Budget for eradication of schools sanitation backlog was allocated by NT and the remaining backlog will be eradicated by December 2008.</li> <li>621 schools provided with sanitation facilities as at end September 2006.</li> </ul>
At least R900 million per annum allocated in all government spheres to meet the basic sanitation needs of the country	Annual Exchequer Budget allocation and donor funding for Basic Sanitation  Regular reporting and strategic assessment	<ul style="list-style-type: none"> <li>R1,2 billion of MIG funds committed to sanitation funding for 2006/07.</li> </ul>
Guide and support the development and roll-out of a functional MIG process and ensure that MIG projects meet sector targets and KPIs	Implementation of sanitation projects according to MIG principles and National water services goals	<ul style="list-style-type: none"> <li>Participated in process but implementation capacity constraints within local government delayed roll out.</li> </ul>
Replace bucket toilet system of 80 000 households with appropriate sanitation using allocated funds of R400 million	Monthly National Sanitation Task Team (NSTT) and sector monitoring and evaluation reports	<ul style="list-style-type: none"> <li>71 747 bucket toilet systems eradicated, additional budget of R400 million was allocated for eradication of remaining backlog of 118 301 targeted for December 2007.</li> <li>Deployed 21 engineers to needy municipalities for the bucket toilet system eradication project.</li> <li>Revived functioning of National and District Sanitation Task Teams - sector plans and performance reports tabled.</li> <li>27 698 bucket toilet systems eradicated in the Free State.</li> </ul>

**Strategic Objective: To ensure free basic water policy and free basic sanitation policy implemented in all water services authorities**

Outputs	Service Delivery Indicators	Actual Performance
78% of population with access to Free Basic Water (FBW)	FBW reporting from municipalities and collated in the Departmental regions	<ul style="list-style-type: none"> <li>74.68% of total population served with FBW which is approximately to 37,49 million people. However the lack of basic infrastructure is limiting the provision of FBW to the neediest communities.</li> <li>The provision of infrastructure for the implementation of FBW was facilitated by the use of Chinese donor materials (water pipes and water meters).</li> <li>Chinese Development Aid grants, in the form of water supply pipes and water meters advanced the provision of potable water to indigent communities. To date 3,066km of pipes and 166,500 water meters were installed in provinces throughout South Africa.</li> </ul>

**Strategic Objective: To promote sanitation practices and minimise waterborne diseases and to ensure that all households with access to at least a basic sanitation facility know how to practice safe sanitation**

Outputs	Service Delivery Indicators	Actual Performance
Better sanitation practices communicated to at least 300 000 households	<p>Official hygiene education sector KPIs agreed by the National Sanitation Task Team</p> <p>Health and hygiene strategy rolled out</p>	<ul style="list-style-type: none"> <li>• Developed and launched National Health and Hygiene Strategy in collaboration with Department of Health. A comprehensive implementation plan is being developed which will be implemented in the next financial year.</li> <li>• Reached 515 261 households with health and hygiene education which is conducted through radio and door-to-door campaigns.</li> <li>• Rolled out WASH campaign.</li> </ul>
60% eradication of school sanitation and water backlog	Number of schools served	<ul style="list-style-type: none"> <li>• 621 schools provided with basic sanitation (for the period April to September 2006).</li> <li>• 324 schools provided with basic water (for the period April to September 2006).</li> </ul>
Health and hygiene programmes incorporated into school curricula	Number of schools reached	<ul style="list-style-type: none"> <li>• Integrated water, sanitation, health and hygiene into the school curriculum of grades R – 9.</li> <li>• Signed Memorandum of Collaboration with 7 out of 9 provincial departments of education.</li> <li>• Developed curriculum aligned educational resource materials for grades R – 9 as a tool that will enable educators to teach learners about water resource management, sanitation, health and hygiene and forestry.</li> <li>• Reached 20 000 learners through Baswa Le Meetse Award, and South African Youth Water Prize. Learners and schools received cash prizes, computers and water pumps, bursaries and international exposure.</li> </ul>

**Strategic Objective: To ensure Water Services Sector has a sound and enabling legislative and policy framework**

Outputs	Service Delivery Indicators	Actual Performance
Water Services Amendment Bill tabled to Parliament	Amendment Bill available	<ul style="list-style-type: none"> <li>Developed draft National Water Services Amendment bill.</li> </ul>
Strategic Assessment of the Sector published	Strategic Assessment available	<ul style="list-style-type: none"> <li>Developed Sector Performance Management Regulatory System for water services.</li> <li>Developed Sector Performance Report versus Strategic Framework for Water Services.</li> </ul>
Policies, strategies and guidelines for implementation of Strategic Framework for Water Services (SFWS) identified, developed and aligned	Policies, strategies and guidelines available	<ul style="list-style-type: none"> <li>Developed the Guideline for Provision of Basic Services on Private Land and piloted it to Cape Winelands and West Rand District Municipalities.</li> <li>Developed Draft Regulation Strategy.</li> <li>Developed tariff methodology. Seventh draft of raw water model contract drafted.</li> <li>National MoU seminar held; Co-ordination with Department of Agriculture. The MoU guideline still to be finalised.</li> </ul>

**Strategic Objective: To ensure an effective co-ordinated and organised Water Services Sector**

Outputs	Service Delivery	Actual Performance
Provincial sector forums functioning with inter-departmental co-ordination and programme alignment	Stakeholder analysis surveys  Membership reflective of sector  Sector reports  Water services Sector Leadership Group fulfilling its role	<ul style="list-style-type: none"> <li>Established 9 Provincial Sector Forums composed of representatives from key sector partners.</li> <li>Developed 9 Provincial Water Sector Plans which respond to the key challenges identified by the sector.</li> <li>Secured donor funding for Masibambane 3 which will focus on water for growth and development as well as integrated water resource management.</li> <li>Intergovernmental Relations framework developed.</li> </ul>

**Strategic Objective: To establish and maintain an integrated and effective water services sector planning culture, process and systems**

Outputs	Service Delivery Indicators	Actual Performance
Water Services Development Plan (WSDP) development, project planning and programmes in local government supported and water services business approach reflected	Status report on WSDPs submitted to and evaluated by the Department  Appropriate project implementation lists secured	<ul style="list-style-type: none"> <li>Reviewed 159 WSDPs which are used as a planning tool for WSAs.</li> </ul>
Engage and support integrated socio-economic planning through Provincial Growth Development Strategy (PGDS), Integrated Development Plans (IDPs), Integrated Sustainable Rural Development Programme (ISRDP), Urban Renewal plans and inter-sectoral plans	Alignment with other planning initiatives (IDP, IRDP, UR Water Resource, etc.)	<ul style="list-style-type: none"> <li>Participated in the IDP hearings.</li> </ul>

**Strategic Objective: To ensure performance and compliance via appropriate regulations and interventions**

Outputs	Service Delivery Indicators	Actual Performance
National Water services Regulation and intervention strategies developed and implemented	Regulatory strategies approved	<ul style="list-style-type: none"> <li>Developed draft Infrastructure Asset Management framework.</li> <li>Developed DWQ Management Monitoring System.</li> </ul>
National compliance and monitoring reporting system developed and operational	Measurement against KPIs	<ul style="list-style-type: none"> <li>80% of WSAs supplied with DWQ Management Monitoring System.</li> <li>DWQ Regulation system 70% complete.</li> <li>Regional Performance Management System (RPMS) ready for roll out.</li> </ul>
Appropriate regulatory interventions to ensure compliance effected	Report on improved compliance	<ul style="list-style-type: none"> <li>Interacted with water boards to ensure compliance with Legislation and Corporate Governance principles.</li> <li>Established oversight framework for TCTA, Komati River Basin Water Authority and WRC; amended water board's guidelines to cover changing legislation.</li> <li>Implemented performance management system for Board Members.</li> </ul>

**Strategic Objective: To establish and maintain a National Information and Reporting system**

Outputs	Service Delivery Indicators	Actual Performance
National Information and Reporting systems developed and operational	Key information accessible and key reports produced	<ul style="list-style-type: none"> <li>Developed Framework Monitoring and Evaluation.</li> <li>Tariff system developed and implemented.</li> <li>Regulatory Performance Management System developed.</li> <li>DWQ Management Monitoring System implemented.</li> <li>Enhanced Water Services National Information System (WSNIS) website.</li> </ul>

**Strategic Objective: To promote water services knowledge sharing and ensure a knowledgeable sector**

Outputs	Service Delivery Indicators	Actual Performance
Internal and external stakeholders informed of water services legislation, policies, programmes and sector challenges and achievements	<p>Campaigns held and plans, materials and reports developed</p> <p>Stakeholders reached</p> <p>Water Services Information Centre established</p>	<ul style="list-style-type: none"> <li>Technical guidelines compiled and distributed.</li> <li>Web page established for technical innovation and technical guidance.</li> <li>Improved functionality of Centre.</li> <li>Technological options rollout prioritised for needy provinces with bucket sanitation backlog.</li> </ul>
Water services knowledge network further developed by relevant sector partners with initial network operational	Water services Information shared amongst the sector	<ul style="list-style-type: none"> <li>Developed and implemented Lessons learning project in collaboration with Water Information Network, where best practices are shared amongst municipalities, NGOs and the entire sector.</li> </ul>

**Strategic Objective: To support Water Services Institutions to become sustainable**

Outputs	Service Delivery Indicators	Actual Performance
80% of Water Boards have favourable performance	Annual performance measured against set criteria, reports and business plans	<ul style="list-style-type: none"> <li>Appraisal and evaluation process of annual reports and audited annual financial statements of water boards for 2006/07 financial year submitted to Minister for approval.</li> </ul>
50% of Water Services Authorities (WSAs) functioning effectively	Annual reports by WSAs against WSDPs	<ul style="list-style-type: none"> <li>Published By-laws model communicated and disseminated to all the Departmental Regions and Sector Stakeholders. Working in close partnership with regions to offer WSAs direct support.</li> <li>Finalising packaging of guidelines and tools for monitoring of effective functioning of WSAs.</li> <li>Analysed and reviewed Provincial Water Sector Plan (PWSP).</li> </ul>
70% of Water Services Providers (WSPs) functioning effectively; 10% reduction of complaints	Annual Reports by WSPs against Business Plans and audits undertaken by the Department	<ul style="list-style-type: none"> <li>Section 78 assessment of OR Tambo tender advertised in the Eastern Cape.</li> <li>Support to Ukhahlamba and Chris Hani District Municipality in place WSABP reviewed to encompass WSP in the final drafts for all WSAs. Business Plans for provisioning conducted.</li> <li>Developed WSP support implementation note in response to Sector Support Strategy.</li> </ul>

**Strategic Objective: To align and co-ordinate National Capacity Building, Training and Awareness programmes**

Outputs	Service Delivery Indicators	Actual Performance
Overall water services support strategy aligned with Project Consolidate and agreed to by all key stakeholders	Water services support strategy in place for the sector	<ul style="list-style-type: none"> <li>Joint National Water Services Sector Support Strategy developed and approved by Water Services Sector Leadership Group (WSSLG) in November 2006.</li> <li>Developed Sector Support Strategy.</li> <li>Developed skills development strategy.</li> </ul>
Municipalities supported to access capacity-building grant funding	Funding accessed	<ul style="list-style-type: none"> <li>Funding allocation determined from business plans.</li> </ul>

**Strategic Objective: To support a skills development strategy for the sector to ensure appropriately trained human resources**

Outputs	Service Delivery Indicators	Actual Performance
Accelerated and expanded accredited training and education programmes to meet the needs of the sector	<p>NQF compliance</p> <p>Unit standards in place</p> <p>Improved sector skills plan</p> <p>Number of municipal trainees</p>	<ul style="list-style-type: none"> <li>Developed Sector Skills Plan with Energy Sector Education and Training Authority (ESETA) – approved by the Director-General.</li> <li>Conducted councillor induction workshops in all nine regions.</li> </ul>
Sector training and skills development needs addressed	Training and skills development provided	<ul style="list-style-type: none"> <li>Needs analysis completed.</li> <li>In the process of developing training material.</li> </ul>

**Strategic Objective: To build the Organisational Development (OD) and Human Resource Development (HRD) of the Department's Water Services Programme to play its support role**

Outputs	Service Delivery Indicators	Actual Performance
National Support Strategy for the Departmental Regions developed and implemented	Strategy approved, applied and implemented	<ul style="list-style-type: none"> <li>Joint National Water Services Sector Support Strategy developed and approved by WSSLG in November 2006, including the training of Departmental staff through the Regional support Manager Training programme to be implemented in the 07/08 financial year.</li> <li>The Implementation of CM strategy Evaluation was completed in Limpopo.</li> <li>A draft support plan was developed for Mpumalanga province.</li> <li>A presentation on the draft Provincial Sector Support Implementation Plan was made to the MANCO meeting held in December 2006.</li> </ul>
Key competencies defined for Departmental water services and staff training and re-skilling planned and 5% of personnel budget spent on training	Training programme approved	<ul style="list-style-type: none"> <li>Restructuring planning done in Mpumalanga.</li> <li>In the Western Cape, Water Services (WS) personnel attended project management and financial management courses.</li> </ul>

**Strategic Objective: To ensure institutional reform for Water Services**

Outputs	Service Delivery Indicators	Actual Performance
Institutional reform strategy approved	Strategy approved by Sector	<ul style="list-style-type: none"> <li>The strategy was developed after consultation with other sector partners but not yet signed off as the technical Minister and Members of the Executive Council (MINMEC) committee of DPLG recommended that the strategy be tabled at MINMEC.</li> </ul>
Reform commenced in targeted areas	Reformed institutional arrangements Lessons documented	<ul style="list-style-type: none"> <li>Steering committees established and functioning well in Central Eastern Cape, Western Highveld and Southern Free State.</li> </ul>

**Strategic Objective: To facilitate and strengthen the efficiency and effectiveness of the Department as interim Water Services Provider**

Outputs	Service Delivery Indicators	Actual Performance
Schemes scheduled for refurbishment rehabilitated to Joint Transfer Policy standards	Departmental Quarterly Refurbishment Progress reports	<ul style="list-style-type: none"> <li>All transfer agreements in the Eastern Cape were signed. Transfer operation costs and refurbishment costs were paid to the affected municipality as per the Division of Revenue Act (DORA), 2006.</li> <li>The infrastructure that was transferred to Tshwane was refurbished.</li> <li>In the North West priorities were done for all the WSAs. Refurbishment project plans were submitted and are currently being evaluated.</li> </ul>
Cost recovery improvement progressively achieved	Increased revenue as reflected in trading operations and cost recovery reports to Treasury of Water Services Institutions in compliance with DoRA Section 5	<ul style="list-style-type: none"> <li>Three Water Conservation and Water Demand Management (WC/WDM) projects were initiated for water loss to ensure cost recovery in the Eastern Cape.</li> <li>In Limpopo 3 WSAs developed cost recovery strategies. All money collected by the Department is transferred to WSAs.</li> </ul>
Operation and maintenance plans for all water services works/schemes completed	Plans completed	<ul style="list-style-type: none"> <li>All WSAs completed section 78 except OR Tambo which is revisiting it.</li> <li>Schemes transferred in KwaZulu-Natal.</li> </ul>
Infrastructure maintained to 100% compliance in accordance with completed O&M plans	Annual audits against maintenance procedures	<ul style="list-style-type: none"> <li>In Limpopo the alignment of policies and regulations is monitored.</li> </ul>

**Strategic Objective: To transfer the Departmental Water Services schemes to appropriate Water Service Institutions (WSIs)**

Outputs	Service Delivery Indicators	Actual Performance
Agreed transfer policies implemented by stakeholders	Monitoring and evaluation	<ul style="list-style-type: none"> <li>Implementation of MOA in Limpopo.</li> <li>Negotiations taking place with stakeholders in the North West.</li> <li>One Functional assessment in the Western Cape was not achieved and this had an impact on the Transfer Agreement of the other Community Water and Sanitation Services (CWSS) project.</li> </ul>
Staff transferred in accordance with Transfer Implementation Plan	<p>Agreements with Bargaining Chamber and Unions on staff transfer issues and labour mechanisms</p> <p>Quarterly monitoring reports</p>	<ul style="list-style-type: none"> <li>Framework agreement regulating transfer of employees to other institutions in terms of section 197 of the Labour Relations Act, 1995 (Act No. 66 of 1995) developed and adopted by Bargaining Chamber 7,463 staff was transferred from the Department to WSA water schemes.</li> <li>Quarterly reports are being submitted.</li> </ul>
DoRA Framework for Water services operating and transfer subsidy accessed by WSAs	<p>DoRA framework Gazetted</p> <p>Quarterly reports on DoRA Framework agreements</p>	<ul style="list-style-type: none"> <li>DoRA Framework for 2006/7 gazetted.</li> </ul>



Outputs	Service Delivery Indicators	Actual Performance
Receiving WSIs are kept informed	Quarterly Reports against Communications Plan	<ul style="list-style-type: none"> <li>Workshop with stakeholders in Limpopo successfully conducted.</li> </ul>
Transfer of schemes progressively achieved	Transfer agreements approved by all parties	<ul style="list-style-type: none"> <li>53 (91%) Transfer Agreements concluded, representing 1 666 water schemes.</li> <li>The total asset value transferred is R5,932 billion, and the associated latest estimated refurbishment value is R843 million.</li> <li>7 463 staff was transferred from the Department to WSA water schemes.</li> </ul>

**Strategic Objective: To ensure the effective operations and management of all schemes**

Outputs	Service Delivery Indicators	Actual Performance
Policies and strategies for effective and sustainable operations and management of schemes developed	Policies and strategies	<ul style="list-style-type: none"> <li>Developed Operations and Maintenance manual.</li> </ul>
Progressive improvement of financial management for sustainable operations and management of schemes	Ring-fenced scheme accounts	<ul style="list-style-type: none"> <li>A joint response team was appointed to provide support in the development of cost recovery plans.</li> </ul>
Progressive improvement of asset management for sustainable operations and management of schemes	Maintenance expenditure and reliability KPIs	<ul style="list-style-type: none"> <li>Ongoing.</li> </ul>
Refurbishment strategies for sustainable operations and management of schemes developed and implemented	Refurbishment expenditure and reliability KPIs	<ul style="list-style-type: none"> <li>Developed refurbishment plan for all schemes transferred.</li> </ul>
Customer care practices developed and implemented on schemes	Customer complaints	<ul style="list-style-type: none"> <li>WSAs were supported by providing Customer Care and motivational training.</li> <li>WSAs were provided with access to a One Stop Shop (OSS).</li> <li>WSAs were assisted to develop effective communications systems.</li> </ul>
Performance assessment of operations and management of schemes developed and implemented (aligned with Monitoring and Evaluation (M&E) system)	Performance assessments	<ul style="list-style-type: none"> <li>The WSAs are using the current Performance Assessment system of the WSAs.</li> </ul>

**Strategic Objective: To promote and support water services initiatives to achieve MDG and WSSD targets in Africa**

Outputs	Service Delivery Indicators	Actual Performance
Develop a plan and programme for participation in activities to share knowledge, experiences and lessons with other developing countries especially in Africa	Millennium target progress reports	<ul style="list-style-type: none"> <li>• Framework for engagement developed.</li> <li>• Established networks for Civil Society organisations in SADC.</li> <li>• Initiated a project on training of engineers and technicians in SADC region. Framework for prioritisation of needs has been developed. Established co-ordinating committee.</li> <li>• Initiated a Best Practice project in water sector. Developed a framework of engagement for 14 countries.</li> </ul>
Inputs delivered to World Water Assessment and report published	Reporting Framework	<ul style="list-style-type: none"> <li>• Participated in the development of World Water Assessment Report.</li> </ul>
Proactive engagement with NEPAD and SADC water services initiatives	Involvement in SADC and NEPAD initiatives	<ul style="list-style-type: none"> <li>• Developed concept paper on sustainable delivery of MDGs.</li> <li>• Established a co-ordinating committee.</li> </ul>
Co-operation with and participation in international water services forums strengthened	Reports and feeding back of information and knowledge	<ul style="list-style-type: none"> <li>• Ongoing.</li> </ul>
Increased political commitment and resources for sanitation in Africa achieved	Participate in process to set target in Africa	<ul style="list-style-type: none"> <li>• Not achieved.</li> </ul>
Substantive contribution by RSA in identifying and prioritising projects and programmes on the continent as required by NEPAD Donor partners	Progress towards prioritised Africa water sector project and programming list	<ul style="list-style-type: none"> <li>• Ongoing.</li> </ul>

# Part B: Programme 4 Forestry



## 4. PROGRAMME 4: FORESTRY

The Forestry Programme aims to promote the conservation and management of forests, woodlands and plantations and their commercial and community use, to achieve optimal and sustainable social and economic benefits.

The vision for Forestry is to create an enabling environment for economic and social development through sustainable forestry, especially at the local level. This involves a movement away from direct management, towards the development of policy, regulation, facilitation, monitoring and evaluation that will allow the Programme to focus on sustainability whilst the management of these assets is entrusted to other government management entities and communities. The forestry enterprise development programme, the planned expansion of the forest estate and the need to improve livelihoods through forestry-related enterprises, are the cornerstones of the Programme's activities.

### 4.1 State of the Forestry Sector

#### 4.1.1 Natural Forest and Woodland Areas

Natural forests cover less than 1% of the country's land surface. They harbour a diversity of plant and animal species. The average national occurrence of species per hectare in natural forests is 418 species per hectare. According to a baseline study on woodlands in South Africa, 2003, woodlands occur on 29 302 316 ha or some 24% of the land area.

While natural forests and woodlands make a large contribution to the economy, primarily through eco-tourism ventures associated with these assets, an even greater contribution is made to livelihoods through the provision of fuel wood, building materials, food, natural medicines, craft raw materials and a host of other non-timber forest products.

**Table 22: Natural Forest and Woodland Areas**

Natural Forests Extent		Natural Woodlands Extent	
State	Privately or Communally owned	State	Private or Communally owned
287 845 ha <sup>1</sup>	245 824 ha	6 956 152	22 346 164

**Note<sup>1</sup>:**

- Due to the high costs involved, national surveys of the extent of forest and woodlands cover occur only every 5 years and no new information was collected in the reporting period.

### 4.1.2 Indigenous forests

**Table 23: Extent of Natural Forests Managed by the Department**

Province	Number of State Forests	Area in Hectares
Eastern Cape	1 499	112 213
KwaZulu-Natal	7	16 138
Limpopo	16	10 550
Mpumalanga	15	16 491
<b>Total</b>	<b>1 537</b>	<b>155 392</b>

### 4.1.3 State owned commercial forests

**Table 24: State Owned Commercial Forests (Area in Hectares)**

Province	Pine	Gum	Other	Temporary unplanted areas (TUP)	Total
Eastern Cape (Matiwane East Griqualand)	3 788	5 896	940	5 404	16 028
Eastern Cape (Kei)	4 843	3 018	6 69	3 690	12 220
KwaZulu-Natal	8 870	9 237	9	6 832	24 948
Limpopo	170	3 613	-	444	4 227
Mpumalanga	474	1 433	-	65	1 972
North West	-	200	-	-	200
<b>Total</b>	<b>18 145</b>	<b>23397</b>	<b>1618</b>	<b>16 435</b>	<b>59 595</b>

### 4.1.4 Mountain catchment areas

**Table 25: Mountain Catchment Areas**

Province	Number of State Forests	Area in Hectares
Eastern Cape	19	326 027
KwaZulu-Natal	9	191 196
Limpopo	1	22 009
<b>Total</b>	<b>29</b>	<b>539 232</b>

#### 4.1.5 Employment in state managed forestry operations

**Table 26: Employment in State Managed Forestry Operations**

	2005/06	2006/07
<b>Number of Posts</b>	7 802	7 802
<b>Posts Filled</b>	4 243	3 749
<b>Vacancy Rate</b>	45.6%	51.95%
<b>Posts Additional</b>	201	201

#### 4.1.6 Plantation Forestry Production

Globally, South Africa has the highest proportion of its commercial plantations environmentally certified, with 82% of planted forests certified by international certification bodies. There are approximately 1,3 million ha of plantation in South Africa, of which over 80% are situated in Mpumalanga, KwaZulu-Natal and the Eastern Cape.

These forests produced more than 24 million cubic metres(m<sup>3</sup>) of commercial roundwood, worth more than R5 billion in 2006. In these forests, employment is provided for about 107 000 people, of which 69 556 are in formal employment, 13 274 are contract workers and 24 170 small growers.

#### 4.1.7 Extent of emerging timber grower activity coverage in South Africa

**Table 27: Outgrower Timber Schemes in South Africa**

Company	No. of Growers	No. of Hectares	Average Hectares
SAPPI – Project Grow	9 810	15 000	1.5
Government supported projects	6 200	2 584	0.4
MONDI – Khulanathi	3 000	7 000	2.3
SAWGA – Phezukomkhono	2 860	4 560	1.6
NCT Forestry Coop	1 600	25 000	15.6
TWK Agriculture Ltd	500	1 800	3.6
Independent growers	200	809	4.0
<b>Total</b>	<b>24 170</b>	<b>56 753</b>	<b>4.1</b>

#### 4.1.8 Extent and Ownership of Commercial Plantations

Importantly, plantation forestry provides the raw material for downstream activities such as pulp milling, paper manufacturing, saw milling, wood chip exports, timber board, mining timber and treated poles, which in turn represented an income of around R16,123 billion in 2006. The extent and ownership of these plantations is shown in table 28.

**Table 28: Extent and Ownership of Commercial Plantations**

Extent Public Ha	Extent Private Ha	Total Ha	Sustainable Forestry Certification	Number of people directly employed in plantation sector
314 654	1 029 502	1 344 156	1 093 187	107 000

#### 4.1.9 Afforestation

In recent years the rate of afforestation in South Africa has declined considerably due to a number of factors, such as the scarcity of suitable forestry land and the costs of obtaining a licence to plant timber. In this past year, however, due to the efforts of the Department in identifying potential areas with other affected departments and stakeholders the applications received for planting trees grew to 5 500 ha from just 800 ha in 2004.

The private sector was responsible for 99.2% of the reported afforestation. Of the newly afforested area 44.3% comprises areas planted with eucalyptus trees, 49% with softwoods and 6.7% with wattle trees.

#### 4.1.10 Impact of Fire and Disease on Commercial Forestry Sector

Annually large plantations areas are lost to fire, climatic factors, insects and diseases which, in turn, has a negative impact on future log supply. Insect damage severely affected 17 135 ha of softwoods in 2005/2006, while only 3 619 ha was affected during the previous year. The increase in infection can be attributed to the Sirex wasp.

While 2 843 ha of temporary unplanted areas (TUP) were planted, the TUP increased due to the loss of 9 115 ha of plantations to fire.

#### 4.1.11 Economic Contribution

The total value of reported sales of timber based products in 2005/06 amounted to R16,123 billion, which is an increase of 7.3% on the value of R15,025 billion

reported for the 2004/05 period. Wood pulp and paper products continued to dominate the industry, accounting for R6,891 billion or 42.7% of the industry. More than 63 000 people are employed in the wood processing sector.

**Table 29: Value of Timber and Timber Product Sales (Millions of Rand)**

Product	2003/04	2004/05	2005/06
Sawn and planed timber	2 098,30	2 251,89	2 280.3
Wooden poles	194,53	219,52	222.3
Mining timber	178,54	240,38	245.3
Wood-based panel products	906,73	926,48	934.5
Wood pulp, paper and paper products	8 857,58	6 819,94	6 891.1
Firewood	0,18	0,23	0.27
Wood chips	1 716,08	1 848,06	1 852.8
Mill residues	147,85	35,46	36.5
Charcoal	57,42	59,40	60.7
Other products	604,37	2 624,09	3 600.1
<b>Total</b>	<b>14 814,88</b>	<b>15 025,49</b>	<b>16 123.8</b>

The sale of timber for mining purposes experienced a decrease in the reporting period, due to a market preference to export chips to the Far East.

## 4.2 Programme Policy Developments

### 4.2.1 The Forestry Broad-based Black Economic Empowerment (BBBEE) Charter

During the past year, the Steering Committee tasked with the development of the BBBEE Charter for Forestry, together with the sub-sector working groups, held three sets of consultative workshops in several provinces to collate input for the Charter from a wide range of stakeholders. Separate workshops were held specifically for women, to ensure that their voices were heard in the process. The Steering Committee approved the Charter in March 2007 and recommended that it be launched for final stakeholder consultation and input from Parliamentary committees.

This Charter is a plan for both transformation, and growth and development of the Sector. The Charter is seen as a significant achievement in forestry, since it captures all the key national priorities for the sector, as identified in by Asgi-

SA, the Joint Initiative on Priority Skills Acquisition (JIPSA), and the last two State of the Nation addresses, which specifically called for a strategy for the forest, timber, and paper and pulp sectors. The Forestry Charter encapsulates detailed strategies that identify resources and roles for both government and the private sector to achieve objectives and targets.

### 4.2.2 Forestry Enterprise and Livelihood Development

Forestry Enterprise Development (FED) relates to the concept of using forests and forest-based resources as a vehicle for economic growth, as well as employment and socio-economic uplift that will take people from a subsistence livelihood system into a market economy. This concept is also central to Government's poverty eradication agenda and is a key component of BBBEE in the Forestry Sector. A number of initiatives have been taken by the Department in support of FED. These include the transfer of state forests; the development of an afforestation strategy for the Eastern Cape and KwaZulu-Natal; and the inclusion of Forestry as a key sector in Provincial Growth and Development strategies.

#### Afforestation Guidelines and Development Protocols

Further progress was achieved in terms of afforestation, with the roles between the national Department and regional departments being clarified. Based on the Spatial Environmental Assessment (SEA) for areas in the Eastern Cape and KwaZulu-Natal regarding afforestation of 130 000 ha, the Department produced afforestation guidelines and development protocols.

#### Community Projects

The Department continues to support the establishment and support of community projects. An estimated R2-million from the Community Facilitation Fund has been spent in establishing community projects, which include bee-keeping (in partnership with the Agricultural Research Council) and medicinal nurseries (in partnership with various stakeholders). Studies were conducted to identify further FED opportunities in the following areas: bee-keeping and forage mapping in South Africa; and the potential of essential oils in enterprise development (still in progress).

A partnership was established and formalised with Gijima, KwaZulu-Natal, towards economic development and FED. Other partnerships discussions towards FED were held with LIBSA (Limpopo); Forestry South Africa, and Indigenous Knowledge Systems of South Africa.

**Table 30: Projects Established or Supported by the Department**

Type of Project	Region	Province	Other Stakeholders
Bee-keeping	Thathe Vondo	Limpopo	DANIDA/DST/ARC
	Gaba-Tshaulu	Limpopo	DANIDA/DST/ARC
	Umzimkulu	KZN	DANIDA/DST/ARC
	Mbazwana 1	KZN	DANIDA/DST/ARC
	Mbazwana 2	KZN	DANIDA/NDA/ARC
	Mount Coke	Eastern Cape	DANIDA/DST/ARC
	Sweet Honey	Eastern Cape	DANIDA/DST/ARC
	Piet Retief	Mpumalanga	DANIDA/NDA/ARC
	Tarlton	Gauteng	DANIDA/NDA/ARC
	Ramatlabama	North West	DANIDA/NDA/ARC
	Ficksburg	Free State	DANIDA/NDA/ARC
Medicinal Plant Nurseries	Sehlaré and Thulamahashe	Mpumalanga	DANIDA/AWARD
	George	Western Cape	DANIDA/CNC/DA
	Phindulwandle	Mpumalanga	Mpumalanga Parks Board
	Nqabara	Eastern Cape	DANIDA
	Izeleni	Eastern Cape	DANIDA
	Mentz	Limpopo	DANIDA
Community Nurseries	Bushbuck Ridge	Limpopo	DANIDA/ARC
	Modula qhoa	Free State	Botshabelo Community
Olive Tree Plantation	Bophirima: Vryburg	North West	FTFA
Wild Silk Worms	Bophirima: Ganyesa	North West	CSIR
Alien Invader Species – ‘Working for Water’ Programme	Bojanala: Hartbeespoort	North West	WFW
	Farleigh	Western Cape	Community
Guided Tours	Tsitsikamma	Western Cape	Vaaltyn
Tree Top Canopy Tours	Tsitsikamma	Western Cape	Storms River Adventure
Marula Products	Bushbuckridge	Mpumalanga	DANCED/com

Type of Project	Region	Province	Other Stakeholders
Timber Products	Makhulakacane	KZN	Sokhula Chieftaincy
	Vhembe Woodlots	Limpopo	Community
	Mooifontein Woodlots	North West	Community
	Soekmekaar Woodlots	Limpopo	LDA
Mushroom Collecting	Piet Retief	Mpumalanga	ARC
Fern Harvesting	Tsitsikamma	Eastern Cape	Community
Essential Oils	Piet Retief	Mpumalanga	Community

### National Greening Strategy

The revised National Greening Strategy was approved by the Forestry Functional Management Committee (FFMC). The following regions were assisted to develop draft provincial greening strategies: Free State, KwaZulu-Natal, Mpumalanga and Limpopo. Municipalities were assisted to develop local authority greening plans and the programme will be piloted through the development of the greening strategy for Rustenburg Local Municipality which will be finalised during the next financial year. The 2010 Greening of Soweto has been supported with financial resources in order to make it a reality. This is a partnership between Johannesburg City Parks, the Department and other partners. A partnership with SANBI, “Greening the Nation”, will be concluded through an MoU early in the next financial year. The broader forestry greening programme will contribute to the readiness of South Africa to host the 2010 FIFA World Cup.

### Forestry Sector Implementation Plan

The Department participated in DPLG/Integrated Development Plan (IDP) engagement sessions at national level, followed by provincial and district sessions, and bilateral meetings with District Municipalities to ensure that Forestry is included in the IDPs. Linked to this progress, a Forestry Sector Implementation Plan was drafted (and is currently being finalised) to assist Provincial and Local governments in the incorporation of Forestry into their planning processes.

### 4.2.3 Transfer of Assets

#### Plantation Transfers

Following an evaluation of the Department’s remaining plantations, initiatives were launched to:

- Convert the plantations into more viable forestry business packages; and
- Implement a strategy aimed at ensuring transferred packages that will contribute to social and economic development.

The transfer business model for Mbazwana and Manzengwenya received approval from local stakeholders and a transfer plan will be implemented in 2007/08.

The Department is committed to the transfer of its remaining plantations in a manner that recognises the role of the rightful owners of the land on which the forests have been established and the creation of viable forestry business opportunities. In this regard, it will navigate the transfers process with care, in partnership with businesses, communities and the Department of Land Affairs, to ensure the long-term sustainability of each project rather than simply reducing its obligations in the short-term.

#### Indigenous Forest Transfers

In terms of the National Forests Act, 1998 (Act No. 84 of 1998) the Department's policy objective is to decentralise the ongoing administration of natural forest areas to provincial government entities. Where appropriate, non-forestry state land is released from the provisions of the Act, allowing the State to re-allocate the management of the land areas to other government departments. Some 98 000 ha at St Lucia was released during the course of 2006/07 for re-allocation to the DEAT and for incorporation into the Greater St Lucia Wetland Park.

Discussions took place regarding the transfer of functions affecting some 22 000 ha of natural veld and indigenous forest land areas in Limpopo. The partial transfer of functions to SANParks in the Southern Cape (through a delegation of 01 April 2005) will be finalised through assignment to DEAT during the course of 2007/08.

The following factors impact on the pace of implementing the transfer of management responsibility over natural forest areas:

- The transfer of some 980 officials affected by the relocation of functions to other entities. In some instances these transfers are government-to-government staff transfers, but in others they involve transfers to non-government entities where disparities in service benefits must be negotiated and resolved;
- The need to negotiate, with the receiving departments, the content of legal and functional arrangements for the ongoing administration of the affected areas in terms of the National Forests Act, 1998 and

- The need to meet all legislative prescripts in terms of the form of the transfer documents.

The Department successfully completed the restructuring of non-forestry State Forest land in the Western Cape. This is land which neither has forests on it, nor is there an intention to plant trees on the land. Ministerial approval was granted for similar transfers in the Eastern Cape, in KwaZulu-Natal and in Mpumalanga with the transfer of functions over land that will be incorporated into the Blyde National Park.

A final report for the systematic planning of protected forest areas was produced for the first time in South Africa. This report identified all the indigenous forests which will require strict protection through the provisions listed in the National Forests Act, 1998.

#### 4.2.4 Leases to Private Consortiums

Through the restructuring programme of the State, the Department entered into four commercial lease agreements. The Department ensures compliance with the leases by regular inspection. Table 30 shows the extent of land already leased to private consortiums made up of existing forestry role players and their empowerment partners as well as funds accrued through these agreements.

**Table 31: Land Leased to Private Consortiums**

No. of tenants	Extent (ha)	Rentals <sup>1</sup>
4	246 811	R100 039 823

#### Note<sup>1</sup>:

- These lease rentals are being held in trust pending the clarification of tenure through the land reform process. Once the Department of Land Affairs has finalised the process, the money will be distributed to the identified beneficiaries.

#### 4.2.5 Registration of Fire Protection Associations

In terms of the National Veld and Forest Fire Act, 1998 (Act No. 101 of 1998), the protection of life and property is a basic human need. Due to the high incidence of fires during extreme weather conditions in 2006 the Department made it a priority to ensure that the registration of Fire Protection Associations took place. Currently 80 Fire Protection Associations are registered and the Department has trained 150 stakeholders including Fire Protection Officers, Chief Fire Officers and local government officials.



#### **4.2.6 The National Forests Act, 1998**

The first amendment to the Act was passed in July 2001, followed by a further amendment in March 2006. The implementation and administration of the Act has been supported by the development of business processes and guidelines to ensure efficient implementation.

Training courses were developed to support both staff and other stakeholders involved in implementation of the Act. Improved Forest Officer training received particular attention and the existing Forest Officer training course was augmented with course materials from the National Prosecuting Authority and Justice College. Training on the Act was extended to Prosecutors and Magistrates to ensure greater understanding and appreciation of the challenges faced in the management, development and protection of forest resources.

The tariffs for forestry products and services were revised. The Champion Tree Programme was approved by the Minister, and a National List of 21 protected tree species was published in the Government Gazette in December 2006. The List was also published in newspapers and aired on various radio stations.

#### **4.2.7 Promotion of Forestry**

In order to raise the profile of Forestry, a number of initiatives were launched during the year. The Woodlands and Forest Symposium was held. The proceedings of the symposium are being finalised. Forestry career exhibitions were conducted through the SABC in all provinces, and school visits (for Grade 10 – 12 pupils) took place in regions. The Department participated in Forestry tertiary institutions' open days, and also participated in Edu Plant school programmes.

Implementation of specific programmes, such as Arbour Week and participation in the Arbour City awards, to promote tree planting and raise awareness around the importance of trees, forests and the sector, were managed.

#### **4.2.8 International Engagements**

In terms of international development and co-operation, the SADC Forestry Technical Committee was resuscitated resulting in a number of international visits. The UNFF process meetings were attended to prepare for United Nations Forum on Forests 7. The Department participated in UNFF initiatives such as the development of an International Code of Best Practice for planted forests, the Timber Working Group, Convention on Biological Diversity (CBD) reporting, United Nations Convention of Combating Desertification (UNCCD), African Forestry and Wildlife Commission (AFWC) and Forest Resources Assessment (FRA) 2010. Exploratory meetings were held with neighbouring SADC countries including Lesotho, Swaziland and Mozambique on the development of MoUs to combat cross-border fires.

### **4.3 CHALLENGES FACED BY FORESTRY**

The major challenge which lies ahead for the Department is the implementation of the Forestry Charter since it includes numerous government commitments in terms of licensing for water use, fast tracking land reform, the transfer of the remaining government forestry assets and support to emerging historically disadvantaged individuals on skills, infrastructure development and access to finance. Most of these matters require co-operative governance and support.

Other challenges in terms of the successful implementation of the Charter relate to the management of its commercial plantations, especially in terms of fire fighting, attracting and retaining skilled staff and refurbishing these degraded assets.

South Africa's National Forestry Programme has been in need of review and approval was obtained to proceed. This is an immense task, which will require careful management and is likely to further stretch the already limited human resource base of the Forestry Programme.

## PROGRAMME 4: FORESTRY: KEY OUTPUTS AND SERVICE DELIVERY TRENDS

### Strategic Objective: To effect comprehensive policies and legislation that promote sustainable forest management

Outputs	Service Delivery Indicators	Actual Performance
Regulation of forest management with amendments as necessary	Regulations published in Government Gazette	<ul style="list-style-type: none"> <li>• Draft Compliance and Enforcement Guidelines developed. Revised the National Forest Act course.</li> <li>• Drafted business processes for the implementation of various sections of the NFA e.g. licensing, fire regulation etc, especially where other departments and entities are involved in implementation.</li> <li>• Matrix developed showing linkages between international, national and provincial policies, legislation and strategies to best practice tools and guidelines developed in Forest Technical Information Services.</li> <li>• The Champion Tree list was published in the Government Gazette and the Management prescriptions for specific Champion Trees are in place. Technical review and evaluation of Protected Trees species List published.</li> <li>• Investigation of transgressions of NFA regarding protected trees. Thabazimbi case: samples of leadwood taken to assist prosecutor with case. Prosecution in progress.</li> <li>• Reached agreement with DEAT on approach to taking the National Environmental Management Biodiversity Act Regulations process forward in a manner that does not compromise NFA objectives. Comments on regulations obtained from Office of Chief State Law Advisor.</li> <li>• Two admissions of guilt fines issued in Northern Cape.</li> <li>• Impact assessments completed for two developments at Kathu. Approval received to declare Kathu forest a specially protected forest in accordance with NFA.</li> <li>• Successful prosecution in two cases in Douglas.</li> <li>• Revised Forestry Tariffs for new financial year. Developed Exemptions for sections 7 and 15 of the NFA. Consultation held with communities on exemptions. Submitted exemptions to National Forest Advisory Council for recommendation to Minister.</li> <li>• Business processes for administrative provisions in NFA developed.</li> </ul>
	Licence applications processed according to agreed service standards	<ul style="list-style-type: none"> <li>• Licensing business process implemented.</li> <li>• Licensing criteria and guidelines developed and approved.</li> <li>• Business Case for a forestry licensing database developed.</li> <li>• Business Analyst appointed to manage project and database development.</li> </ul>
Implementation of White Paper review recommendations	Commission a review of the 1996 Forestry White Paper	<ul style="list-style-type: none"> <li>• PSP was selected, appointment procedures in progress through Forestry and Agriculture Organisation. National Forest Plan (NFP) facility still to be finalised.</li> </ul>

Outputs	Service Delivery Indicators	Actual Performance
Policy for provision of financial support through the NFA developed	Relevant policies approved by FFMC NFA Financial support policy approved by the Forestry Functional Management Committee (FFMC)	<ul style="list-style-type: none"> <li>A Reference group was formed and some preliminary text was developed for discussion during the first meeting of the group. No further progress.</li> </ul>

**Strategic Objective: To establish systems and strategies for efficient and effective implementation of the National Forests Act, 1998 (Act No. 84 of 1998)**

Outputs	Service Delivery Indicators	Actual Performance
Consultative National Forestry Plan that addresses Government imperatives agreed with the sector	Sector forestry development plan agreed and in place	<ul style="list-style-type: none"> <li>Two consultants appointed and assigned to undertake projects on raising the profile/contribution of forestry in rural development and review the White Paper on Sustainable Forest Development in South Africa of 1996.</li> <li>Raising profile of Forestry (University Stellenbosch)</li> <li>Forestry and Poverty (Rhodes University)</li> </ul>
Criteria, Indicators and Standards used as basis for oversight of the sector	Audit and management systems in operation and corrective actions implemented	<ul style="list-style-type: none"> <li>Pilot auditing conducted using Criteria, Indicators and Standards</li> <li>Three pilot audits: Mathiwane East Griqualand - June 06; KZN - July 06; Limpopo - Sept.06.</li> <li>Training done on Criteria, Indicators and Standards: <ul style="list-style-type: none"> <li>Submission for the appointment of a PSP to do the review of the Plan, Criteria, Indicators and Standards management framework.</li> <li>Initiated process on consultations to take the developing of minimum standards forward.</li> </ul> </li> </ul>
National Certification Initiative based on Criteria, Indicators and Standards launched	Draft minimum standards agreed with the sector	<ul style="list-style-type: none"> <li>Participated in process of investigating and developing a National Initiative to develop minimum standards for Sustainable Forest Management (SFM) against the Criteria, Indicators and Standards.</li> <li>Addressed funding constraints in agreement with sector.</li> </ul>

Outputs	Service Delivery Indicators	Actual Performance
Implementation and monitoring of NFA enforcement strategy	Recorded transgressions of the NFA	<ul style="list-style-type: none"> <li>• Established a Compliance and Enforcement Co-ordinating Committee.</li> <li>• Task teams established for further development of enforcement operational specific plans.</li> <li>• Forest Officer course revised and piloted in four regions.</li> <li>• Convened task team to review final report on protected areas.</li> <li>• In process of investigating two cases for possible action one in Limpopo and one in Northwest.</li> <li>• Northern Cape four fines issued.</li> <li>• Eastern Cape/Western Cape four cases taken to court.</li> <li>• Eastern Cape/Western Cape four cases taken to court.               <ul style="list-style-type: none"> <li>– Gauteng: 3</li> <li>– Free State: 19</li> <li>– Northern Cape: 121 received, 8 turned down and 113 issued.</li> <li>– Limpopo: 36</li> <li>– North West: 14</li> <li>– Mpumalanga: 21</li> <li>– Eastern Cape: 47</li> <li>– Western Cape: Section 7 136 Applications received, 130 Site inspections undertaken, 129 Licences issued with conditions in prescribed time.</li> <li>– Section 15 680 Applications received, 505 Site inspections undertaken, 435 Licences issued with conditions.</li> </ul> </li> <li>• 19 non-compliances with licence conditions found.</li> </ul>
Implementation and monitoring of NFA enforcement strategy	Recorded transgressions of the NFA	<ul style="list-style-type: none"> <li>• Held National Compliance and Enforcement Workshop.</li> <li>• Developed Framework for C&amp;E Implementation Plan.</li> <li>• Developed Compliance and Enforcement Handbook.</li> <li>• Developed Transgressions Recording system.</li> <li>• Formal liaison with Prosecuting Authority, Justice College and DEAT Enforcement Directorate.</li> <li>• Compliance and Enforcement Policy presented to DEAT Environmental Management Inspectors, Prosecutors and Magistrates.</li> </ul>

Outputs	Service Delivery Indicators	Actual Performance
Implementation and monitoring of NFA enforcement strategy	Ensure implementation of NFA	<ul style="list-style-type: none"> <li>Organised and chaired the inter-governmental task team meeting on Co-operative Control of Development Affecting Natural Forests in KwaZulu-Natal, where the draft MoU and latest draft of the supporting guidelines were discussed.</li> <li>Assisted officials in several regions with advice on various cases relating to protected trees. Inputs on problem cases such as deforestation at Bloomberg in Limpopo.</li> <li>Assisted Northern Cape Region with inputs on impact assessment for two developments at Kathu. Produced forest map of area to give effect to special protection of Kathu forest.</li> </ul>

**Strategic Objective: To establish the appropriate competence for regulation of the forestry sector**

Outputs	Service Delivery Indicators	Actual Performance
Training courses aligned to Forestry Skills Development Strategy	Relevant training courses for forestry training in place to suit the needs of the sector	<ul style="list-style-type: none"> <li>Several courses implemented for all the regions – including the Geographical Information System (GIS), NFA, and induction course. The Department's Forest officer course is currently being up-dated and three pilot courses were rendered for the National office and the regions. The course is planned to go through NQF accreditation and unit standard alignment.</li> </ul>
Forestry oversight function fully functional nationally and in clusters	Approved and filled Cluster Establishment for regulatory function	<ul style="list-style-type: none"> <li>Draft organogram was prepared.</li> <li>One dedicated officer appointed in Free State.</li> </ul>
Co-operative partnerships managed to support SFM, especially for small growers capacity	Number of co-operative partnerships supporting SFM FED, etc	<ul style="list-style-type: none"> <li>Partnerships established with Limpopo Business Support Agency.</li> <li>Partnership with FSA (Emerging Growers).</li> </ul>

**Strategic Objective: To make available comprehensive information on forestry for promoting and monitoring sustainable forest management**

Outputs	Service Delivery Indicators	Actual Performance
Forest Monitoring System in use	Updated forestry statistics	<ul style="list-style-type: none"> <li>2004/2005 commercial plantation statistics available on website.</li> <li>Abstract of South African Forestry Facts summarised in Z-fold.</li> </ul>
2008 State of Forest Report initiated	2005 State of Forest Report tabled in Parliament	<ul style="list-style-type: none"> <li>Draft 2005 reviewed presented to National Forest Advisory Council for comment. Report not completed.</li> <li>Process started for 2008 gathering of information.</li> </ul>
Policy Research Framework implemented with the sector	A forestry sector research framework agreed with all stakeholders	<ul style="list-style-type: none"> <li>Finalised Draft forestry sector research framework.</li> <li>Forest Science Technology and Innovation Strategy in process of development.</li> </ul>

Outputs	Service Delivery	Actual Performance
Strategy to combat long-term timber supply shortages implemented in partnership with the sector	Alignment of long-range timber supply plan with forecasts	<ul style="list-style-type: none"> <li>Stakeholder workshop was convened. Workshop report was circulated to participants in Nov/Dec 06.</li> <li>Study on experiences in Northern Europe to be conducted under the NFP Facility.</li> </ul>
Forestry Profile raised	Number of Promotional Campaigns on Forestry	<ul style="list-style-type: none"> <li>Latest forestry information regularly posted on Website and Resource Centre.</li> <li>Support to the Department Toll Free Line.</li> <li>Finalising proceedings from Forest and Woodlands symposium.</li> <li>Protected trees list posters done and distributed to the Regions.</li> <li>Developed additional small pamphlets requested by the Regions.</li> <li>Participation in Sabie Forest Fair.</li> <li>Forestry career exhibitions conducted through the SABC in all provinces.</li> <li>School visits conducted in regions for grade 10 -12.</li> <li>Participated in Forestry Tertiary institutions Open days.</li> <li>Participated in Edu Plant school programmes.</li> <li>Coverage on SABC Take 5 and radio station broadcasts for careers.</li> <li>More than 6 000 learners attended the launch of Arbor Week at the Johannesburg Zoo.</li> <li>The 2006 Arbor week celebrations ended on a high note when Minister Hendricks and Speaker of Parliament, Ms Baleka Mbete planted a tree in Parliament on the last day of Arbor week.</li> </ul>

**Strategic Objective: To engage in international processes that promote sustainable forest management (SFM), in particular SADC and NEPAD**

Outputs	Service Delivery Indicators	Actual Performance
Co-operation and leadership within SADC	Regional collaboration on SFM studies	<ul style="list-style-type: none"> <li>Provided technical support to SADC countries on systems and tools used in South Africa such as Criteria, Indicators and Standards, certification initiatives and Standard Operating Procedures.</li> <li>SADC Forestry Technical Committee resuscitated in March 2007.</li> </ul>
Effective and active participation in UNFF, COFO, AFWC, Congo Basin partnership, UNCCD, UNCBD, UNCCC, AFLEG and NEPAD activities	UNFF and AFLEG Resolutions on sustainable forestry management in Africa	<ul style="list-style-type: none"> <li>UNFF process meetings held to prepare for UNFF 7.</li> <li>Reported and participated in UNFF initiatives such as International Code of Best Practices for planted forests, Timber Working Group, CBD reporting, UNCCD, AFWC, FRA 2010.</li> </ul>
Conclusion of bi-lateral agreements that support SFM	Technical exchange programme implemented	<ul style="list-style-type: none"> <li>Visits to Brazil and Russia.</li> <li>Exploratory meetings held with neighbouring SADC countries on MoUs to combat cross-border fires.</li> </ul>

**Strategic Objective: To create an enabling environment for the sector to grow**

Outputs	Service Delivery Indicators	Actual Performance
Priority areas with future afforestation potential identified	Phase 2 Eastern Cape SEA completed	<ul style="list-style-type: none"> <li>Finalised SEA in Eastern Cape.</li> <li>Prepared maps to show forest resources for Premier of KZN.</li> <li>Started to identify afforestation potential in other provinces.</li> </ul>
Afforestation promoted to support community empowerment	Set of afforestation potential maps	<ul style="list-style-type: none"> <li>Afforestation maps produced for District Municipalities in WMA 12 (EC).</li> </ul>
Streamlined processing of Stream Flow Reduction Activity licences supported	Reported levels of community-based afforestation	<ul style="list-style-type: none"> <li>Eastern Cape government established Asgi-SA company to, inter alia, address afforestation.</li> <li>Applications received for 5 500 ha compared to 800 ha in 2005.</li> </ul>
Appropriate structures established to support afforestation in National office and clusters	Time taken for processing Stream Flow Reduction Activity licences	<ul style="list-style-type: none"> <li>Licence time decreased in Eastern Cape.</li> <li>Situation unchanged in KZN.</li> </ul>
Sector growth strategy initiated in consultation with sector	Number of afforestation structures established Agreed sector growth strategy	<ul style="list-style-type: none"> <li>A discussion paper on the sector has been produced and discussed internally.</li> <li>Forestry Transformation Charter, which captures strategies for the sector, agreed with stakeholders in March 2007.</li> </ul>
Assist local and provincial authorities to incorporate forestry development into IDPs	Provincial Development Plans and District Integrated Development Plans incorporating forestry	<ul style="list-style-type: none"> <li>PSP appointed and Sector plan to be finalised in first quarter of 07/08.</li> </ul>
New strategic Forestry Enterprise Development (FED) partnerships identified and existing partnerships maintained	MoU in place with partners	<ul style="list-style-type: none"> <li>Negotiated a new partnership with TWK. The MoU for FED intervention between LIBSA, the Department and FSA was approved by Legal Services. Gijima MoU sent to Legal Services for comments. Negotiated MoUs with Indigenous Knowledge Systems of South Africa and SANBI.</li> <li>Joint greening plan concluded with Department of Housing.</li> <li>A contribution to the development of the Bojanala District Municipality's greening strategy and the Soweto 2010 greening plan was made and donations of R100 000.00 in each case, was approved from the Department.</li> <li>Developed draft greening plans for Free State, KZN, Mpumalanga and Limpopo.</li> <li>FED targets and strategy agreed in Charter. FED fund to be established with support from NT.</li> </ul>
Systems and framework in place to monitor FED in Forestry	Annual Status Reports on the Sector	<ul style="list-style-type: none"> <li>Draft database in place and discussed with the regions.</li> <li>Monitoring system in place for Charter.</li> </ul>

**Strategic Objective: To increase equity for previously disadvantaged groups in the forestry sector**

Outputs	Service Delivery Indicators	Actual Performance
Approved BBBEE charter developed and implemented in partnership with the sector	Compliance with BBBEE Charter	<ul style="list-style-type: none"> <li>Chapter 6 of BBBEE charter finalised.</li> <li>Progress on BBBEE Charter User Guide and companion document.</li> <li>Consultation schedule for Indaba in May prepared.</li> <li>Liaison with DEAT and SANParks to participate in the Charter.</li> </ul>
DTI and Department forestry growth and expansion initiatives implemented and linked to BBBEE charter	Forestry initiative findings incorporated into NFP	<ul style="list-style-type: none"> <li>Forestry Transformation Charter with commitments by government and Industry sector agreed with stakeholders in March 2007.</li> <li>Charter incorporates DTI and Department's forestry growth and expansion initiatives.</li> <li>Recommendations received and accepted by stakeholders in Charter process.</li> <li>Roles for implementation agreed by stakeholders.</li> </ul>
All existing and potential economic opportunities on state forests developed to contribute to BBBEE	Number of opportunities taken up by communities and PDIs	<ul style="list-style-type: none"> <li>Completed Study on Bee-keeping potential.</li> <li>Developed business concept on eco-tourism potential at Ngome.</li> <li>Essential oils study to be finalised in first quarter of 2007/8.</li> <li>Baseline study on Amathole and Thathe Vondo forest completed.</li> </ul>

**Strategic Objective: To promote the livelihoods and service benefits of forestry in co-operation with other agencies**

Outputs	Service Delivery Indicators	Actual Performance
Departmental responsibilities with respect to national wood energy strategy implemented	Extent of Departmental responsibilities executed according to strategy	<ul style="list-style-type: none"> <li>Initiated evaluation of a pilot study on the contribution of Woodlands Rehabilitation.</li> <li>Produced an internal fuel wood discussion document.</li> </ul>
Department's woodlands role implemented according to the policy	Extent of Departmental responsibilities executed according to policy	<ul style="list-style-type: none"> <li>Advertised a Woodlands Specialist Ecologist post.</li> <li>One visit in the Gauteng Region related to Woodlands.</li> <li>Participated in the development of Agriculture policies on 'Wildlife Ranching' and 'Range and Forage Resources'.</li> <li>Fuel wood study in Gauteng: Phase 1 completed showing initial results of extent, second phase to start in 07/08.</li> </ul>
Departmental responsibility with respect to livelihoods implemented	Extent of Departmental responsibilities executed according to policy	<ul style="list-style-type: none"> <li>Produced discussion document on forestry livelihoods.</li> <li>PFM projects assessed in Limpopo and Mpumalanga.</li> </ul>
Assist authorities to incorporate livelihoods and urban forestry into IDPs	Number of IDPs incorporating livelihoods and urban forestry	<ul style="list-style-type: none"> <li>Supported KZN in the Growth and Development Summit engagement sessions.</li> <li>Forest-based livelihoods detailed in Forest Sector Implementation plan being finalised for incorporation of forestry in Provincial and Local government planning processes.</li> </ul>



**Strategic Objective: To support development through engagement in international processes and agreements, in particular through SADC and NEPAD**

Outputs	Service Delivery Indicators	Actual Performance
The contribution of forestry to NEPAD and other international initiatives agreed	Number of international initiatives endorsed by the Department	<ul style="list-style-type: none"> <li>SADC Forestry Technical Committee resuscitated in March 2007.</li> </ul>
Conclusion of bilateral agreements that support forestry development	Number of ratified bilateral agreements	<ul style="list-style-type: none"> <li>Exploring scope for forestry bi-lateral agreements with India, Brazil and Russia.</li> </ul>

**Strategic Objective: To ensure Fire Protection Agencies (FPAs) operate to reduce incidence of unplanned veld and forest fires**

Outputs	Service Delivery Indicators	Actual Performance
Establishment of all FPAs in priority fire risk areas	Number of registered FPAs that report to the Department	<ul style="list-style-type: none"> <li>Registered 80 FPAs.</li> <li>Compiled FPA Annual report (draft).</li> <li>Held meeting with Working on Fire to discuss the strengthening of FPAs through that programme.</li> </ul>
Veld fire management strategies effectively implemented by FPAs	Number and impact of unplanned veld and forest fires	<ul style="list-style-type: none"> <li>Registered FPA implementing fire management strategies.</li> <li>Conducted FPA performance assessments in NW and NC.</li> <li>Conducted M&amp;E of 24 registered Fire protection Associations (Provinces visited: Northern Cape, Northwest, Eastern Cape, KwaZulu-Natal and Free State).</li> <li>Compiled a report on functioning of registered FPAs.</li> </ul>
Capacity building for registered FPAs supported	Compliance of FPA with Business Plan and legislation	<ul style="list-style-type: none"> <li>Approximately 150 Stakeholders including Fire Protection Officers, Chief Fire Officers and Local Government Officials trained. Approximately 70 prosecutors introduced to the Act.</li> </ul>
Policy on financial support to FPAs developed	Approved FPA Support Policy	<ul style="list-style-type: none"> <li>Draft policy discussed with DPLG and NT but approach disapproved.</li> <li>Communiqués sent to the South African Energy Services Institute and Fire Brigades Board to assist in the interim. As a long-term solution, the Department will be part of the committee to review Fire Brigades Services Act.</li> </ul>

**Strategic Objective: To establish systems and strategies for efficient and effective regulation of the National Veld and Forest Fire Act (NVFFA)**

Outputs	Service Delivery Indicators	Actual Performance
National Veld Fire Information System in place to monitor and predict fire risk	National Veld Fire Information System Operational  Fire Protection Associations Registration Management Systems operational	<ul style="list-style-type: none"> <li>• Linked with website and active.</li> <li>• System improved and 50 users registered.</li> </ul>
National Fire danger rating system implemented as early warning monitoring system	National Fire Danger Rating System Operational	<ul style="list-style-type: none"> <li>• The USA was visited to discuss technical problems.</li> <li>• Technical report produced to identify problem areas.</li> <li>• CIO office involvement requested relating to the National Fire Danger Rating System.</li> <li>• All Fire Prohibition Notices were issued on time.</li> </ul>
NVFFA compliance strategy implemented	Number of reported transgressions of the NVFFA	<ul style="list-style-type: none"> <li>• Held two information sessions with over 70 Prosecutors in collaboration with DEAT.</li> <li>• Justice College briefed on the Act.</li> <li>• 35 Fire Protection Officers and Chief Fire Officers trained.</li> <li>• Evaluation of compliance with strategy in progress.</li> <li>• Workshop held in May 2006.</li> <li>• Law Enforcement Policy approved in October 06.</li> </ul>

**Strategic Objective: To manage co-operative governance partnerships to ensure prevention and management of veld and forest fires**

Outputs	Service Delivery Indicators	Actual Performance
Partnership agreement with the South African Weather Services (SAWS) operational	MoU with SAWS concluded	<ul style="list-style-type: none"> <li>• MoU with SAWS signed and operational and National Fire Danger Rating System programmed. However, systems not live as yet due to problems encountered during the testing and validation phases.</li> </ul>
Negotiations initiated regarding cross border fires	MoU on cross border fires	<ul style="list-style-type: none"> <li>• Several meetings aimed at concluding MoUs were held with: Mozambique, Swaziland and Lesotho. Draft MoUs prepared and discussed with the relevant countries.</li> <li>• Date to meet Botswana and Namibia secured.</li> </ul>

**Strategic Objective: To establish sufficient competence for monitoring and enforcement of the NVFFA**

Outputs	Service Delivery Indicators	Actual Performance
Gathering and analysis of annual statistical returns on fire provided by FPAs	Monthly reports published in quarterly Veld Fire bulletin and Annual Report	<ul style="list-style-type: none"> <li>• Information collected on fires.</li> <li>• Annual reports received from 27 of the expected 47 FPAs.</li> <li>• Draft annual report available for presentation to the Department's management.</li> </ul>
Effective compliance with the requirements of the Act among all landowners in regions of High and Extreme wildfire risk	Extent of compliance with various requirements of NVFFA	<ul style="list-style-type: none"> <li>• Visits to FPAs serve as monitoring interventions and targets were achieved.</li> <li>• Assessed 24 Fire Protection Associations and reports with recommendations were compiled.</li> </ul>

Outputs	Service Delivery Indicators	Actual Performance
Capacity building for fire stakeholders	Relevant training courses for fire training in place to suit needs of the sector	<ul style="list-style-type: none"> <li>• Three Forest Officer pilot courses were run in the regions and national Office</li> <li>• Trained 120 FPOs and CFOs</li> <li>• Reviewed the NFA Course which also contains issues relating to fire.</li> </ul>

**Strategic Objective: To promote fire awareness among stakeholders and public**

Outputs	Service Delivery Indicators	Actual Performance
Communication and awareness strategy on NVFFA implemented	Number of fire campaigns implemented	<ul style="list-style-type: none"> <li>• Communications Action Plan implemented mainly in the Western Cape during the fire season.</li> <li>• The following communication material was produced and distributed: Press release, Compliance and Enforcement Posters, Fire CDs, Newsletter, Mobile bill-boards, board games, two advertisements in Agri Magazine, Fire Act Booklet, radio advertisements, street-pole posters (W Cape), Fire Danger Index (FDI) cards, and FDI charts.</li> </ul>

**Strategic Objective: To create an enabling environment for transfers**

Outputs	Service Delivery Indicators	Actual Performance
Cluster liaison structures in place for engagement with stakeholders	Liaison structures in place in all Departmental Clusters	<ul style="list-style-type: none"> <li>• Developed draft framework for an implementation strategy for transfers.</li> </ul>
Risk assessment for the enabling environment on transfers	Risk Assessment Report	<ul style="list-style-type: none"> <li>• Financial risk assessment conducted for all remaining Category Bs and Cs and recommendations made for prioritisation of rehabilitation of those most suitable for transfer.</li> </ul>

**Strategic Objective: To transfer state forests to beneficiaries through appropriate vehicles or instruments that promote equity and empowerment at the local level**

Outputs	Service Delivery Indicators	Actual Performance
Transfer plantation packages to communities and forestry enterprises according to approved transfer plan	<p>Number of opportunities taken up by communities and HDIs in State plantation forest</p> <p>National Implementation Strategy and management agency arrangement in place</p> <p>Concluded Stakeholder Agreement for transfer of Mbazwana and Manzengwenya</p>	<ul style="list-style-type: none"> <li>Baseline information about affected nurseries collected to form the basis of a Terms of Reference for a PSP to develop a transfer strategy.</li> <li>Developed position paper on the future of Komati Land Forest and SAFCOL.</li> <li>Stakeholder Agreement endorsed by stakeholders.</li> </ul>
Transfer the management responsibilities of the Department's remaining indigenous forests to new agencies according to approved transfer plan	<p>Delegation or assignment agreements in place with relevant agents</p> <p>Finalise release of land at St Lucia to KZN Wildlife</p>	<ul style="list-style-type: none"> <li>Assignment agreement and presidential proclamations completed and submitted. Approved by Minister and letters sent to EC Premier.</li> <li>98 000 ha released to the Ezemvelo KZN Wildlife.</li> </ul>
Immediately available land rehabilitated and transferred	Land rehabilitation in terms of the set norms and standards (in hectares)	<ul style="list-style-type: none"> <li>Rehabilitation performed in Southern and Western Cape.</li> <li>Land transfer to be done in 07/08.</li> </ul>
State forest land not suitable for forestry de-proclaimed	De-proclamation Notices	<ul style="list-style-type: none"> <li>Over 450 000 ha released to SANParks Management.</li> </ul>

**Strategic Objective: To provide for the effective administration and management of third party agreements**

Outputs	Service Delivery Indicators	Actual Performance
Legal Mandate for management of State natural forest currently managed by Provinces monitored	Audited monitoring reports	<ul style="list-style-type: none"> <li>Consultations with stakeholders (DEAT, SANParks, Cape Nature)</li> </ul>
Level of continued regulation and support provided to new management agencies understood and implemented	Degree to which all relevant indicators and measures are being met by new management agencies	<ul style="list-style-type: none"> <li>Consultations with stakeholders (DEAT, SANParks, Cape Nature)</li> </ul>
Leased plantation forests and delegated/assigned natural forest managed in terms of the relevant agreement	Audit and management systems in operation and corrective actions implemented	<ul style="list-style-type: none"> <li>Lease compliance audits done for medium-term objectives, Siyaqhubeka Forests (SQF), Singisi and Amathole Forestry Company. Under-spending on operational costs for transport and accommodation noted. Meeting arranged with Amathole Forests Company (AFC) to resolve problems of non-compliance.</li> <li>Where other corrective action was required it was communicated to tenants.</li> </ul>
Timeous payment of lease rentals to land beneficiaries	Distribution of rentals to beneficiaries in terms of agreed service standards	<ul style="list-style-type: none"> <li>Not done. Rentals can only be paid once the Department of Land Affairs has identified the beneficiaries. Conducted regular follow-up with relevant Regional Land Claims Commission to ensure S42D settlement submissions.</li> </ul>
Transfer aftercare responsibilities of the Department and DPE clarified	Approved aftercare policy	<ul style="list-style-type: none"> <li>Roles clarified with DPE regarding those elements of post transfer for which they are responsible versus those of the Department.</li> </ul>

**Strategic Objective: To manage plantation forests effectively**

Outputs	Service Delivery Indicators	Actual Performance
Ensure sustainable management of plantations	Audited Progress Reports approved by Forestry Functional Management Committee (FFMC)	<ul style="list-style-type: none"> <li>Pilot self-audits using C+Is completed.</li> <li>Manual now in use.</li> </ul>
20% decrease in temporary unplanted areas (TUP) by March 2007	Number of hectares of TUP	<ul style="list-style-type: none"> <li>2 843 ha or 18%.</li> </ul>
Fire damage limited to a maximum of 1% of the Estate	Number of hectares damaged	<ul style="list-style-type: none"> <li>160 fires occurred damaging 9 115 ha or 20% of planted area.</li> </ul>
Productivity increased by at least 5%	Percentage of productivity levels	<ul style="list-style-type: none"> <li>Achieved set targets of 5%.</li> </ul>
Management of state plantations in accordance with Criteria and Indicators (C&Is) for Sustainable Forest Management	Number of C&I Audit Queries addressed within agreed time periods	<ul style="list-style-type: none"> <li>Self-audits were done in Mpumalanga on six Estates and in KZN on six Estates.</li> <li>Audits were done as mentoring exercises in Limpopo on two Estates, KZN on one Estate, in the Eastern Cape on two Estates and in North West on one Estate.</li> <li>Feedback was given on the audits and Corrective Action Requests discussed.</li> </ul>

**Strategic Objective: To ensure sustainable management of State indigenous forests in a participatory manner**

Outputs	Service Delivery Indicators	Actual Performance
State natural forest managed according to criteria and indicators	Number of C&I Audit Queries addressed within agreed time periods	<ul style="list-style-type: none"> <li>Two self-audits were done in KZN and Mpumalanga.</li> <li>Corrective Action Requests were noted for follow up.</li> </ul>
Remaining State indigenous forests managed in a sustainable manner according to the Department's Protected Area System Plan	Number of hectares of forest type in formally protected areas	<ul style="list-style-type: none"> <li>Research project (Forest sub-type classification,) started.</li> <li>Focus on Limpopo, KZN, and Eastern Cape. Report expected 2007/08.</li> </ul>
Remaining State indigenous forests managed to optimise consumptive use	Number of licences provided for consumptive use	<ul style="list-style-type: none"> <li>Issued 21 for Mpumalanga.</li> </ul>

