

2007/08 - 2009/10

STRATEGIC PLAN



water & forestry

Department:
Water Affairs and Forestry
REPUBLIC OF SOUTH AFRICA

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List of Acronyms/Abbreviations

| Acronyms / Abbreviations | Full Text |
|--------------------------|---|
| AFLEG | African Forestry Law Enforcement Government |
| AFS | Annual Financial Statements |
| AMCOW | African Ministers Council on Water |
| AU | African Union |
| ASGISA | Accelerated and Shared Growth Initiative of South Africa |
| BBBEE | Broad-Based Black Economic Empowerment |
| BWP | Berg Water Project |
| C+I | Criteria and Indicators |
| CEIMP | Consolidated Environmental Implementation and Management Plan |
| CI&S | Criteria, Indicators and Standards |
| CMA | Catchment Management Agency |
| COFO | Committee on Forestry |
| CSD | Commission for Sustainable Development |
| DCC | Departmental Control Committee |
| DEAT | Department of Environmental Affairs and Tourism |
| DLA | Department of Land Affairs |
| DORA | Division of Revenue Act |
| DPLG | Department of Provincial and Local Government |
| DPSA | Department of Public Service and Administration |
| DTI | Department of Trade and Industry |

| Acronyms / Abbreviations | Full Text |
|--------------------------|--|
| DWAF | Department of Water Affairs and Forestry |
| ERP | Enterprise Resource Planning |
| EPWP | Expanded Public Works Programme |
| FBW | Free Basic Water |
| FED | Forestry Enterprise Development |
| FFMC | Forestry Functional Management Committee |
| FGEF | Forestry Governance Enforcement Forum |
| FIETA | Forestry Industry Education and Training Authority |
| FLMU | Forest Land Management Unit |
| FOSAD | Forum of South African Directors-General |
| FPA | Fire Protection Association |
| GAAP | Generally Accepted Accounting Practice |
| GDP | Gross Domestic Product |
| GEF | Global Environmental Funding |
| GPOA | Government Programme of Action |
| HR | Human Resources |
| HDI | Historically Disadvantaged Individual |
| IAP | Invasive Alien Plants |
| IDP | Integrated Development Plan |
| IIMA | Interim Inco-Maputo Agreement |
| IS | Information Services |

| Acronyms / Abbreviations | Full Text |
|--------------------------|---|
| IWRM | Integrated Water Resources Management |
| IWRMP | Integrated Water Resources Management Planning |
| JIPSA | Joint Initiative on Priority Skills Acquisition |
| JPoI | Johannesburg Plan of Implementation |
| KFA | Key Focus Area |
| KOBWA | Komati River Basin Authority |
| KPI | Key Performance Indicators |
| LAN | Local Area Network |
| LHWP | Lesotho Highlands Water Project |
| MDG | Millennium Development Goals |
| MIG | Municipal Infrastructure Grant |
| MTEF | Medium Term Expenditure Framework |
| MTSO | Medium Term Strategic Objective |
| MoU | Memorandum of Understanding |
| NCI | National Certification Initiative |
| NEPAD | New Partnership for Africa's Development |
| NFA | National Forests Act of 1998 |
| NFAC | National Forests Advisory Council |
| NFDRS | National Fire Danger Rating System |
| NFP | National Forestry Plan |
| NSTT | National Sanitation Task Team |

| Acronyms / Abbreviations | Full Text |
|--------------------------|---|
| NVFFA | National Veld and Forest Fire Act of 1998 |
| NVFIS | National Veldfire Information Systems |
| NWRI | National Water Resources Infrastructure |
| NWRIA | National Water Resources Infrastructure Agency |
| NWRS | National Water Resource Strategy |
| OAG | Office of the Accountant General |
| OraSeCom | Orange-Senqu River Commission |
| ORWRDP | Olifants River Water Resource Development Project |
| PDI | Previously Disadvantaged Individuals |
| PFMA | Public Finance Management Act |
| PGDP | Provincial Growth and Development Plan |
| PSP | Professional Service Provider |
| RDM | Resource Directed Measures |
| RPF | Resource-Poor Farmers |
| RMP | Resource Management Plan |
| RWRA | River Water Resource Augmentation |
| RWRP | River Water Resource Project |
| RWU | Recreational Water Use |
| S&T | Science and Technology |
| SAAWU | South African Association of Water Utilities |
| SADC | Southern African Development Community |

| Acronyms / Abbreviations | Full Text |
|--------------------------|---|
| SALGA | South African Local Government Association |
| SAWS | South African Weather Services |
| SAICE | South African Institute of Civil Engineers |
| SCM | Supply Chain Management |
| SFM | Sustainable Forest Management |
| SFWS | Strategic Framework for Water Services |
| SMME | Small, Medium and Micro Enterprises |
| SO | Strategic Objective |
| SONA | State of the Nation Address |
| TA | Trading Account |
| TCTA | Trans-Caledon Tunnel Authority |
| TOR | Terms of Reference |
| TPTC | Tripartite Permanent Technical Committee |
| UNESCO HELP | UNESCO (Hydrology for the Environment, Life and Policy) |
| UNFF | United Nations Forestry Forum |
| VRESAP | Vaal River Eastern Sub-system Augmentation Project |
| WC/WDM | Water Conservation / Water Demand Management |
| WAR | Water Allocation Reform Programme |
| WDCS | Waste Discharge Charge System |
| WfW | Working for Water Programme |

| Acronyms / Abbreviations | Full Text |
|--------------------------|---------------------------------|
| WMA | Water Management Area |
| WUA | Water User Association |
| WSDP | Water Services Development Plan |
| WR | Water Resources |
| WRC | Water Research Commission |
| WSA | Water Services Authority |
| WSP | Water Services Provider |
| WTW | Waste Treatment Works |
| WWF | World Water Forum |

Minister's Statement

As we enter the third year of the second decade of democracy, our main challenges are mainly poverty eradication and building the capacity of the state to implement Government policies in order to create a better life for all. The South African Government is unreservedly committed to meeting these challenges. Targets that the Government has set for itself for meeting these challenges include contributing to the fast economic growth in South Africa, as outlined in the Accelerated and Shared Growth Initiative of South Africa (ASGISA) and in the Government Programme of Action (GPOA). ASGISA in itself poses various challenges to the DWAF and its public entities, such as the building of new infrastructure and the need to bring on board all beneficiary communities and stakeholders during planning, implementation and management of the infrastructure; the supply of water and timber as critical inputs into the economy, and the creation of opportunities for broad based empowerment and small business development. It certainly cannot be business as usual.

Our programme to establish a national water resources infrastructure agency to manage and develop our national water resources infrastructure for economic development and access to water for social needs is well underway.

In the area of water and sanitation services, our targets are to ensure access to basic water supply by all by 2008, whilst the target for access to basic sanitation services by all households is set for 2010. Buckets in the formal established settlements must be wiped out by December 2007. In order to achieve our water and sanitation targets, DWAF has been given a clear mandate by Cabinet to implement an acceleration plan for service delivery in collaboration with the provinces and municipalities. Through the plan DWAF will provide hands-on support to needy municipalities with a view to ensuring that targets set are met. We will therefore continue to strengthen our relations with all spheres of Government in looking beyond access to basic services, and in addition to looking at sustainability issues beyond 2010. This therefore also means that DWAF will continue to support water services authorities to provide safe potable water.

As the public trustee of the nation's water resources, DWAF has to continue to ensure that water is supplied, not only for economic development and domestic use, but also for purposes of bringing about gender and racial equality in access to water for productive use. In this regard, we must accelerate the implementation of the Water Allocation Reform (WAR) programme whilst also using our licensing authority to achieve the objectives of Broad Based Black Economic Empowerment (BBBEE) in all aspects of our work, including the transformation of the forestry sector and forest enterprise development. It goes

without saying that our WAR programme will not succeed without greater collaboration with the Departments of Agriculture and Land Affairs.

The Department will accelerate investment in infrastructure through the Municipal Infrastructure Grant (MIG) to improve service delivery in the areas of the second economy, including the provision of water to individuals, farms, mines, businesses, households, schools and clinics to satisfy the demand for water. Several municipalities have difficulties in operating and maintaining their infrastructure which results, amongst other things, in the poor quality of water and they require assistance in managing the quality of their drinking water. My department will focus on addressing this problem so that our people will continue to drink tap water without fear.

The implementation of water conservation and water demand management measures in all use sectors is also of critical importance for a water scarce country such as South Africa. Whilst it is often necessary to impose restrictions on water use during times of drought, short term restriction strategies must be integrated with the longer term goals of sustained water saving and the judicious use of water.

The development of institutions for the management of the country's water resources such as catchment management agencies (CMAs) is well on track. These organisations are designed to enable ordinary people to participate in the business of managing water resources.

South Africa shares some of its major rivers with neighbouring countries, and we have to comply with certain international protocols and agreements in developing and managing these shared watercourses. We will continue to consult and negotiate with our neighbours to ensure that we achieve the objectives of the New Partnership for Africa's Development (NEPAD), and contribute by stimulating regional development and economic growth. We will also continue to engage with the nations of the world with a view to contributing towards a better world.

As sector leader in Forestry, we will continue to provide more direct support to people who are entering the forestry sector with a view to transforming the industry whilst also addressing the poverty of the poor. The major instrument to be used for achieving this will be the Forest BBBEE Charter, which seeks to transform the forestry industry and grow the forestry sector in the country. The Forest Charter is, to a large extent, a roadmap for the implementation of accelerated and shared growth, as outlined in ASGISA. The key priorities for Forestry, reflected within the framework provided by the charter and to be given attention and pursued on a national basis, include skills development, which must

be developed in line with the Joint Initiative for Priority Skills Acquisition (JIPSA), new afforestation, enterprise development, research and development and sector growth and development.

DWAF will soon begin a nation-wide campaign for fruit tree planting for food production mainly in the rural areas and greening programmes in our townships in order to address poverty and unemployment, with a target of about one million trees per year to 2010.

Government has identified the lack of skills as a major impediment to the acceleration of service delivery and economic growth. Our contribution to JIPSA, driven by the Deputy President, knows no boundaries. Our approach to capacity building is rooted in the need to dramatically increase the pool of technical expertise, the number of women and people from the Historically Disadvantaged Individuals (HDI) groups, on the one hand and a strategy to retain talent, on the other. I am therefore pleased to announce that the Department will soon launch its Learning Academy in order to address skills shortage in the water, sanitation and forestry technical fields whilst also contributing towards the further achievement of gender and racial equality. International cooperation agreements and resources will be leveraged to significantly increase the development of human resources. In order to move forward, it is necessary for the Department to pay special attention to its restructuring and reorganisation to bring about greater coherence, accountability and efficiency.

Whilst some progress has been made in the domain of gender mainstreaming, more needs to be done. A gender mainstreaming strategy is being developed as a building block for gender equality and gender equity and for broader women empowerment and development. Efforts will be made to develop targeted innovative programmes in gender mainstreaming. As the President said during the National Women's Day celebrations on 9 August 2006, we must put measures in place to monitor and assess the progress being made in the emancipation of women. This must be the case in the Department and in all the institutions that fall under the oversight of the Minister of Water Affairs and Forestry, as well as in the entire water and forestry sectors.

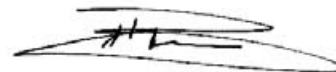
As the Department assumes its ultimate role of leader, supporter and regulator for the forestry and water sectors, the development of capacity for monitoring, information and assessment becomes one of our top priorities.

The Department needs to collaborate with municipalities and provinces and other departments to achieve its goals. Moreover, all the public entities and other institutions under the executive authority of the Minister of Water Affairs and Forestry, namely the

TCTA, CMAs, Water Boards and the Water Research Commission need to also play their part in the achievement of the Government objectives for which this Department has a mandate. It follows therefore that their strategies must be aligned with those of the Department. This will require a strong institutional oversight mechanism in the department. This collaboration between DWAF, its entities and other departments must also ensure that during the FIFA World Cup which this country will be hosting in 2010, South Africa is ready and proud to provide good quality drinking water and adequate sanitation to our visitors.

The Department is in the process of substantial restructuring and transformation, a process which started back in 1994. The rationale being that there are critical challenges of non-alignment, unclear mandates, duplication, non integrating institutions and very costly governance in resources and impact. It is the intention of the Department to transfer most of its implementation functions to more appropriate levels of government while it will focus on the role of policy development, regulation, sector leadership oversight and monitoring. This requires a shift by the Department away from an operational focus towards more multidisciplinary regulatory functions which require substantial reprioritisation of resources, similarly the regulatory capacity will need to be substantially improved to enable the Department to develop, implement and enforce the new regulatory framework.

We are well aware that the good work that this Department and its partners are doing is spoilt by the qualified audit reports which this Department has been receiving in regard to its financial statements for a number of years now. Acquiring a clean audit during my term of office is therefore one of the flagship projects of this Department. A turnaround strategy has been developed and is being implemented currently to make sure that this is achieved.



Mrs LB Hendricks, MP
Minister: Water Affairs and Forestry

Accounting Officer's Overview

It is my pleasure to present to you the Department of Water Affairs and Forestry's Strategic Plan for the three year MTEF period 2007/8 to 2009/10. In the strategic plan we present strategies, plans, measures and goals aimed at achieving the policy and political objectives outlined by the Minister of Water Affairs and Forestry in her Statement, as well as the various policies of Government. This document responds to critical issues regarding the management of water resources and the sustainable supply of water, sanitation and forestry services in ways that will contribute to the social and economic development of our people.

Municipalities are at the centre of all of Government's efforts to improve the quality of life of our people. It is crucial that we support local government in all aspects of our work, because success in this sphere of government represents success for all of us.

Our role is to create an environment in which local government is better able to fulfil its constitutional mandate and improve service delivery. There must be greater collaboration between the Department, the Department of Provincial and Local Government (DPLG), provincial departments responsible for local government, health, education, agriculture and housing and other sector departments to ensure an integrated and comprehensive approach to supporting local government in the spirit of the Intergovernmental Relations Framework Act of 2005. Project Consolidate forms the basis of this foundation. We will also continue to work with the South African Local Government Association (SALGA) in developing joint policies and support programmes that can better respond to the needs of all the municipalities.

As part of our support role we have developed a water services authority checklist, which is used to check the ability of each water services authority to fulfil its legislative mandate in regard to water services. The nature of problems experienced by municipalities indicate to us that we must not only respond to crisis situations, but also to be available to find out what municipalities' needs are and provide support to satisfy them. The checklist helps us to identify the type of support a municipality needs and for the Department to deliver quality services and to provide proactive support. This will also go a long way in ensuring that we meet our water supply and sanitation targets.

As regulator, we must ensure that municipalities adhere to the standards we have set; but here again it is necessary for us to support them. We will continue to ensure that drinking water quality monitoring programmes are improved. The quality of water, both supplied to consumers and waste discharged back into water resources, depends on the

quality of the treatment facilities. Although the development of policy for water services infrastructure development is the Department's regulatory responsibility, we will also continue to assist local government to improve their water services development plans

It is also essential that we assist municipalities to plan, not only for the development of the infrastructure, but also for the subsequent processes of management, operation, maintenance, refurbishment and upgrading. In this context it is crucial for local authorities to have access to all appropriate and relevant information that will enable them to integrate water related planning with their other planning responsibilities.

There is furthermore a need to help municipalities understand that there are opportunities beyond water supply and sanitation, and to bring to their attention possible opportunities in water resources and forestry sectors.

This is especially important for the success of the Forest BBBEE Charter referred to in the Minister's statement. Most of the aims of the Charter need to be implemented at local level. Here we need to draw on the Intergovernmental Framework Relations Act of 2005 and specifically on the provisions for an Implementation Protocol for issues of national importance.

The National Forests Act of 1998 makes provision for the Minister to provide material and financial assistance to communities involved in or wanting to enter the forestry sector. This is an especially important provision for forestry, as the investment horizons are longer than for similar sectors such as agriculture. Although these horizons are more than justified, due to much greater returns from forestry than from agriculture, the fact remains that access to venture capital can be difficult to achieve for new entrants into forestry and DWAF has a role to play as sector leader in addressing this. This, as well as the other factors already mentioned, will be essential for the successful transformation and growth of the sector.

As pointed out in the Minister's Statement, the process for the establishment of an agency to manage National Water Resources Infrastructure (NWRI) is underway and will be implemented by a dedicated project manager at the deputy director-general level.

A fundamental principle in the National Water Resource Strategy (NWRS) is the involvement and participation of local people and institutions in the management of water resources. It is in this context that DWAF is involved in the institutional reform process through the establishment of CMAs to ensure better management of water resources, equitable allocation and the efficient and cost-effective provision of water. These are the kinds of strategies and processes that will enhance the involvement and empowerment

of communities, and ensure greater efficiency in the management of water resources. Given their central position in the water supply chain, it is important that local government is supported to play a prominent role in the work of water resources management institutions.

The Human Resources Programme is undoubtedly one of the most important focus areas in the department. The current service delivery gaps in human resources management present special strategic management challenges. In response to HR challenges we have started with the implementation of a turnaround strategy for Human Resource. We recognize that the implementation of the turnaround strategy for HR is fundamental to the success of the department and that the Human Resources Programme has a mainstream role to play in supporting the achievement of the strategic objectives of the department.

The department will also address the recognized problem of imminent technical skills shortage through the establishment of a Learning Academy. The academy will be an incubator for critical skills development for the department and the Sector. The desired impact of the Academy is to secure an adequate supply of relevant technical skills in engineering and science to meet the anticipated skills demand in the department and the sector.

We have also placed gender issues at the centre of our strategic agenda. Organization and mobilization of women in the Water and Forestry sectors has been identified as a priority area. The organization and mobilization of women will play a key role in correcting the current gender imbalances in the development and empowerment of women.

At the regional and international level, we will continue to implement existing bilateral and multilateral agreements to foster cooperation aimed at regional integration and development within the context of NEPAD and our strategic objective of contribution towards a better world.

Our strategic plan is a roadmap of where the Department is going. To achieve the objectives of the plan we need to work hard and tirelessly in implementing policy. While progress is being made in all areas of the Department, there remains a need to double our efforts to ensure that our strategic objectives are achieved. The achievement of these objectives will take us closer to meeting our medium-term targets in pursuit of the Millennium Development Goals.

As pointed out in the Minister's Statement, the good work that this department does has been spoilt by qualified audit reports. We will implement a plan to turn around the poor state of our finances with a view to achieving a clean audit whilst also ensuring that we do

not under-spend on our budget. We will improve on our performance management and development system, which will include rewarding good performance, whilst penalising poor performance, as well as recruiting qualified staff to manage our performance whilst developing the skills of existing staff. Achieving a clean audit during the current Minister's term of office is a target that must and will be met.



Mr JI Sindane
Director-General: Water Affairs and Forestry

1 BUSINESS DEFINITION

1.1 VISION

We have a vision of being:

A country that uses water and forests productively and in a sustainable manner for social and economic activities, in a manner that promotes growth, development and prosperity of all people to achieve social justice and equity.

1.2 MISSION

As sector leader, the mission of DWAF is to serve the people of South Africa by:

- guiding, leading, developing legislative framework, regulating and controlling the water and forestry sectors;
- conserving, managing and developing the water resources and forests in a scientific and environmentally sustainable manner in order to meet the social and economic needs of South Africa, both now and in the future;
- ensuring that water services are provided to all South Africans in an efficient, cost-effective and sustainable way;
- managing and sustaining the forests, using the best scientific practice in a participatory and sustainable manner;
- educating the people of South Africa in ways to manage, conserve and sustain the water and forest resources;
- cooperating with all spheres of government, in order to achieve the best and most integrated development in the country and region; and
- creating the best possible opportunities for employment, the eradication of poverty and the promotion of equity, social development and democratic governance.

1.3 VALUES

- As public servants, the Department's skills will at all times be used for the benefit of the people and for the reconstruction and development of the country in the spirit of Batho Pele (People First).
- As management, it is the Department's responsibility and aim to provide high-quality, transformational leadership and a disciplined work ethic and to promote a working culture for motivated, accountable and committed teamwork.
- As citizens of the African continent, the Department is dedicated to long-term, integrated regional security and cooperation and also to the spirit of the African Renaissance.
- The Department's working environment is governed by the principles of representation, equality, mutual respect and human development.

CORE VALUES FOR TRANSFORMATION

The Department recognises that people are the cornerstone of the Department's success and diversity and are valued as a source of strength. DWAF strives for a department that fosters personal growth and achievement.

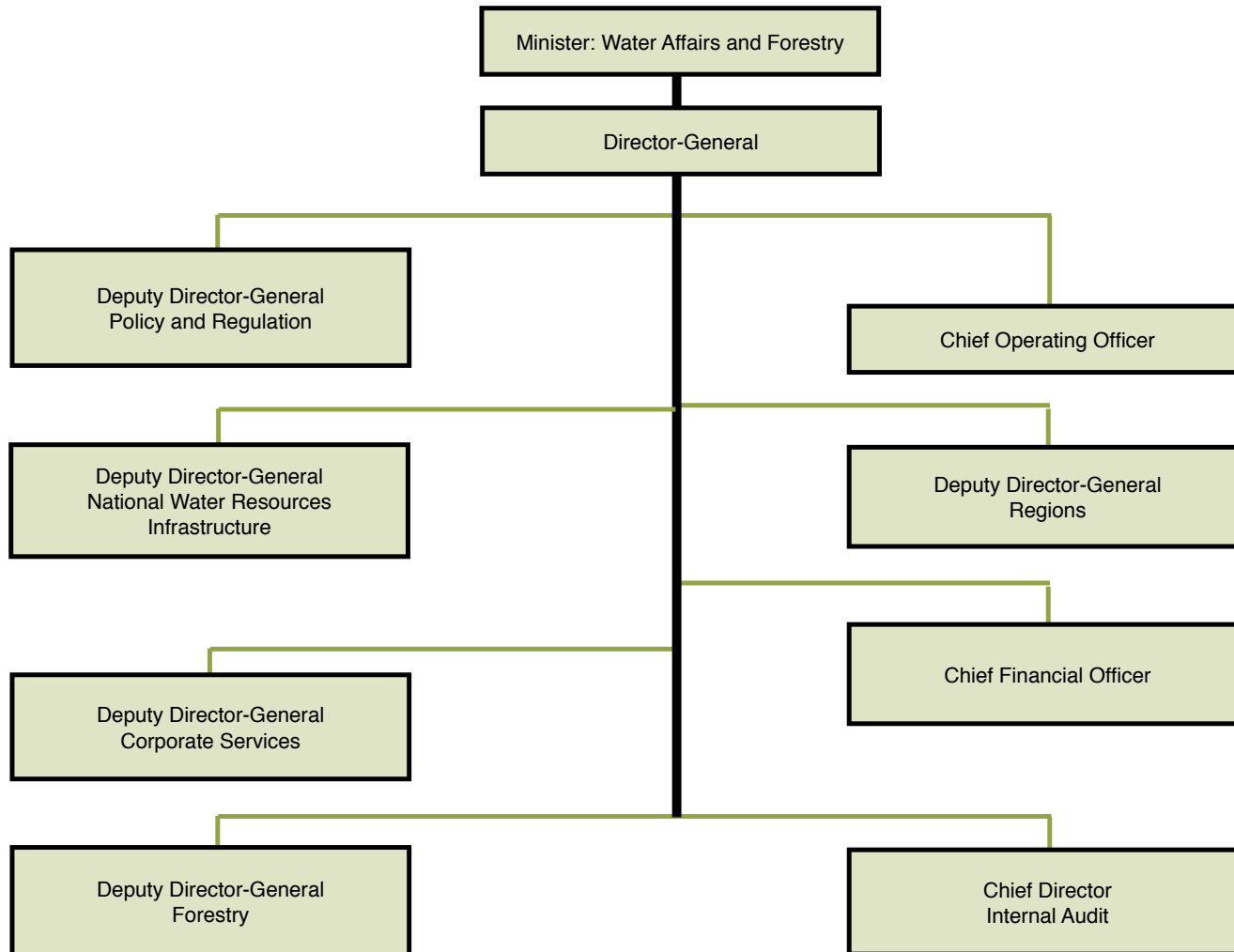
1.4 LEGISLATIVE MANDATE

The work of the Department is informed by policies and pieces of legislation administered by the Department, national policies and laws, relating to the Public Service as a whole, as well as those pieces of legislation that promote such constitutional goals as equality, accountability, the Rule of Law and openness.

| | |
|--|---|
| National Water Act, No. 36 of 1998 | The objective of the Act is to ensure that South Africa's water resources are protected, used, developed, conserved, managed and controlled in a sustainable and equitable manner, for the benefit of all persons. The Act provides that the National Government, as the public trustee of the nation's water resources and acting through the Minister of Water Affairs and Forestry, has the power to regulate the use, flow and control of all water in the Republic. |
| Water Services Act, No. 108 of 1997 | The objective of the Act is to provide for the rights of access to basic water supply and basic sanitation by setting national standards and norms. Section 156, read in conjunction with Part B of Schedule 4 of the Constitution of the Republic of South Africa (Act 108 of 1996) vests the executive authority and responsibility to support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions. It also has the authority to see to the effective performance by municipalities of their functions in matters listed in Schedules 4 and 5 of the Constitution, by regulating the exercise by municipalities of their executive authority. The Water Services Act gives substance to these constitutional requirements. |
| National Forests Act, No. 84 of 1998 | The objective of the Act is to promote the sustainable management and development of forests for the benefit of all; the promotion of sustainable use of forests as well as the provision of special measures for the protection of forests and trees. To balance the protection of forests with sustainable use, the Act regulates a wide range of uses and sets out the right of everyone to have a reasonable right of access to State forests for non- consumptive purposes, such as recreation. The rights to the use, management, control and operation of State forests and the produce in them vested in the Minister of Water Affairs and Forestry regulated by the Department through the Act. |
| National Veld and Forest Fire Act, No. 101 of 1998 | The objective of the Act is to prevent and combat veld, forest and mountain fires throughout the country and thereby limit and reduce the damage and losses caused by fires to life, fixed property, infrastructure, movable property, stock, crops, fauna and flora and veld in South Africa. The Minister of Water Affairs and Forestry must prepare and maintain a fire danger rating system for the country, in consultation with the South African Weather Service and fire protection associations. The Department must also keep a record of fires and develop a database to capture the statistics of fires and develop a database to capture the statistics of fires and their impact on society. |



2 TOP MANAGEMENT STRUCTURE



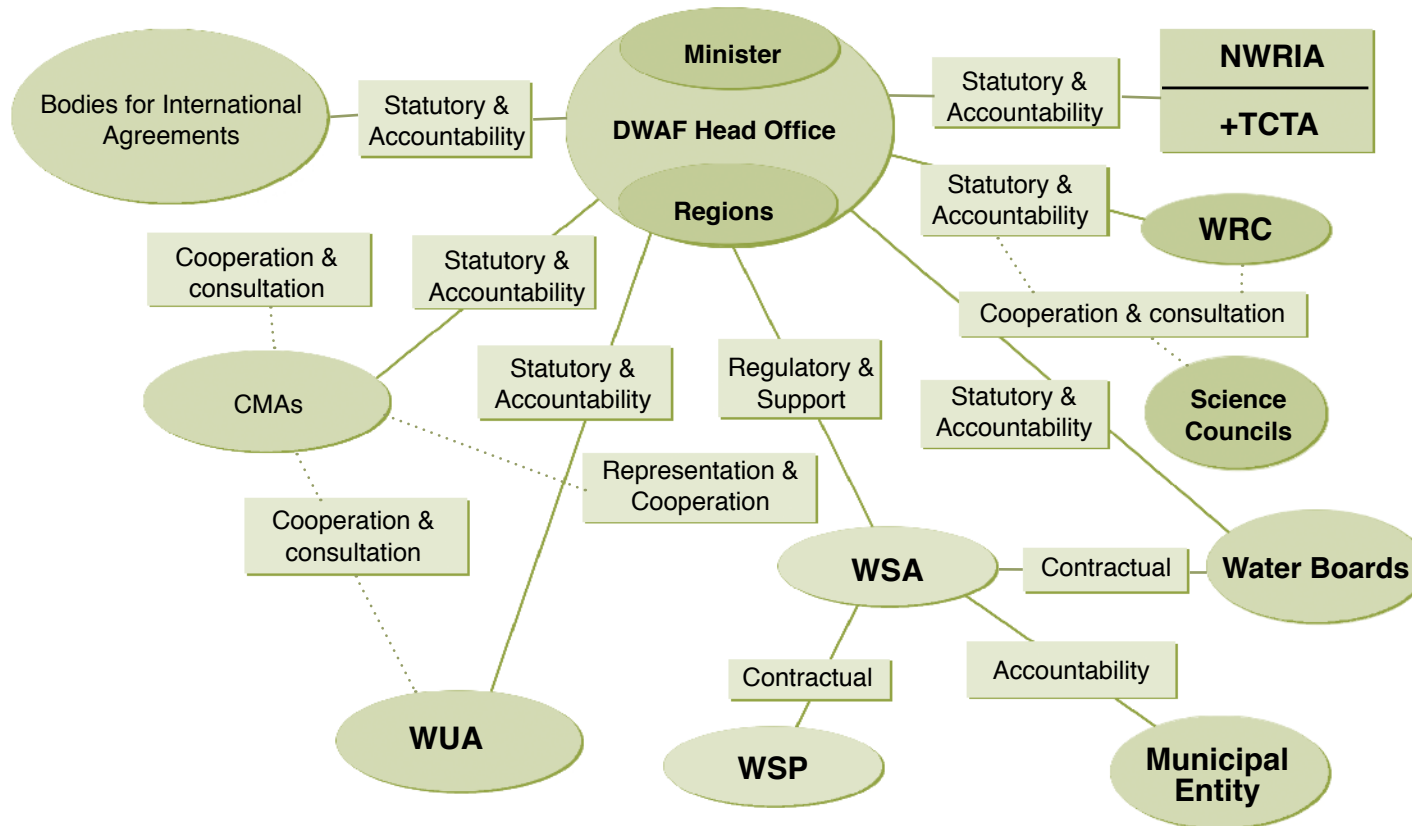
3 SECTORAL OVERVIEW

3.1 The Water Sector

The Department of Water Affairs and Forestry is the leader of the water and forestry sectors. It currently performs both implementation and regulatory functions. Its focus is

increasingly becoming policy development, macro planning, regulation, sector leadership, oversight and monitoring. A substantial number of its current implementation functions are being transferred to water and forestry institutions within the sectors. The sectors' players have an important role to play in meeting the sectoral targets, with DWAF playing a leadership and regulatory role to ensure that Government objectives are met.

Figure 1 illustrates the linkages between the institutions that are major role players in the water sector, and are part of the transformation of the sector.



KEY:

| | | | |
|--------------|---|------------|--------------------------|
| NWRIA | National Water Resources Infrastructure Agency. | WUA | Water User Association |
| TCTA | Trans-Caledon Tunnel Authority | WSA | Water Services Authority |
| WRC | Water Research Commission | WSP | Water Services Provider |
| CMA | Catchment Management Agency | | |

Figure 1: Water sector institutional setting

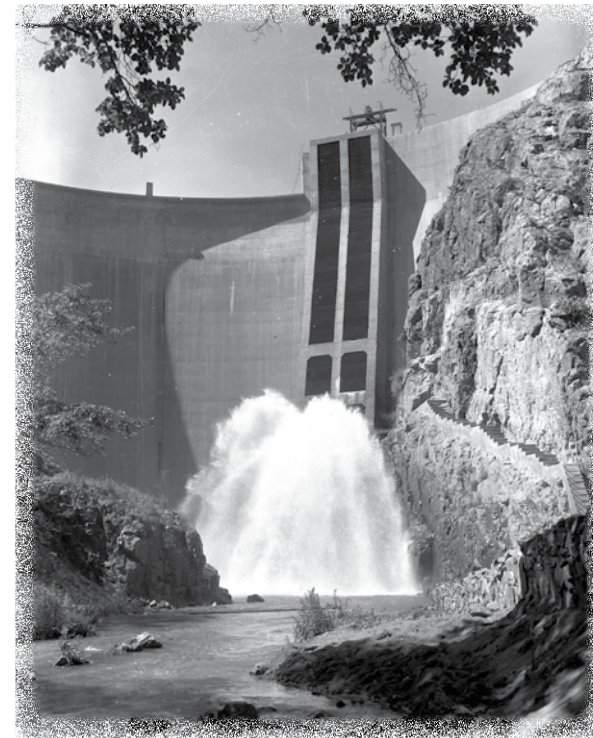
The respective roles and responsibilities of the role players are set out in various policies and legislation, and include the following:

- **Catchment Management Agencies (CMAs)** are responsible for the management of water resources at its catchment level.
- **The Water User Association (WUA)** is an association of water users that operates within a given allocation at a local level.
- **A Water Services Authority (WSA)** is a municipality with powers and responsibilities to ensure delivery of water services to its clients.
- **Municipal Entity** is a company, co-operative, trust, fund or any other corporate entity established in terms of applicable national or provincial legislation and which operates under the ownership control of one or more municipalities.
- **The Water Services Providers (WSP)** is an organisation that provides water services on behalf of a Water Services Authority.

Equity and social justice in water resource distribution is one of the most important challenges facing the sector and therefore the Department has started a process of addressing this challenge. The Water Allocation Reform (WAR) aims to reallocate resources from those who have been previously favoured by history to those who have been neglected in the past. However, it will also be necessary to consider the complex linkages that exist between the benefit to society, the state of the environment and the needs of the economy and to ensure that the competing needs and demands of industry, agriculture, cities and ordinary people are catered for.

The process of establishing new institutional arrangements for water resource management is in its initial stages. These arrangements include regional and local institutions to manage water resources and a new institution to manage and develop national water resources infrastructure.

The institutional reform process serves two principal purposes. Firstly, to decentralise the responsibility for managing water resources to regional and local levels to facilitate wider public involvement in water matters through established structures of Government, such as municipalities. Secondly, to move the Department away from the day-to-day water resource management activities towards its ultimate role of developing policy, regulation, planning, monitoring, assessment and providing institutional support. As part of its support role the Department has embarked on the development of a capacity building strategy to address capacity limitations in the sector.



Another big challenge for DWAF is to complete the second edition of the National Water Resource Strategy (NWRS) in 2009. The first edition of the NWRS was published in September 2004.

The Department worked very closely with the Department of Health and through this collaboration a National Health and Hygiene Strategy was developed. This strategy focuses on all health and hygiene education as part of service delivery and more importantly starts to integrate HIV/AIDS education as part of educational programmes. Towards the end of the financial year, pilot studies were conducted in Mpumalanga to test the effectiveness of this approach. Phase three of the flagship programme, the Masibambane III, starts in 2007. Over the past five years, the programme successfully addressed capacity building. However, Masibambane III will focus on contributing to poverty alleviation. It is in this context that the theme for Masibambane III is **Water for Growth and Development**.

3.2 Forestry Sector

Figure 2 below illustrates the relationship between the Department and institutions that are major role players in the forestry industry.

There is a concern whether the plantations and forests will be able to support the growth of the country as a whole. It is questionable whether the natural forests can provide enough

yield and employment, especially to the rural poor, who depend on these resources, since the growth of the commercial forestry sector, which is dependent on plantations, has been thwarted to some extent by limited expansion over the last ten years.

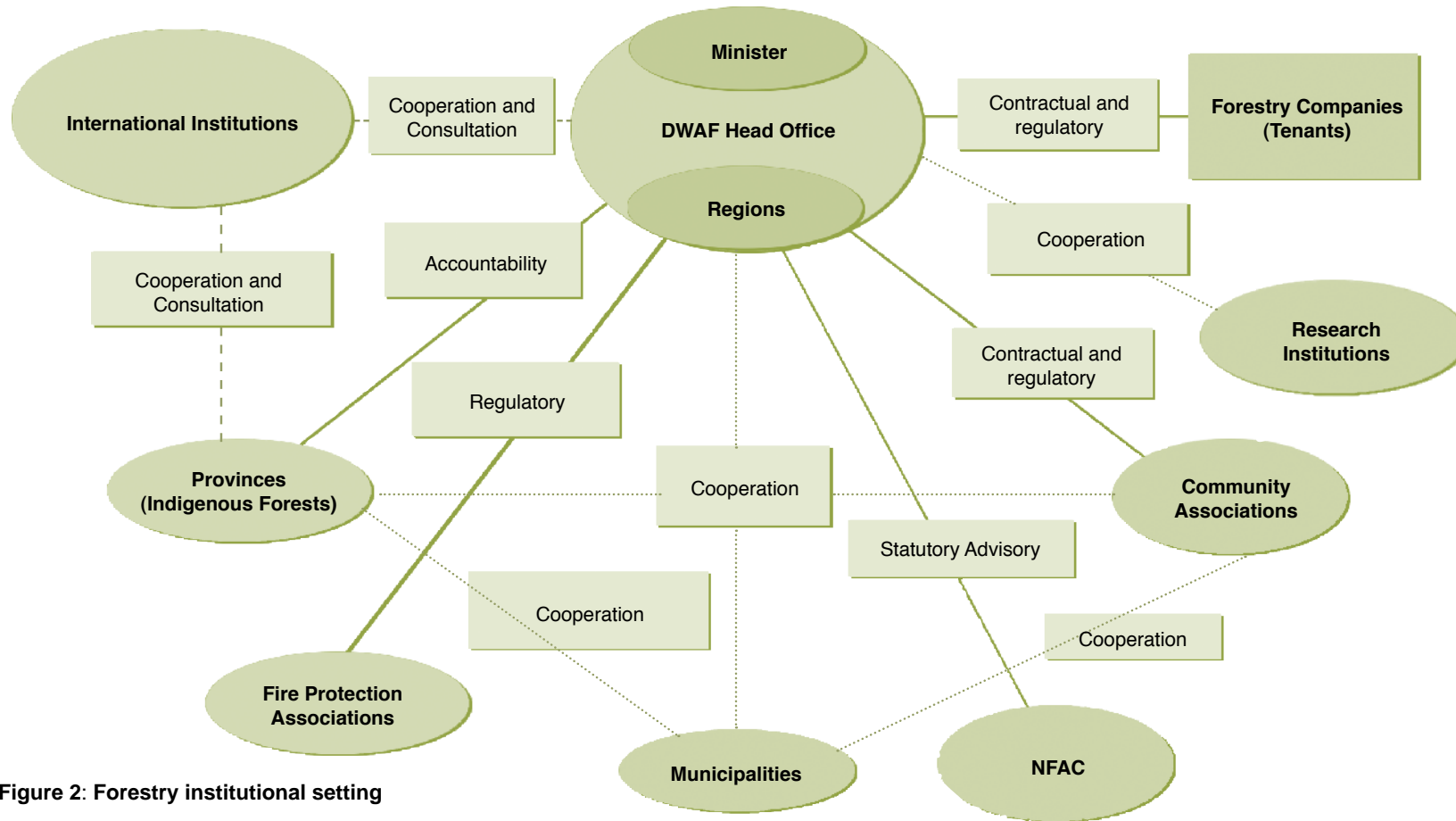


Figure 2: Forestry institutional setting

The extent of these resources currently is as follows:

| | |
|------------------|--|
| Natural forests: | 492 700 ha (0.5% of the land area of South Africa) |
| Planted forests: | 1 334 000 ha (1.1% of the land area of South Africa) |
| Woodlands: | 27 000 000 ha (21% of the land area of South Africa) |

With regard to plantations, the country enjoys the highest rate of international certification in the world, with more than 80% of the country's forests being certified by the Forestry Stewardship Council. This gives reasonable assurance that these areas are managed in a sustainable manner in terms of social, economic and ecological principles and criteria.

The state of the sector is as follows:

Black ownership is largely limited to the ownership and supply of timber and contracted services to the sector. Currently about eight percent of planted forests and around 40% of contractor enterprises are black-owned. Many of the smaller forest owners are black women in rural areas. However, the participation of women in the sector is extremely low.

Forestry contributes significantly to the economy, both directly and indirectly, with formal commercial forestry alone contributing two percent to the national GDP. Forestry accounts for 9% of agricultural output (despite its much smaller footprint) and 8% of manufacture output. It provides for 4% of the country's total annual exports.

The commercial forestry sector is acknowledged as one of the best in the world with some South African companies being listed on foreign stock exchanges and being the largest producers in the world of certain products, e.g. SAPPI; YORKOR; STEINHOFF and MONDI (ANGLO).

There has been a decreased interest in, and deterioration of, existing forestry expertise, as is shown by the low enrolment of students for qualifications in forestry at tertiary institutions.

Internationally, in addition to the status enjoyed by the private sector, this Department has been very influential in global forums on forestry and drove the development of the Southern African Development Community (SADC) forestry protocol. It has been a key role player in the African Forestry Law Enforcement and Governance initiative, the NEPAD initiative, the Congo Basin Forestry Partnership and the Global Partnership on

Forest Landscape Restoration. The Department has also played a leading role in the deliberations and decision-making of the United Nations Forum on Forests and its sub-committees as well as in the Food and Agricultural Organisation (including the Committee on Forestry, in which the Minister of Water Affairs and Forestry participates, as well as the annual participation in the Global Forest Resource Assessment and the International Code of Best Practice for planted forests).



4 PUBLIC ENTITIES REPORTING TO THE MINISTER

4.1 Trans-Caledon Tunnel Authority (TCTA)

The TCTA was established to implement the South African portion of the Lesotho Highlands Water Project (LHWP) and to take over the South African Government's responsibility for the long-term funding and risk management. Subsequently, the mandate of the TCTA was extended to implement and finance the Berg Water Project (BWP) and the Vaal River Eastern Sub-system Augmentation Project (VRESAP), as well as to provide treasury and financial advisory services to DWAF and water management institutions. A directive from the Minister of Water Affairs and Forestry and an implementation agreement govern each project.

The TCTA plays an important role as an advisor to the water sector, not only in the realm of project initiation such as the Olifants River Water Resource Development Project Phase II and Spring Grove Dam, but also in the restructuring of treasury activities and with the reviewing of the tariff methodologies.

4.2 Water Research Commission

The Water Research Commission (WRC) was established to promote the coordination, communication and cooperation in water research, to establish water research needs and priorities from a national perspective, to fund prioritised research and to promote the effective transfer, dissemination and application of research findings.

The WRC has five key strategic areas, each providing an integrated framework for investment in addressing a portfolio of key, water-related needs. The five areas are water resource management, water-linked ecosystems; water use and waste management; water use in agriculture and water-centred knowledge.

The areas allow for multidisciplinary studies and are focused on solving problems related to national needs and supporting society and the water sector. While each of the areas is unique and mutually exclusive, they collectively cover the spectrum of water-related topics of strategic importance.

4.3. Water boards

Water boards have been established to operate as water services providers, which mainly entails the provision of bulk water supply. These boards manage water services in their supply areas and provide potable water at cost-effective prices. There are currently 15 water boards. They have been set up as financially independent institutions, in terms of section 34(1) of the Water Services Act, Act 108 of 1997 and must aim to be financially viable.

A study is currently underway to ascertain the long-term viability of some water boards with the view of deciding on their long-term existence.

The individual water boards are listed in the table below:

| | | |
|---------------------|------------------------|------------------|
| Albany Coast Water | Ikangala Water | Overberg Water |
| Amatola Water | Lepelle Northern Water | Pelladrift Water |
| Bloem Water | Magalies Water | Rand Water |
| Botshelo Water | Mhlathuze Water | Sedibeng Water |
| Bushbuckridge Water | Namakwa Water | Umgeni Water |

4.4 Catchment Management Agencies

Chapter 7 of the National Water Act makes provision for the progressive establishment of Catchment Management Agencies (CMA) and states that the purpose of the CMAs is to delegate water resource management to the regional or catchment level and to involve local communities in the decision-making processes. The intention is for water resource management to meet the basic human needs of present and future generations; promote equitable access to water; redress the results of past racial and gender discrimination and facilitate social and economic development.

Broadly, the initial role of a CMA is communicated in the National Water Act as managing water resources in a water management area (WMA); coordinating the functions of other institutions involved in water-related matters and involving local communities in water resource management.

The National Water Act requires the progressive development of a NWRS, and requires that it provide the framework for water resource management for the country as a whole and to guide the establishment of CMAs to manage water resources at a regional or catchment level in defined WMAs. In addition, the Act requires for the progressive development of a catchment management strategy (CMS) for each WMA by each CMA. In essence, CMAs are service delivery agencies and are listed in the Public Finance Management Act, Act number 1 of 1999 Schedule 3a, as they are established.

To date, the Inkomati Catchment Management Agency has been established and is operational, with a Governing Board, a Chief Executive and first-line managers in place.

The Mvoti to Umzimkhulu, the Crocodile West Marico and the Breede Catchment Management Agencies have been established and it is envisaged that they will be operational during 2007/08. Seed and operational funds to the total sum of R9 million need to be transferred to these agencies during this financial year.

Agencies have been established in the Thukela, the Usutu to Mhlathuze, the Gouritz and the Olifants-Doorn water management areas. Processes to nominate the Governing Boards will be initiated in 2007/08 and it is envisaged that the Governing Boards will be appointed before the end of the financial year. Requirements for financial support would need to be met during 2008/09.

4.5 Other entities

There are other entities that are active in the water and forestry sectors, they are not public entities that report to the Minister of Water Affairs and Forestry.

4.5.1 Komati River Basin Water Authority

The Komati River basin development project is a joint project between South Africa and Swaziland for the development and use of the water resources of the Komati River basin, ratified in 1992. The purpose of the project is to promote rural development and alleviate poverty in the lower Komati Valley by increasing the productivity of the land through irrigated agriculture. In terms of the treaty, the Komati River Basin Water Authority was established with the specific purpose to manage and finance the project.

4.5.2 Irrigation boards and water user associations

Water user associations are established in terms of Chapter 8 of the National Water Act, to provide a vehicle for localised users to operationally manage the use of the resource in a more integrated manner. The Act specifically requires that all irrigation boards, formed under previous legislation, must transform into water user associations.

In terms of sections 61 and 62 of the National Water Act, the new policy framework for financial assistance to water management institutions for irrigated agricultural development aims to promote initial access to irrigated agriculture and to improve sustainable irrigation development by subsidising emerging farmers.

Currently all irrigation boards are in the process of being transformed into water user associations to fall under the ambit of the National Water Act. Due to the difficulties regarding the consultations with the required stakeholders, as well as to various policy adjustments, the process has been delayed considerably. Of the 279 irrigation boards, some 68 have been transformed into 38 water user associations. In addition, 23 new water user associations have been established and most of these are focused to support resource-poor farmers.

5 PROGRAMME AND SUB-PROGRAMME PLANS

The aim of DWAF 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. To achieve this aim, the Department has identified broad objectives which to focus on in the medium term. These strategic objectives are aligned with the Medium Term Strategic Objectives (MTSO) of Government and continue to address the challenges of the current decade of democracy. They also address the internal and external organisational challenges that are crucial to the execution of the DWAF mandate by the Department and the sector.

5.1 Broad Strategic Objectives

5.1.1 Economic growth, social development and poverty eradication

a) Forestry Enterprise Development (FED)

South Africa faces an enormous challenge in terms of poverty eradication. Economic opportunities to stimulate economic growth have to be identified and the FED will promote the sustainable management and use of forests, especially at the local level to achieve social and economic benefits. Economic opportunities exist in the forestry industry in the Eastern Cape and KwaZulu-Natal provinces and there is considerable room for expansion for small black growers on communal land to earn a decent income by growing trees, as well as room for contractors, saw-millers and pulp millers. This expansion could create much-needed jobs and income in rural areas.

The FED provides more direct support to people who are entering or attempting to enter the forestry sector. The major instrument for achieving this will be the BBBEE Charter for the forestry sector, which seeks to simultaneously transform and grow the forestry sector in the country.

The FED programme, the planned expansion of the forest estate and the need to improve livelihoods through forestry activities (through timber or non-timber forest products), are the cornerstones of the Department's forestry activities. The Department is dedicating

resources to develop forestry information systems to underpin management decisions. Amongst others, the FED plans to formalise the formation of the bee-keeping association, set up a funding mechanism within DWAF, form a joint training body with the Forestry Industry Education and Training Authority (FIETA), streamline licensing processes and procedures, formalise a partnership with the traditional healer's association, and form an association of forestry for small, medium and micro enterprises (SMME) for small growers.

b) Saw-log Strategy

The Saw-log Strategy was drafted to solve the current shortage of saw logs in the country. It focuses on the refurbishment of category B and C plantations before they are transferred to communities to ensure that DWAF transfers economically viable plantations to communities. It addresses the new ASGISA afforestation project on the Umzimvubu river basin, which attracts previously disadvantaged individuals to plant trees for commercial use with the aim of reducing poverty.

c) Refurbishment of Plantations

Extensive work is currently being done to ensure that state plantations play a significant role in local social and economic development and poverty eradication. DWAF will identify and optimise the resources and activities required to accelerate the growth and transformation of the sector.

d) Afforestation in the Eastern Cape and KwaZulu-Natal

The forestry sector has significant potential for rural development and job creation in underdeveloped areas. The Department has been working with other government departments to promote community-based afforestation in the Eastern Cape and KwaZulu-Natal. Limpopo has also identified forestry as a growth opportunity. The Forestry Sector Charter will further develop the opportunities for social and economic development and BBBEE.

A strategic environmental impact assessment was conducted in the Eastern Cape, which shows at least 30 000ha of land with forestry potential. Value-adding activities close to the areas of new afforestation will be facilitated.

e) Forestry BBBEE Charter

The Forestry Sector Charter is being developed to set out how the FED will transform this sector over the next ten years. There are aspects of implementation of this charter that

must be driven by government, including aspects for the support and funding of small growers, in promoting afforestation. DWAF is not the only government department that has to assist in this process - it is incumbent on the FED to drive these processes and to ensure that relevant Government departments work and co-operate in support of the charter. Implementing the charter will have major benefits for the people and the FED must ensure that it takes place.

f) Campaign for fruit tree planting

DWAF will soon begin a nation-wide campaign for fruit tree planting for food production mainly in the rural areas and in our townships in order to address poverty and unemployment, with a target of about one million trees per year.

g) Drinking water quality

The Department will ensure that drinking water quality monitoring programmes are improved. The quality of water, both supplied to consumers and waste discharged back into water resources, depends on the quality of the treatment facilities. Although the policy for water services infrastructure development is the Department's regulatory responsibility, it will continue to assist local government to improve its water services development plans so that it is able to prioritise projects to be funded by the Municipal Infrastructure Grant programme. The 2007/08 target is to ensure that all WSAs comply with drinking water quality standards.

h) WR planning and information management to underpin future water security

South Africa is a water scarce country and skilful management and measurement of this scarce resource is necessary to ensure that the economic growth rate of six percent per annum can be achieved. The Department of Water Affairs and Forestry has a proud track record of long-term water resources planning that ensures that sufficient water for economic and social development is available. Support will also be provided to municipalities to ensure that they have sufficient water available to meet their needs for water services delivery and for local economic development.

An important part of this planning is the alignment of water resources planning with the plans of development of local, provincial and national government. During 2007/8, the Department will increase its effort to ensure that this takes place effectively. Water development needs have been identified for activities such as large-scale mining in the Limpopo Province and resource-poor farmer projects in the Eastern Cape.

Monitoring, information and assessment of the state and use of water resources remains an important challenge. In order to map long-term trends in water availability, high quality monitoring must be implemented. During 2007/8 ongoing operation and maintenance of the monitoring network will be complemented by expansion of the national monitoring system.

The UNESCO Hydrology for the Environment, Life and Policy (HELP) Symposium which will be hosted in November 2007 by South Africa through the Department of Water Affairs and Forestry, is seen as a major opportunity for South Africa and the entire continent to strengthen the linkages in the field of water resources information management and more importantly, to promote shared learning among researchers, scientists, policy makers, water resources management practitioners and community leaders.

i) Water Resources Infrastructure Development

The Department will continue its programmes for the development, operation and maintenance of water resources infrastructure in order to provide sufficient water for economic and social development. The range of projects that the Department currently has on its books for development is aimed both, at supporting economic growth and at providing water for basic human needs.

Major new national water resources infrastructure, such as the Berg River Project, the raising of the Flag Boshielo Dam and the Vaal River East Sub-system Pipeline Augmentation Project, will be completed during the course of 2007. Several other major national water resources infrastructure projects will be launched, such as "De Hoop" Dam (an ASGISA project, Mvoti River Water Resource Project (MRWRP) (Raising of the Hazelmere Dam); Lusikisiki Water Supply Scheme (Zalu Dam); Olifants/Doring RWRP (Raising of the Clan William Dam); Mzimkulu RWRP (Mzimkulu Dam); and Mooi-Mgeni Transfer Scheme (Spring Grove Dam).

The Department is also intensifying its programme of dam safety and refurbishment work on state dams. The SAICE 2006 report on The state of South African infrastructure notes, that 43% of DWAF dams are in need of urgent refurbishment. A programme has been put in place to achieve this over the next five years.

j) Water for development and poverty eradication

The Department has set aside R28 million for financial support to resource-poor farmers. This financial support will provide for rainwater harvesting tanks, water related

infrastructure and subsidies on water charges. The rainwater-harvesting programme will be rolled out in the Eastern Cape, the Free State and Limpopo. Refurbishment of irrigation schemes in historically disadvantaged communities will continue, particularly in the Eastern Cape and Limpopo.

k) Using scarce resources effectively – WC/WDM

Since South Africa is such a water-scarce country, it is imperative for water conservation and water demand management to be implemented in all water use sectors. The immediate areas to be focused on in the next period include, among others, the Upper and Middle Vaal WMAs, the Mhlathuze Catchment and Mokolo Catchment in the Limpopo water management area. The development of regulations for water use efficiency will also be completed during 2007/8. The increase in water use efficiency arising from these programmes will enable more water to be made available for social, economic and environmental needs.

A programme to combat the illegal use of water from the Vaal River, particularly by the agricultural sector and to increase water use efficiency for municipal and industrial use will be put in place to ensure that water shortages are not experienced in this area in the next few years.

l) Water Supply and Sanitation – provision, operation and maintenance and refurbishment

More engineers will be deployed to provide hands on support in areas where there is slow progress. The interaction and support to struggling municipalities will be strengthened through the national support team under the programme Siyenza Manje which we run with the Development Bank of Southern Africa. Closer interaction with housing departments will be strengthened to ensure that there is alignment between their programmes and those of DWAF and municipalities. Although 74 000 households have been provided with toilets, 3.67 million households are still waiting to be supplied with these services. With an acceleration plan for service delivery recently approved by cabinet, there will be visible improvement.

5.1.2 Ensuring sustainable use of the natural resource base

a) Groundwater resource protection

There are many areas where municipalities and agriculture, in particular, are dependent on the use of groundwater. Four years of below average rainfall resulted in groundwater levels dropping alarmingly in some areas of the country. DWAF has put in place a

programme of support to local government in particular to ensure the sustainable use of groundwater. Action will continue to be taken against overuse and illegal use of groundwater in vulnerable areas.

b) WfW impact on the resource base

Invasive alien plants (IAPs) pose a direct threat not only to South Africa's biological diversity, but also to water security, the ecological functioning of natural systems and the productive use of land. They intensify the impact of fires and floods and increase soil erosion. IAPs can divert enormous amounts of water from more productive uses and invasive aquatic plants, such as the water hyacinth, affect agriculture, fisheries, transport, recreation and water supply. The fight against invasive alien plants is spearheaded by the Working for Water (WfW) programme. This Expanded Public Works Programme works in partnership with local communities, to which it provides jobs, and also with Government departments including the Departments of Public Works, Environmental Affairs and Tourism, Agriculture and Trade and Industry, provincial departments of agriculture, conservation and environment, research foundations and private companies.

During 2007/8 Working for Water will not only continue to clear areas infested by water hungry invasive alien plants and maintain those areas already cleared, but will explore further opportunities for the development of public/private partnerships and business opportunities arising from this programme, for example, the Eco-coffins projects.

c) Protection of indigenous forests and protected trees

In terms of the National Forests Act, No 84 of 1998, forest trees or protected tree species may not be cut, disturbed, damaged, destroyed and their products may not be possessed, collected, removed, transported, exported, donated, purchased or sold – except under a licence.

d) Protection of water resources

The protection of water resources is a key element of ensuring that the natural resource base is used in a sustainable manner. In this regard, during 2007/8, the Department will finalise the classification system, which will enable the determination of levels of protection afforded to South African rivers. This will be aligned with an interdepartmental programme on the systematic conservation of South African rivers spearheaded by DEAT.

The finalisation of the Waste Discharge Charging Strategy and the registration of effluent dischargers during 2007/8 will prepare for the implementation of this strategy in 2008/9.

This strategy is intended to incentivise reductions in effluent discharge and to provide finances for mitigation of pollution in key areas.

5.1.3 Transformation of the state and society

Establishment of NWRIA, CMAs, WUAs and institutional reform of WSPs

The National Water Act mandates the Department to establish water user associations, catchment management agencies and an agency for managing the National Water Resources Infrastructure, in line with the government programme to transform the State. The intention behind the creation of the first two categories of institutions is to democratise and localise water resources management, in line with the intentions of the World Summit on Sustainable Development.

Following a decision taken by Cabinet, the Department is in the process of establishing a National Water Resources Infrastructure Agency. This process will result in the incorporation of the TCTA activities into the Agency and the current infrastructure development and management functions will no longer be the responsibility of the Department as such. The legislation and founding documents of the Agency stipulate a clear requirement for the Agency to serve the developmental agenda of Government. The proposed National Water Resources Infrastructure Agency Bill will be served before Parliament during 2007/8.

The purpose for the establishment of a National Water Resources Infrastructure Agency is, specifically, to enable the off-budget funding of economically viable water resources infrastructure, while also enabling the leveraging of revenue to ensure the development of social infrastructure to support provision of basic water services and water for poverty eradication programmes.

During 2007/8 the Olifants, Upper Vaal and Berg Catchment Management Agencies will be established and notice of this will appear in the Government Gazette. Governing Boards will be put in place for the Thukela, Usuthu to Mhlathuze, Olifants/ Doorn and Gouritz CMAs.

Significant challenges have been experienced in the transformation of previous Irrigation Boards into Water User Associations. The issue of representation on the management committees remains a key challenge, which the Department will continue to address in the coming year. A policy review of the transfer of staff and functions to Water User Associations with government owned infrastructure will also be finalised during 2007/8.

Water Boards have an important role to play in the delivery of water services and in the delivery of bulk, treated water in particular. However, there have been challenges in governance in some of these institutions and in the relationship between local government and water boards. The Department is running a programme on the institutional reform of Water Services Providers, including Water Boards and decisions on the future of several under performing boards will be taken and implemented during 2007/8. Of particular concern are the Ikangala, Bushbuckridge and Botshelo Water Boards.

The institutional reform of water services providers is designed to enable regional water services providers to achieve greater efficiencies based on financial viability. The strategy intends to take advantage of economies of scale, ensure optimal use of water resources, achieve alignment of existing and future regional infrastructure, and ensure equitable access to water services between developed and under-developed areas. This process will maximise benefits derived from the capacity of Water Boards.

b) Support to local government

To provide support to local government is considered a key element of the work of the Department and the Department's considerable efforts in this regard have been well recognised by Government.

The Department has put a lot of effort into the function of supporting local government. This has resulted in the Department winning the 2006 National Municipal Performance excellence award (Vuna Award) for being a National Sector Department Providing exemplary support to local government.

The Department has developed a comprehensive support plan for the water sector that addresses its support requirements. This strategy is closely aligned to the DPLG five-year strategy plans. The new year will see further enhancement of the support plan which includes support for municipalities on water resources management area support initiatives; support in regard to Municipal Infrastructure Grant (MIG) implementation. The introduction of project and programme management practices managed by the DWAF will enable a clear flow of information, which will ensure the alignment of planning, funding and budget prioritisation initiatives. These initiatives in turn will lead to a holistic targeted approach to planning service delivery.

With regard to the alignment of WSDP with the IDPs and the Provincial Growth and Development strategy, training programmes will be implemented to capacitate newly elected councillors and managers. The number of technical experts deployed at

municipalities will be increased. The Implementation of Action Plans emanating from the Presidential Izimbizo, within the Project Consolidate Framework will be implemented. The Department further commits to provide resources to address gaps identified by Municipal Support Plans.

Provincial Water Sector Development Plans to integrate both Water Services and Water Resources will also be developed. Follow-up of councillor training workshops on Water Services and Water Resources as requested by councillors will be conducted. DWAF's monitoring and evaluation function on service delivery at local government level will be strengthened. The number of people accessing free basic water through improving functionality and support to municipalities will be increased.

In an effort to ensure access to water services and fast-track delivery to meet the targets, the Department will facilitate the promulgation of the new Water Services Act, the roll out of the Water Services Regulatory Framework and the completion and implementation of the Institutional Reform Strategy.

c) Transfer of Category B and C plantations

The Department's remaining plantation forests, comprising both commercial plantations and community woodlots, often referred to Category B and C plantations, represent important assets that the State can make available in the quest of eradicating rural poverty. Significant research went into determining the value of these assets for business purposes. This information will have an impact on the design of strategies for partnerships between the State, the private sector and communities to which the Department will transfer the assets. The remaining plantations have been divided into 22 business packages for transfer purposes. The Department accepts that this is an involved process requiring an integrated development process and as such needs to be undertaken in a carefully planned manner seeking as much coordination also with the Land Reform Programme.

Manzengwenya and Mbazwana plantations have been identified as transfer priorities as a receiving community has been identified through the Restitution Process. The Department will be concentrating its energies on these projects to fine tune its transfer strategy for the remainder of the plantations.

d) WAR and BBBEE in water use licences

The reallocation of water to the historically disadvantaged people of South Africa is a crucial part of transforming society and building a unified nation, free from poverty and

discrimination. The water allocation reform programme aims to reallocate resources to those who were excluded from access to key natural resources by the apartheid policy. In 2007/8 the water allocation reform programme will be rolled out in the Jan Dissels, Mhlathuze and Inkomati basins and compulsory licensing to ensure reallocation will be initiated in these areas.

e) Making intergovernmental relations work

There is great collaboration between the Department of Water Affairs and Forestry, the Department of Provincial and Local Government and other sector departments to ensure an integrated and comprehensive approach to support local government within the spirit of the Inter-Governmental Relations Framework. Project Consolidate lays the basis for this foundation. The Department will also continue to work with the South African Local Government Association in developing joint policies and support programmes that can better respond to the needs of municipalities.

The established project steering committees, which include the relevant national, provincial and local spheres of Government and any other relevant organisation or institution, will oversee the management and implementation of the relevant infrastructure projects as indicated. This will ensure strong intergovernmental relationships, openness and transparency. The Department of Water Affairs and Forestry will monitor progress on its Free Basic Water program through its one-stop-shop units and will report this on its Free Basic Water website.

During 2007/8 the Department and the national and provincial Departments of Environmental Affairs will finalise and implement a joint programme to permit landfill sites. Work will continue on the joint licensing of afforestation with the provincial departments of Agriculture and Environmental Affairs. A particular challenge during 2007/8 and later years will be to ensure sufficient capacity in the Department and the provincial departments to process large areas of afforestation in the Eastern Cape and KwaZulu-Natal.

f) Provision of support services

The Department's Support Services should provide flexible and innovative solutions while helping to create a healthy and compelling working environment. In adopting this strategy, the Department recognises the application of an integrated approach to accelerate services. This will place demands on a workforce operating in an environment characterised by constant change. The following factors will drive the provision of an innovative support services to line functions strategic partnership with line functions; client focus; collaboration and consultation with stakeholders; promotion of alignment; accountability and creative collective ownership.

5.1.4 International Agenda

a) Support to NEPAD and AMCOW

Support to water services programmes in Africa, in order to achieve millennium development and World Summit on Sustainable Development targets will continue. The Department remains committed to ensure proactive engagement with the NEPAD and SADC water services initiatives.

Work will also continue to ensure the alignment of the African Rivers Basins Organisation with AMCOW, in which the Department has been playing a key role. Post reconstruction support will be provided in the water sector to other African countries, such as Rwanda and the Democratic Republic of Congo.

b) SADC forest protocol

The Department will support development through engagement in international processes and agreements, in particular through SADC and NEPAD. The SADC forestry potential study will be integrated into the SADC and NEPAD processes.

c) Establishment of basin organisations

The SADC Protocol on Shared Watercourses governs the management of shared rivers in SADC. In line with this, South Africa has entered into several agreements with regard to sharing international rivers and the establishment of international basin organisations. This approach is in line with the policy of Government that water can be used for joint development rather than being a source of conflict between countries. A secretariat for a number of commissions will be established during 2007/8. Work will also continue in the existing international basin organisations and committees.

5.1.5 Develop a plan on DWAF's contribution to the broader 2010 strategy

As the sector leader, the Department will play a crucial role in ensuring water-related preparation for the 2010 FIFA Soccer World Cup. This includes ensuring, for example, the management of the quality of drinking water, the suitability of water for recreational purposes and ensuring that drought and flood mitigation measures are in place. DWAF will develop and implement a plan to ensure that these matters are taken care of, particularly by local government.



The Department has initiated a programme to ensure co-ordinated and effective skills development and training for the water sector. A first phase investigation into the skills development needs. During 2007/8 a plan to ensure the coordination of skills development and training for the water services sector will be developed and implemented and a further phase investigation will look into the needs of the water resources sector.

5.1.6 Communication

The Department intends to use the opportunity created by the observance of nationally recognised days and events such as Water, Arbor and Sanitation weeks to raise the awareness and education of stakeholders about critical resources, water and forestry, and their integral role in achieving the twin goals of economic growth and social development. Future activities and events will serve to actively profile and involve the broader South African public about the management and conservation of these resources. The Department's Communication Strategy will be geared towards achieving these objectives.

6 MEDIUM - TERM PROGRAMME PERFORMANCE TARGETS

6.1 PROGRAMME 1: ADMINISTRATION

The administration programme conducts the overall management of the Department and provides centralised support services. It mainly exists in order to provide policy leadership, business integration and alignment, risk management and advice and core support services, including finance, human resources, legal, management, communication and information services.

The Department's human resource development strategy is rooted in the need to drastically increase the number of people from previously disadvantaged communities entering the technical fields in the water and forest sectors. The Department will place more focus on the implementation of the 2025 capacity building strategy.

Programme 1: Administration is responsible for the carrying out of the support activities necessary to achieve the core objectives of the Department as required by Chapter 1, Part III B1 (b) of the Public Service Regulations, 2001. Components of the programme are as follows:

- The newly established Chief Directorate: Strategic Operations Support, which is headed by the Chief Operating Officer, provides strategic leadership and alignment with broad Government objectives, integration with cabinet, FOSAD clusters and parliamentary programmes and further provides administrative and technical support to the offices of the Minister and the Director-General. The Chief Directorate is also responsible for the preparation of the strategic plan and annual reports of the Department, as well as the facilitation of organisational performance reviews.
- The Branch Corporate Services, which is headed by the Deputy Director-General: Corporate Services provides various support services to ensure the smooth running of the Department to create a productive, efficient and creatively transformed working environment to enable the Department to realise its overall strategic objectives.
- The Finance function, which is headed by the Chief Financial Officer, provides financial and accounting management to ensure the effective management of assets, revenue, budgets, expenditure and the acquisition of goods and services. The function also

ensures adequate financial systems and improved financial management to manage the financial resources of the Department effectively.

- The Chief Directorate: Internal Audit, which is headed by a chief director, reports directly to the Director-General and reports at audit committee meetings, is responsible for the risk management strategy, which includes a fraud prevention plan. The purpose, authority and responsibility of the Chief Directorate: Internal Audit is defined in an audit charter developed in consultation with the audit committee and it conducts its business in accordance with the standards set by the Institute of Internal Auditors as required by the Treasury Regulations.



CORPORATE SERVICES BRANCH

Building the capabilities of the Department to deliver

In the context of the general skills shortages, there is an increasing demand for water engineering professionals, scientists and technicians at macro and micro levels. The challenge of an aging workforce with sector-specialist knowledge, combined with a shortage of students completing studies in the relevant fields, have increased the pressure and severely challenged the attraction and retention strategies of DWAF. The impact of uncompetitive Government's salary rates compared to the private sector, suggests that the strategies that have been deployed to date, are only effective for a limited time and cannot address the long-term situation.

The Learning Academy will become the Department's major initiative that seeks to promote collaboration with academic institutions, professional engineering bodies and key sector players. The Academy will afford the Department the opportunity to not only increase resources to support students at undergraduate and graduate levels in selected institutions of higher learning, but to also make structured professional development support accessible. The awareness and incentives thus created will ensure that more young people choose the relevant fields of study, that pathways are created for professional development and recognition, and the retention and effective deployment of existing expertise to mentor young professionals.

The bilateral agreements with countries such as Cuba and Japan provide for capacity building programmes in the form of exchange programmes. The relationship with Cuba specifically, has for the past two years assisted to transfer skills, through secondments, in selected provinces in specialist areas such as operations and management, ground water and resource management.

The organisation and empowerment of women

The disparity in participation of gender, socially and economically disadvantaged groups of citizens, is a major concern of DWAF. The latter will seek to enhance its service delivery impact by encouraging greater participation of women in the water and forestry sectors. There is an urgent need to increase opportunities for women to access information to facilitate either their civic or economic participation. Thus, awareness raising, social

capital development and structuring the governance relationship will be a major focus of the Department.

An appropriate mechanism to facilitate and formalise engagements for women in the Department will be explored and implemented at the national and regional levels. This will assist in the design of capacity building initiatives with a particular focus on information provision, knowledge and skills acquisition which are critical to ensuring that women fully exploit the economic opportunities.

The departmental efforts aimed at the empowerment of women and gender equality will be further enhanced by the gender audit and proofing projects that are currently underway. These are focused on the internally and externally oriented interventions, respectively. It is envisaged that these complimentary strategies will serve to increase the influence of women in the governance of the sector, expand the base of service providers through enterprise development and employment creation strategies consistent with government's empowerment policies.


Improving Departmental-wide performance

For the Department to perform at the highest possible level, a culture of performance will need to take root. It is therefore critical that the mutually reinforcing tools meant to institutionalise the appropriate ethos in the public service, be integrated and brought to bear and positively contribute to a performance-driven culture. This will entail strict compliance with the provisions of the Performance Management and Development System; prioritising the training and education of managers across various levels in managing the performance and development of employees; improving the quality of performance agreements; aligning the generation of performance reports with reporting requirements; and reconfiguration of the current organisational arrangements in line with the functional and external environmental imperatives.

These actions will ensure that the organisational design is properly aligned to the corporate strategy and effectively supports the implementation of the mandate.

Implementation of the human resource turnaround strategy


The Department is committed to find solutions to the major challenge of existing backlogs occasioned by the weaknesses in the human resource discipline. The elimination of the



Working Hours & Overtime

CREATING A BETTER LIFE. IMPLEMENTING DWAF POLICY.
On 8 December 2001 the Department and worker representatives signed and agreed on new policies that seek to improve the working conditions of departmental staff. Familiarise yourself with these policies and report any violation to the HR client desk or the Labour Relations Unit. Let us try to create a better workplace in the Department. Implement DWAF policy.

HUMAN RESOURCE POLICIES
FINAL VERSION - 8 DECEMBER 2001



Job Evaluation

CREATING A BETTER LIFE. IMPLEMENTING DWAF POLICY.
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HUMAN RESOURCE POLICIES
FINAL VERSION - 8 DECEMBER 2001



Official Housing

CREATING A BETTER LIFE. IMPLEMENTING DWAF POLICY.
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HUMAN RESOURCE POLICIES
FINAL VERSION - 8 DECEMBER 2001



Official Journeys

CREATING A BETTER LIFE. IMPLEMENTING DWAF POLICY.
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HUMAN RESOURCE POLICIES
FINAL VERSION - 8 DECEMBER 2001



Official Transport to Attend Funerals

CREATING A BETTER LIFE. IMPLEMENTING DWAF POLICY.
On 8 December 2001 the Department and worker representatives signed and agreed on new policies that seek to improve the working conditions of departmental staff. Familiarise yourself with these policies and report any violation to the HR client desk or the Labour Relations Unit. Let us try to create a better workplace in the Department. Implement DWAF policy.

HUMAN RESOURCE POLICIES
FINAL VERSION - 8 DECEMBER 2001



Disciplinary Code and Procedures

CREATING A BETTER LIFE. IMPLEMENTING DWAF POLICY.
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HUMAN RESOURCE POLICY GUIDELINES
FINAL VERSION - 8 DECEMBER 2001

backlog, while simultaneously maintaining current levels of service in the short-term, and subsequently improving the quality of outputs, is a high priority. The turnaround strategy that has been developed will ensure that the bar is consistently raised and that attention is increasingly paid not only to the operational routine, but to the strategic functions of human resource management as well. This will be achieved through the most advantageous performance mix of internal capacity and competitive sourcing.

Monitoring and Evaluation

The Department will identify appropriate performance indicators to measure its performance on the dimensions that have been highlighted as being critical in the delivery of the mix of outputs. Since these are in line with the Government Programme of Action, the information generated will enable horizontal integration and coordination across the government-wide monitoring and evaluation system

CORPORATE SERVICES OUTPUTS AND TARGETS

| SUB-PROGRAMMES | OUTPUTS | MEASURES | 07/08 TARGETS | 08/09 TARGETS | 09/10 TARGETS |
|-------------------------------------|---|---|---|---|--|
| Human Resources (HR) | Human Resources turnaround strategy implemented | % elimination of backlogs in transaction work | 60% elimination of backlogs in transaction work | 80% elimination of backlogs in transaction work | 100% elimination of backlogs in transaction work |
| | | % efficiency improvement and HR support services | 20% efficiency improvement and HR support services | 40% efficiency improvement and HR support services | 60% efficiency improvement and HR support services |
| | Skills base increased | Number of engineers, technicians, scientists produced | A learning Academy established with an intake of 60 graduates | 40 Intake of graduates | 50 qualified and experienced technicians/scientists and engineers produced |
| | | Number of employees trained | Capability statement developed for DWAF 50% of employees trained on: <ul style="list-style-type: none"> • Performance management • Financial management and skills • Computer skills • Time management | 60% of employees trained | 80% of employees trained |
| | | Number of learner interns who completed experiential learning | 18 learner interns enrolled | 40 learner interns completed training | 60 learner interns completed training |
| | Service delivery model effectively aligned, clarified and focused | % of milestones in the restructuring roadmap achieved | Targets achieved according to restructuring road map | Targets achieved according to restructuring road map | - |
| | Employee satisfaction and working environment improved | % improvement as per climate survey | 40% improvement in employee satisfaction | 60% improvement in employee satisfaction | 60% improvement in employee satisfaction |
| Gender and Disability Mainstreaming | Gender and disability policies, strategies and tools developed | Number of policies and strategies reviewed and developed. | 50% of policies and strategies reviewed and developed. | 80% of policies and strategies reviewed and developed | 100% of policies and strategies reviewed and developed |
| | | Number of tools developed | 100 Tools for gender integration, budgeting monitoring developed | - | - |

| SUB-PROGRAMMES | OUTPUTS | MEASURES | 07/08 TARGETS | 08/09 TARGETS | 09/10 TARGETS |
|--|---|---|--|--|---|
| Gender and Disability Mainstreaming (cont) | Gender and disability projects audited | % of programmes and projects audited | 100% audit of programme and projects completed | - | - |
| | Strategic considerations implemented and monitored | % of programmes implemented, monitored and evaluated | 50% of strategic considerations. 60% of programmes and projects monitored and evaluated | 60% of strategic considerations implementation | 80% strategic considerations implemented 80% programmes and projects monitored and evaluated |
| Information services | Operational efficiency improved | Improvement using the IS Matrix Framework as a benchmark | 80% improvement in Operational efficiency | 60% programmes and projects monitored and evaluated | 100% improvement in Operational efficiency |
| | Effective and enabling IS Architecture developed | Level of requirements / Standards implemented | 40% Level of requirements /Standards implemented | 100% improvement in Operational efficiency | 100% Level of requirements/ Standards implemented |
| Transformation | Participation and beneficiation of Historically Disadvantaged Individuals (HDI) Increased | % increase of HDI participation and beneficiation in contracts that are awarded | 20% increase of HDI participation and beneficiation from the baseline status | 30% increase of HDI participation and beneficiation from baseline status | 50% increase of HDI participation and beneficiation from baseline status |
| | | % increase in BBBEE procurement expenditure | 50% BBBEE audit recommendations implemented | 80% BBBEE audit recommendations implemented | 100% BBBEE audit recommendations implemented |
| | programmes and projects Monitored and evaluated | % of programmes and projects monitored and evaluated | 50% of programmes and projects monitored and evaluated | 70% implemented, monitored and evaluated | 90% implemented, monitored and evaluated |
| Legal Services | Drafting and maintenance of legislation | Milestones achieved as per roadmap | 50% milestones achieved in the drafting of the NWRI Agency Bill. | Promulgation of the NWRI Agency Act | 60 Milestones achieved as per roadmap of any legislation to be introduced |
| | | | Milestones achieved in the drafting of the National Water Amendment Bill. | Promulgation of the National Water Amendment Act | Milestones achieved on the promulgation of regulations and publication of notices |

| SUB-PROGRAMMES | OUTPUTS | MEASURES | 07/08 TARGETS | 08/09 TARGETS | 09/10 TARGETS |
|---|---|--|---|---|--|
| Legal Services (cont) | | | Milestones achieved on the promulgation of regulations and publication of notices | Milestones achieved as per roadmaps on the promulgation of regulations and publication of notices | - |
| | Legal support on litigation, and law enforcement improved | % improved legal support | 20 days deliver support on complex matter/cases achieved | 15 days deliver support on complex matter/cases | 10 days deliver support on complex matter/cases |
| Administration | efficiency in logistical services improved | % of measures stipulated in service level agreements with clients | 80% of measures /standards stipulated in the service level agreement met | 85% of measures and standards stipulated in the service level agreement met | 90% of measures and standards stipulated in the service level agreement met. |
| | Policies, Strategies developed, reviewed and implemented | Number of policies, strategies developed, reviewed and implemented | 100% of policies reviewed | 100% of policies and strategies implemented | |
| | | Audit report on effectiveness of IM manual system | Accommodation/office space strategy developed 50% of audit recommendations implemented | 100% of audit recommendations implemented | |
| | Efficiency of information management improved | % of recommendation of audit report implemented | Electronic system designed, approved and 30% implementation | 60% implementation Electronic system | 100% implementation of an electronic system |
| Safe and secure working environment created | % reduction of security incidences | 50% reduction of security incidences | 60% reduction of security incidences | 70% reduction of security incidences | |
| | Physical security audit completed | 50% of physical security audit recommendations implemented | 70% of physical security audit recommendations implemented | 100% of physical security audit recommendations implemented | |

| SUB-PROGRAMMES | OUTPUTS | MEASURES | 07/08 TARGETS | 08/09 TARGETS | 09/10 TARGETS |
|--------------------|--|--|--|--|--|
| National Transfers | State forests areas transferred to rightful recipients | Number of plantation packages (categorised in terms of their financial viability) successfully transferred according to plan and on a sustainable basis. | One (Inyaka), two (Manzengwenya and Mbazwana, and KwaZulu-Natal) and four nurseries (Wossley, Upington, Phutadichaba and Mafikeng) | Two packages transferred in the Eastern Cape | Six (Limpopo and KwaZulu-Natal) |
| | | Areas of natural forests transferred to other management agencies with the necessary management capacity. | Eastern Cape, KwaZulu-Natal, Mpumalanga nad Knysna | Limpopo | Monitoring (LFMU ongoing) |
| | | Areas of State forest land not suitable for forestry de-proclaimed. | KwaZulu-Natal, Eastern Cape | - | - |
| | | KLF lease agreement negotiation process started | Lease negotiations taking place | Lease finalised | Monitoring (LFMU ongoing) |
| | | Cape exit areas Re-commissioned | Cabinet approval | Negotiations bidder done | Finalisation of transaction |
| | Water services schemes transferred | Number of transfer agreements (TA) concluded and number of staff transferred | Two agreements | - | - |
| | Water resources (CMA/ WUA) transferred | Number of TAs concluded and number of staff transferred | Five transfer agreements concluded and number of staff transferred | Five transfer agreements concluded and number of staff transferred | Five transfer agreements concluded and number of staff transferred |
| | Compliance with TAs and the Division of Revenue Act (DORA) including Refurbishment Program monitored | Number of WSA compliant with TA and DORA | All WSA compliant with DORA and concluded TAs | All WSA compliant with DORA and concluded TAs | All WSA compliant with DORA and concluded TAs |

| SUB-PROGRAMMES | OUTPUTS | MEASURES | 07/08 TARGETS | 08/09 TARGETS | 09/10 TARGETS |
|---------------------------|--|---|--|--|---|
| National Transfers (cont) | a business enabling IS Architecture created | % of system availability | 80% availability on class A, B and C systems | 85% availability on class A, B and C systems | 90% availability on class A, B and C systems |
| | a business enabling IS Architecture created | Number of implemented IS Business Continuity Plans | Critical Systems | All A and B (critical systems including finance) | A, B, and C (office support systems) |
| | Customer responsiveness monitored and evaluated | % of measures stipulated in service level agreements with DWAF IS users and service providers met | 80% measurements met | 85% measurements met | 90% measurements met |
| | Internal customer service improved | % of improvement in customer satisfaction index | 3% increase in overall measurement | 2% increase in overall measurement | 2% increase in overall measurement |
| Communications | Positive Ministerial and Departmental media image profiled | % increase in the media coverage of DWAF's business. | 50% coverage in all media, based on media releases, media briefings, events and functions. | 60% coverage in all media, based on media releases, media briefings, events and functions. | 65% coverage in all media based on media releases, media briefings, events and Functions. |
| | | % improved media profile of the Department and Ministry. | 30% improved media profile of the Department and Ministry. | 40% improved media profile of the Department and Ministry. | 50% improved media profile of the Department and Ministry. |
| | | | 100% completion of DWAF web engineered | - | - |
| | Branding outlook improved | % of branding interventions implemented | 5% new branding interventions implemented | 80% new branding interventions implemented | 100% new branding interventions implemented |

FINANCE BRANCH

The Department is doing everything in its power to address the on-going concerns raised by the Portfolio Committee on water Affairs and Forestry and is also repositioning itself appropriately to implement measures to address crucial issues raised by the Minister in the flagship projects. Issues that will be focused on during the next medium term period include amongst others, the poor audit that the Department received and the non-compliance with GAAP, as well as the perception that the Department is not able to turn things around, the apparent lack of capacity in certain areas of the branch with posts not being filled, and the on-going theft and losses that the Department is experiencing.

Reorganisation

The reorganisation of Finance branch at national and regional offices entails establishing a cash accounting unit with dedicated resources and independent processes, and relocation of people, equipment and technology.

Engagement with Office of Accountant General (OAG)

An ongoing engagement with the Accountant General to implement a comprehensive programme of support will be implemented. The programme includes the provision of full time skilled resources to the Department; implementation of a comprehensive skills transfer programme; advising on and integrating of crucial financial management projects; assistance with preparation of management accounts; and supporting DWAF in conducting risk assessment and enhancing its internal audit processes.

SAP Implementation

The implementation of SAP as the preferred Enterprise Resource Planning (ERP) system to support the trading activities has commenced. This has resulted in the implementation of accrual accounting for the trading activities and is geared at ensuring compliance with the provisions of section 40(1) of the Public Finance Management Act, (Act 1 of 1999) (PFMA).

Supply Chain Management Implementation and Compliance to Treasury Regulations

The Department is gearing itself to comply with the Supply Chain Management (SCM) Framework by developing programmes and making interventions to improve SCM; capacitating employees to administer the daily management of assets including the review and updating of policy; establishing appropriate structures at national and regional



offices; implementing Basic Asset Policies and procedures, and updating for the trading account; managing the comprehensive asset register; providing progress reports to National Treasury on their implementation requirements, and ensuring that women and youth led companies are provided with procurement opportunities and to get involved with the implementation of projects through joint ventures with established organisations within the Department.

FINANCE MEDIUM TERM OUTPUTS AND TARGETS

| SUB-PROGRAMME | OUTPUT | MEASURES | TARGET 2007/08 | TARGET 2008/09 | TARGET 2009/10 |
|---|--|---|---|--|--|
| Effective Financial Management | PFMA, MTEF and MTSF requirements complied with | Monthly expenditure reports to NT, HoD and EA | 100% achievement of expenditure reports and budget submissions | 100% achievement of expenditure reports and budget submissions | 100% achievement of expenditure reports and budget submissions |
| | Under-spending on budget allocation systematically eliminated | Budget and funding requests to National Treasury in terms of guidelines | 98% budget expended | 100% budget expended | 100% budget expended |
| | SAP as the selected ERP system implemented | Develop and customise SAP to suit needs | 100% SAP implementation Reconstitute DCC with units for main and trading account | - | - |
| | Business needs supported | Bi-monthly meetings with business units | Pilot monitoring tool for expenditure | Roll out monitoring tool for expenditure | 100% implementation of monitoring tool for expenditure |
| | Effective supply chain management | Compliance with preferential procurement policy | 100% compliance | 100% | -100% |
| | Accurate tariffs developed | Finalise tariffs and achieve collection targets | Publish tariffs for 2008, achieve 80% collection | Finalise tariffs for 2009, achieve 90% income | Finalise tariffs for 2010 and achieve 95% income |
| | Revenue management improved | Quarterly reports | 100% | 100% | 100% |
| Restructuring of Finance Branch and regional finance components | Separate cash and accrual accounting units established and resourced | Cash accounting and accrual units separated | 100% separation of main and trading account activities | 90% target achieved with securing resources | 100% target achieved with securing resources |
| | Regional finance structures established | National and regional structures populated with resources and operationalised | 80% target achieved with populating finance structures | Transferred functions to agency | Transfer functions to CMAs |
| | | Training programmes aligned to accrual implementation | 70% target achieved with populating finance structures | Ongoing training and development for SAP | Ongoing training and development for SAP |
| | | | Migration plans developed | 80% target achieved with populating finance structure | 100% target achieved with populating finance structure |
| | | | Ongoing training and development for SAP | - | - |

| SUB-PROGRAMMES | OUTPUTS | KEY PERFORMANCE INDICATOR | TARGET 07/08 | TARGET 08/09 | TARGET 09/10 |
|------------------|---|---|---|---|--|
| Asset Management | Project Charter for enterprise wide asset management implemented | Operational asset management data base | 100% target achieved in implementation of Project Charter | 100% implementation of accepted platform | 100% implementation of new enterprise wide asset management system |
| | Fixed asset management strategy and plan approved and implemented | Operational project plan and resources secured | Identify, procure and customise acceptable platform | 100% completion of controls and procedures | - |
| | Comprehensive asset registers implemented | Controls and procedures in place | 50% completion of controls and procedures | 100% asset technical and financial assessment completed | - |
| | | Completed asset register updated on a regular basis | 50% asset technical and financial assessment completed | 100% of all assets migrated to new system | - |
| | Comprehensive asset registers implemented | Completed asset register updated on a regular basis | 100% of all assets included in current system and operational items captured and linked to assets | | |

6.1.3 Resource Information - Administration

| Administration | | | | | | | |
|--------------------------------|-----------------|---------|---------|------------------------|----------------------------------|---------|---------|
| Sub-programme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
| R thousand | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
| Minister | 981 | 957 | 923 | 885 | 938 | 958 | 1,034 |
| Management | 30,537 | 32,336 | 27,559 | 89,156 | 74,315 | 74,854 | 76,192 |
| Corporate Services | 97,543 | 110,733 | 118,783 | 154,518 | 176,442 | 183,217 | 201,188 |
| Information Services | 81,869 | 74,668 | 74,913 | 107,632 | 77,314 | 81,021 | 85,617 |
| Property Management | 69,375 | 80,731 | 86,877 | 98,979 | 109,501 | 117,605 | 131,933 |
| Financial Management | 51,900 | 54,000 | 56,200 | 58,500 | 63,600 | 66,702 | 70,031 |
| | | | | | | | |
| Total of sub-programmes | 332,205 | 353,425 | 365,255 | 509,670 | 502,110 | 524,384 | 565,995 |
| Change to 2006 Budget Estimate | | | | 72,962 | 73,702 | 72,608 | 79,884 |

6.2 PROGRAMME 2: WATER RESOURCE MANAGEMENT

Measurable objective: Ensure that water resources are allocated so that they promote social and economic development, maintain the reliable availability of water in sufficient quantities and of an appropriate quality, to meet the needs of all consumers and meet international water-sharing agreements, while ensuring that water resources are developed and protected to enable sustainable water availability and use.

6.2.1 Situation analysis

Lower than average rainfall over much of the country for much of the period from April 2006 has resulted in a general decline in the levels of water stored in the country's major impoundments, from 90% in March 2006 to 85% in mid-February 2007. Even in places where there are adequate supplies from surface water sources the availability of groundwater has been compromised because rainfall has been insufficient to recharge aquifers. Consequently drought relief interventions have been necessary and will continue to be necessary in most parts of the country to ensure continued provision of water to the many communities that depend on groundwater as their principal sources of supply. The need for repeated drought relief over a number of years to some communities has highlighted the necessity to develop additional sources to secure supplies of water in the long term. Although large parts of the country are currently described as somewhat dry or under moderate drought conditions as per the South African Weather Services Standardised Precipitation Index, flooding events have occurred in the Eastern, Western and Northern Cape Provinces and in the Free State and have caused damage to water-related infrastructure.

The period following the promulgation of the National Water Act in 1998 was occupied to a significant extent by the development of the necessary operational policies and implementation strategies. Much of this work is now substantially complete and the pace of implementation is increasing. Implementation comprises a mix of ongoing, routine activities such as scheme operation, data collection and information management, control of water use, dam safety control and the planning and design of capital works, combined with the introduction of new approaches such as a system of administrative authorisations to use water, measures to protect water resources, a comprehensive system of water use charges, and a suite of decentralised water management institutions. Water

resource management in South Africa is therefore currently characterised by continuous change, where even the so-called routine activities are subject to improvement and new approaches, and this state of change will continue until all the requirements introduced by the Act are established and made fully operational throughout the country.

The integrated nature of water resources and the necessity to manage them in an integrated way, means that none of these activities can be put on hold in order to concentrate all available resources on one specific issue. Nevertheless, the Department has identified a number of priority areas requiring special attention and these are discussed in the following section.

6.2.2 Policies, priorities and strategic objectives

Experience with implementing some of the provisions of the National Water Act since its promulgation in 1998 has pointed to the need to revise certain parts of the Act. The revision is in progress and is intended to provide greater clarity on issues such as the transfer of water use authorisations, the status of uses that were lawful under previous legislation and particularly to clarify the status, roles and responsibilities of water user associations. The revision takes account of the development of, and will ensure coherence with, the proposed National Water Services Bill and the proposed National Water Resources Infrastructure Agency Bill, both of which are in preparation.

Priority implementation activities focus on achieving the major objectives - equity, sustainability and efficiency - of the National Water Act. These include the water allocation reform programme and complementary activities such as the classification of water resources and the determination of reserves and resource quality objectives; the implementation of water conservation and water demand management measures; the management of water quality; the expansion, refinement and rationalisation of monitoring networks and information management systems and measures to deal with unlawful water use.

The establishment of the institutional framework for managing water resources - the National Water Resources Infrastructure Agency, catchment management agencies and water user associations - is gathering momentum. The Agency is scheduled to be established in 2009. One catchment management agency is well on its way to become fully operational and Government Notice has established a further seven. All 19 agencies are expected to be established and operational by 2012.

A detailed programme of the activities of the infrastructure branch and Agency over the next five years in terms of maintaining, operating, developing and refurbishing/rehabilitating infrastructure is provided in the table of outputs.

Priority initiatives to build capacity for water management include the 2025 Vision, a 20-year plan for capacity building in the water sector as a whole and the Learning Academy, an intervention to build technical and engineering capacity within the Department.

6.2.3 Analysis of constraints and measures to overcome them

In addition to constraints on development imposed by South Africa's general aridity, poor water quality can also seriously limit the fitness for use of water resources. A particular cause for concern is a decline in the quality of effluent discharged from many municipal sewage treatment works. This reflects the inadequate capacity of many municipalities to undertake their water-related responsibilities and the Department is offering as much support as possible to local government to rectify the situation. Inadequate management capacity in local government is also reflected in many of the drought relief situations discussed previously and similar support initiatives are required from the Department. The 2025 Vision initiative discussed above, together with specific issue-based support and capacity-building initiatives will make significant contributions to improving management capability.

The Department is also experiencing human resource capacity constraints in undertaking its responsibilities and is developing approaches to attract and retain the necessary skills and competences.

Analysis of the potential impacts of global climate change indicates that parts of South Africa could experience reduced rainfall, reduced surface runoff and reduced groundwater recharge. Floods could become more intense and droughts could become more protracted. The Department is studying these analyses to better understand the implications in the specific areas of the country where the impacts could be most severe and experienced soonest, and to develop strategies to adapt to the changed conditions.

6.2.4 Description of quality improvement measures

The creation of a dedicated branch in the Department, with ring-fenced funding, to manage nationally-important water resources infrastructure will improve the efficiency of infrastructure management and enable a more systematic approach to the maintenance and refurbishment of aging infrastructure. The imminent establishment of the National Water Resources Infrastructure Agency is in accordance with the trend towards executing

the State's role in direct service provision through appropriately structured public organisations and has the advantage of providing greater flexibility in the financing of infrastructure development projects.

The progressive establishment of catchment management agencies, the transformation of existing irrigation boards into water user associations and the establishment of new associations are intended to move the responsibility for managing water resources closer to the people who use the water and have a direct interest in managing water resources sustainably. This will serve to democratise the institutions responsible for managing water resources and localise accountability for decisions around, for instance, allocation of water use.

The Department has embarked on a review of the processes involved in water allocation, especially to address the sometimes substantial delays in assessing licence applications and issuing authorisations. This review includes the streamlining of complementary processes for determining resource protection measures such as the Reserve, which must be completed before a licence is issued and the determination of licence conditions, such as the implementation of water demand management measures. Improving access to essential water resources information is also being addressed.

A range of capacity building initiatives, including the two major ones mentioned previously will result in a larger pool of expertise to manage water resources, especially drawn from the previously disadvantaged sectors of society.

6.2.5 Sub-programmes

- Equitable Supply covers the policy, planning and regulatory functions required to ensure the reliable and equitable supply of water for sustainable economic and social development, including the eradication of poverty. This includes assessing available water in a particular area and developing strategies to enable supply to meet demand.
- Sustainable Supply supports the provision of a reliable and equitable supply of water as well as the bulk of the Working for Water and Working on Fire programmes for sustainable economic and social development, including the eradication of poverty.
- Protection Policies covers the policy, planning and regulatory functions required to ensure the protection of water resources, such as developing a system for classifying water resources as required by the National Water Act (1998).

- Protection Measures initiates and supports the implementation of measures to protect water resources, such as pollution protection measures or ensuring sufficient water for the aquatic ecosystem to function properly.
- Institutional Regulation provides policy and strategy support for developing and establishing effective water management institutions (catchment management agencies and water user associations) and includes revenue collection from water use charges.
- Institutional Development ensures that effective water management institutions are developed in the regions.
- Strategic Alignment ensures that policies and strategies are internally consistent and aligned with relevant external policies and legislation, develops and maintains monitoring and information systems, and promotes capacity building among water resource management practitioners and stakeholders.
- Stakeholder Empowerment develops empowered, skilled and representative staff, and capacitates stakeholders and the general public to achieve integrated water resource management.
- African Co-operation promotes integrated water resource management globally, particularly in Africa in support of NEPAD.
- Water Resource Administration provides management and administrative support services to the programme in the national office.
- Water Resource Support provides support services to the programmes in the regions, namely human resources, financial management and general administration.
- Operations of Water Resources provides for the augmentation of the water trading account to ensure the effective management of water resources and the sustainable operation and management of bulk water infrastructure.
- Infrastructure Development and Rehabilitation provides for the augmentation of the water trading account to undertake the design, construction and commissioning of new water resource infrastructure as well as the rehabilitation of existing infrastructure to ensure the safety and functionality of departmental dams and related structures.



WATER RESOURCE MANAGEMENT MEDIUM-TERM OUTPUTS AND TARGETS

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|----------------------------------|--|---|---|---|---|
| Equitable and sustainable supply | Water use authorised | Number of catchments in which Water Allocation Reform is implemented | Compulsory licensing completed for Jan Dissels catchment and announced for Mhlathuze and Nkomati | Inkomati and Mhlathuze catchments completed | Olifants/Doorn, Upper and Lower Vaal catchments completed |
| | | Improvement in time taken to evaluate license applications | Average processing time for evaluation of licence applications reduced from 24 to 18 months. | License application tracking established and average processing time reduced to 12 months | Average processing time reduced to six months |
| | | | BBEE guidelines developed and implemented | | |
| | | Non compliance with legislation or licence conditions addressed | Compliance and enforcement strategy finalised and implementation initiated | Implementation of compliance and enforcement strategy | Compliance and enforcement strategy implemented and reviewed |
| | | Measurable impact on establishment and development of resource poor farmers (RPF) | 300 RPFs granted financial support | 360 RPFs granted financial support | 432 RPFs granted financial support |
| | Rain water harvesting tanks project rolled out | | Rain water harvesting tanks project rolled out | Rain water harvesting tanks project rolled out | |
| | Water availability and water requirements balanced | Studies to balance water supply and requirements timeously undertaken and solutions developed | Water balance strategies for up to 12 catchments and systems and analysis of up to 10 water resource development/ management options in various stages of start-up, continuing from the previous year, or completion. | Water balance strategies for up to 12 catchments and systems and analysis of up to 10 water resource development/ management options in various stages of start-up, continuing from the previous year, or completion. | Water balance strategies for up to 12 catchments and systems and analysis of up to 10 water resource development/ management options in various stages of start-up, continuing from the previous year, or completion. |

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|----------------------------------|---|--|--|--|---|
| Equitable and sustainable supply | | | <p>During this year the following studies will, for example, be completed:</p> <ul style="list-style-type: none"> • Reconciliation strategy for the Western Cape Supply System • Reconciliation strategy for the Vaal River System • Reconnaissance study for the Crocodile River (East) • Clanwilliam Dam raising: implementation study | | |
| | Available water used effectively and efficiently | Water conservation/water demand management (WC/WDM) strategies developed and implemented | WC/WDM strategies for Vaal, Inkomati and Olifants developed and implemented | WC/WDM strategies for two WMAs developed and implemented. Reduce water losses in WSAs by 5% | WC/WDM strategies for two WMAs developed and implemented. Reduce water losses in agriculture by 2% |
| | | Prioritised invasive alien plant species (terrestrial and aquatic) treated and cleared | 192 000 hectares cleared and 557 000 hectares followed up | 218 000 hectares cleared and 632 000 hectares followed up | 244 000 hectares cleared and 708 000 hectares followed up |
| | Water related disasters managed | Policies, strategies and guidelines and information system developed and responsive to disasters | Current disasters managed and roles and responsibilities with regard to water related disasters unpacked | Current disasters managed and information systems put into service | Current disasters managed and guidelines with regard to roles and responsibilities and information system developed |
| Equitable and Sustainable Supply | A national water resource infrastructure agency established | Agency established and developed to full functionality | Agency Act promulgated. Agency board appointed | Cabinet approval of establishment plan | Agency established as at 1 April 2009 |

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|---|---|--|--|--|--|
| Equitable and Sustainable Supply (cont) | Water resource infrastructure operated and maintained optimally | Efficient operation and maintenance of water resource infrastructure and management of droughts and floods | Operation and maintenance of water resource infrastructure according to plan | Operation and maintenance of water resource infrastructure according to plan | Operation and maintenance of water resource infrastructure according to plan |
| | Water resource infrastructure refurbished | Dam Safety Programme - infrastructure refurbished in accordance with set priorities and specifications | 29% complete | 49% complete | 69% complete |
| Infrastructure development and rehabilitation | New water resource infrastructure developed | Percentage completion of infrastructure, constructed and commissioned | Nandoni Water Treatment Works (WTW) 97% | Nandoni WTW commissioned | |
| | | | Nandoni Distribution Works 51% | Nandoni Distribution Works 77% | Nandoni Distribution Works 97% |
| | | | Inyaka WTW 60% | Inyaka WTW 83% | Inyaka WTW commissioned |
| | | | Hluhluwe Regional Water Supply 65% | Hluhluwe Regional Water Supply 76% | Hluhluwe Regional Water Supply 88% |
| | | | Olifants River Water Resource Development Project (RWRDP) (De Hoop Dam) 30% | Olifants RWRDP (De Hoop Dam) 60% | Olifants RWRDP (De Hoop Dam) 90% |
| | | | Olifants RWRDP (Distribution works) 3% | Olifants RWRDP (Distribution works) 18% | Olifants RWRDP (Distribution works) 63% |
| | | | Berg Water Project commissioned | | |
| | | | Mdloti River Water Resource Project (RWRP) (Raising of Hazelmere Dam) 20% | Mdloti River Water Resource Project (Raising of Hazelmere Dam) 80% | Mdloti River Water Resource Project (Raising of Hazelmere Dam) commissioned |
| | | | | Lusikisiki Water Supply Scheme (Zalu Dam) 5% | Lusikisiki Water Supply Scheme (Zalu Dam) 75% |

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|--|---|---|--|---|--|
| Infrastructure development and rehabilitation (cont) | | | Olifants/Doring RWRP (Raising of Clanwilliam Dam) 2% | Olifants/Doring RWRP (Raising of Clanwilliam Dam) 15% | Olifants/Doring RWRP (Raising of Clanwilliam Dam) 50% |
| | | | Vaal River Eastern Sub System Augmentation Project 95% | Vaal River Eastern Sub System Augmentation Project commissioned | |
| | | | Groot Letaba RWRP (Nwamitwa Dam) 2% | Groot Letaba RWRP (Nwamitwa Dam) 8% | Groot Letaba RWRP (Nwamitwa Dam) 34% |
| | | | Mzimkulu RWRP (Mzimkulu Dam) 3% | Mzimkulu RWRP (Mzimkulu Dam) 14% | Mzimkulu RWRP (Mzimkulu Dam) 47% |
| | | | Mooi-Mgeni Transfer Scheme (Spring Grove Dam) 5% | Mooi-Mgeni Transfer Scheme (Spring-Grove Dam) 30% | Mooi-Mgeni Transfer Scheme phase two (Spring Grove Dam) 80% |
| | | | Mokolo River Water Resource Augmentation (RWRA) 3% | Mokolo River Water Resource Augmentation (RWRA) 7% | Mokolo RWRA 50% |
| Protection policies and measures | System developed for assessment and protection of water resources | Water resources classified in priority catchments | Finalise classification system | Jan Dissels, Mhlathuze and Olifants catchments completed | Inkomati, Upper and Lower Vaal catchments completed |
| | | Ad hoc and high confidence reserve determinations completed | Ad hoc determinations as per license applications and three high confidence determinations | Ad hoc determinations as per license applications and four high confidence determinations | Ad hoc determinations as per license applications and three high confidence determinations |
| | | Delineation of groundwater protection zoning | Piloting complete | Methodology refined and implemented in one region | Implementation rolled out in three more regions |
| | Water resource quality managed | Resource protection and waste policy developed | Policy finalised and published | Policy rolled out and capacity built | Policy systematically implemented |
| | | Resource quality objectives used to manage water resources | Methodology to establish resource quality objectives finalised | Resource quality objectives set for Mhlathuze, Jan Dissels and Olifants catchments | Resource quality objectives set for Upper and Lower Vaal and Inkomati catchments |

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|--|---|--|--|--|---|
| Institutional regulation and development | Water management institutions and water management area and local level established | Number of CMAs and WUAs established | Olifants, Upper Vaal and Berg CMAs gazetted for establishment; governing boards for Thukela, Usuthu to Mhlathuze, Olifants/ Doorn and Gouritz CMAs in place, three WUAs established and 50% irrigation boards transformed into WUAs. | Governing boards for Berg, Olifants and Upper Vaal CMAs in place, Two WUAs established and 60% irrigation boards transformed into WUAs. | Governing boards for Middle Vaal, Levuvhu / Letaba, Limpopo and Fish/ Tsitsikamma CMAs in place, Two WUAs established and 65% irrigation boards transformed into WUAs. |
| | Governance Framework for Water Management Institutions developed and implemented | Governance framework developed in accordance with applicable legislation and policies WMI strategies aligned with Departmental strategic objectives | Governance framework/ guidelines completed | 50% of the governance framework implemented in all WMIs | 100% of the governance framework implemented in all WMIs |
| | Revenue generated for water resource by water management institutions | Roll-out of revised pricing strategy | Revised strategy implemented for abstraction related water uses and Waste Discharge Charge System (WDCS) finalised | Implementation of WDCS initiated in at least two catchments | Full implementation of revised pricing strategy, including the WDCS |
| | | Level of cost recovery | 85% revenue collection on infrastructure charges | 90% revenue collection on infrastructure charges | 93% revenue collection on infrastructure charges |
| | | Transfer of revenue collection function to water institutions | Transfer to one CMA | Transfer to three CMAs | Transfer to four CMAs and Infrastructure Agency |
| | Strategic alignment and stakeholder empowerment | Strategic direction provided | Water resource strategies on national and WMA level developed | Guidelines on Catchment Management Strategies (CMSs) finalised and distributed | Two CMSs reviewed and approved |

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|--|---|--|---|---|---|
| Strategic alignment and stakeholder empowerment (cont) | Adequate information system to manage water resources developed and implemented | Monitoring networks operated, maintained and expanded; integrated supporting information systems developed and implemented | Monitoring networks expanded by 5%, integrated information system plan developed | Monitoring networks expanded by 5%, Integrated information system plan implemented | Monitoring networks expanded by 5%, information plan maintained |
| African and international co-operation | New structures to participate and support Shared Watercourse Institutions established | Joint projects, basin studies, new agreements | Establish OraseCom Secretariat, OraseCom IWRMP phase one, Maputo Basin Study, Lower Orange River Water sharing agreement, Impala to Sitilo (Swaziland) Water Supply Agreement, Kalahari East to Botswana Water Supply Agreement | Baseline Data Collection Lower Orange River Estuary, Real Time River Modelling Lower Orange River, FGEF OraseCom Projects, Pongolapoort Dam to Swaziland Water Supply Agreement, IIMA (TPTC) PCN1 (Shared Watercourse Institutions), establishment of LimCom Secretariat, Limpopo River Basin Study Scoping Phase | Environmental Flow Assessment Lower Orange River Estuary, OraseCom IWRM Plan phase two, GEF Studies for OraseCom, IIMA (TPTC) PCN 4 (Water Supply to Maputo) |
| | Improved multi-lateral and Bi-bilateral regional cooperation in Africa | Support to and participation in SADC, AMCOW, AU, NEPAD and Bilateral Cooperation in Africa | AMCOW incorporated into AU and NEPAD structures; revival of the Forestry Technical Committee; Finalise negotiations on Cross boarder forest fires; improved bi-laterals with Tanzania, Kenya, Algeria, Sudan and Rwanda; support to sub regional integration processes; involvement in AU sponsored water management processes; implementation of SADC Protocol on Forestry | Regional preparations for fifth WWF in Turkey 2009; involvement in AU sponsored water management processes; support to sub regional integration processes; · implementation of the Bilateral Agreements; implementation of the Cross Border Forests Fires Agreements; implementation of the SADC Protocol on Forestry | Regional preparation for the UN Millennium Development Review; involvement in AU sponsored water management processes; support to sub regional integration processes; monitoring and evaluation of Bilateral Agreements; · implementation of the Cross Border Forests Fire agreements; · monitoring and evaluation of the implementation of the SADC Protocol on Forestry |

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|---|--|---|--|---|--|
| African and international co-operation (cont) | Multi-lateral cooperation at global level ensured | International visits, meetings, statements, agreements, exchange of information with developing countries outside Africa | Implement Agreement with Cuba and China; finalise agreement with Sri-Lanka, Vietnam and Mexico; strengthen support to the Congo Basin Forest Partnership; pursue the India, Brazil and South Africa (IBSA) cooperation | Monitoring and evaluation of the Cuba, China, Sri Lanka, Vietnam and Mexico agreements; finalise the IBSA Cooperation Agreement; link the Congo Basin Forest Partnership with NEPAD | Monitoring and evaluation of the Cuba, China, Sri Lanka, Vietnam and Mexico agreements; establish IBSA task teams for implementation of cooperation agreement; link the Congo Basin Forest Partnership with NEPAD. |
| | Multi-lateral cooperation at global level ensured (continued) | International visits, meetings, statements, agreements and exchange of information with developed countries | Agreement with Russia; Forestry Co-operation Agreement with New Zealand Improved participation in relevant UN bodies as well as in ANBO and WWC National report on UN CSD | Implementation of Russia and New Zealand agreements | Implementation of Russia and New Zealand agreements |
| | Active participation in (CSD, World Water Forum, UNFF, COFO etc) | Attend UNFF negotiations; participate in the Petersburg Process, participate in the Stockholm Water Week; improved participation in ANBO, WWC, UNFF, etc.; negotiate the UN Forestry Instrument | Attend and actively participate in the Fifth WWF in Turkey; improved participation in ANBO, WWC, UNFF, etc.; negotiate the UN Forestry Instrument | Actively participate in the UN Millennium Development Review; participate in the Petersburg Process; participate in the Stockholm Water Week; improved participation in ANBO, WWC, UNFF, etc.; negotiate the UN Forestry Instrument | |

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|---|--|--|---|---|--|
| African and international co-operation (cont) | | Level of cost recovery | 85% revenue collection on infrastructure charges | 90% revenue collection on infrastructure charges | 93% revenue collection on infrastructure charges |
| | | Transfer of revenue collection function to water institutions | Transfer to one CMA | Transfer to three CMAs | Transfer to four CMAs and Infrastructure Agency |
| Strategic alignment and stakeholder empowerment | Strategic direction provided | Water resource strategies on national and WMA level developed | Guidelines on Catchment Management Strategies (CMSs) finalised and distributed | Two CMSs reviewed and approved | Second edition of NWRS established, two CMSs reviewed and approved |
| | Adequate information to manage water resources | Monitoring networks operated, maintained and expanded; integrated supporting information systems developed and implemented | Monitoring networks expanded by 5%, integrated information system plan developed | Monitoring networks expanded by 5%, Integrated information system plan implemented | Monitoring networks expanded by 5%, information plan maintained |
| African and international co-operation | Participation and support to Shared Watercourse Institutions | Joint projects, basin studies, new agreements | Establish OraseCom Secretariat, OraseCom IWRMP phase one, Maputo Basin Study, Lower Orange River Water sharing agreement, Impala to Sitilo (Swaziland) Water Supply Agreement, Kalahari East to Botswana Water Supply Agreement | Baseline Data Collection Lower Orange River Estuary, Real Time River Modelling Lower Orange River, FGEF OraseCom Projects, Pongolapoort Dam to Swaziland Water Supply Agreement, IIMA (TPTC) PCN1 (Shared Watercourse Institutions), establishment of LimCom Secretariat, Limpopo River Basin Study Scoping Phase | Environmental Flow Assessment Lower Orange River Estuary, OraseCom IWRM Plan phase two, GEF Studies for OraseCom, IIMA (TPTC) PCN 4 (Water Supply to Maputo) |

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|---|--|--|---|---|---|
| African and international co-operation (cont) | Improved multi-lateral and Bi-bilateral regional cooperation in Africa | Support to and participation in SADC, AMCOW, AU, NEPAD and Bilateral Cooperation in Africa | AMCOW incorporated into AU and NEPAD structures; revival of the Forestry Technical Committee; Finalise negotiations on Cross boarder forest fires; improved bi-laterals with Tanzania, Kenya, Algeria, Sudan and Rwanda; support to sub regional integration processes; involvement in AU sponsored water management processes; implementation of SADC Protocol on Forestry | Regional preparations for fifth WWF in Turkey 2009; involvement in AU sponsored water management processes; support to sub regional integration processes; - implementation of the Bilateral Agreements; implementation of the Cross Border Forests Fires Agreements; implementation of the SADC Protocol on Forestry | Regional preparation for the UN Millennium Development Review; involvement in AU sponsored water management processes; support to sub regional integration processes; monitoring and evaluation of Bilateral Agreements; - implementation of the Cross Border Forests Fire agreements; - monitoring and evaluation of the implementation of the SADC Protocol on Forestry |
| | To ensure multi-lateral cooperation at global level | International visits, meetings, statements, agreements, exchange of information with developing countries outside Africa | Implement Agreement with Cuba and China; finalise agreement with Sri-Lanka, Vietnam and Mexico; strengthen support to the Congo Basin Forest Partnership; pursue the India, Brazil and South Africa (IBSA) cooperation | Monitoring and evaluation of the Cuba, China, Sri Lanka, Vietnam and Mexico agreements; finalise the IBSA Cooperation Agreement; link the Congo Basin Forest Partnership with NEPAD | Monitoring and evaluation of the Cuba, China, Sri Lanka, Vietnam and Mexico agreements; establish IBSA task teams for implementation of cooperation agreement; link the Congo Basin Forest Partnership with NEPAD. |
| African and international co-operation | To ensure multi-lateral cooperation at global level(continued) | International visits, meetings, statements, agreements and exchange of information with developed countries | Agreement with Russia; Forestry Co-operation Agreement with New Zealand Improved participation in relevant UN bodies as well as in ANBO and WWC National report on UN CSD | Implementation of Russia and New Zealand agreements | Implementation of Russia and New Zealand agreements |

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|---------------|---------|--|---|---|---|
| | | Active participation in (CSD, World Water Forum, UNFF, COFO etc) | Attend UNFF negotiations; participate in the Petersburg Process, participate in the Stockholm Water Week; improved participation in ANBO, WWC, UNFF, etc.; negotiate the UN Forestry Instrument | Attend and actively participate in the Fifth WWF in Turkey; improved participation in ANBO, WWC, UNFF, etc.; negotiate the UN Forestry Instrument | Actively participate in the UN Millennium Development Review; participate in the Petersburg Process; participate in the Stockholm Water Week; improved participation in ANBO, WWC, UNFF, etc.; negotiate the UN Forestry Instrument |

6.2.6 Resource information – Water Resources Management

| Water Resource Management | | | | | | | |
|---------------------------|-----------------|---------|---------|------------------------|----------------------------------|---------|---------|
| Sub-programme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
| R thousand | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
| Equitable Supply | 236,580 | 205,450 | 132,746 | 138,531 | 156,589 | 172,506 | 259,689 |
| Sustainable Supply | 41,872 | 12,807 | 32,584 | 471,705 | 493,985 | 551,983 | 593,929 |
| Protection Policies | 12,471 | 38,339 | 34,310 | 31,912 | 40,371 | 44,248 | 46,870 |
| Protection Measures | - | 2,249 | 2,149 | 2,000 | 2,524 | 2,841 | 3,040 |
| Institutional Regulation | 535 | 9,905 | 12,300 | 26,560 | 29,473 | 32,471 | 34,370 |
| Institutional Development | 10,996 | 9,456 | 12,725 | 6,674 | 4,104 | 4,473 | 4,726 |
| Strategic Alignment | 69,890 | 89,604 | 95,115 | 153,765 | 140,056 | 163,486 | 182,014 |

| Water Resource Management | | | | | | | |
|---|-----------------|-----------|-----------|------------------------|----------------------------------|-----------|-----------|
| Sub-programme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
| Stakeholder Empowerment | 112,551 | 118,392 | 120,192 | 140,151 | 128,945 | 142,201 | 150,805 |
| African Co-operation | 7,572 | 5,484 | 10,626 | 12,099 | 13,505 | 22,450 | 12,499 |
| Water Resource Administration | 6,431 | 15,050 | 21,613 | 22,217 | 25,644 | 28,298 | 30,011 |
| Water Resource Support | 64,490 | 82,980 | 95,948 | 112,504 | 73,234 | 81,880 | 90,114 |
| Operations of Water Resources | 273,498 | 564,771 | 653,178 | 302,660 | 283,553 | 323,733 | 342,969 |
| Infrastructure Development and Rehabilitation | 279,322 | 321,777 | 283,307 | 816,489 | 1,038,049 | 1,650,622 | 2,562,724 |
| Total of sub-programmes | 1,116,208 | 1,476,264 | 1,506,793 | 2,237,267 | 2,430,032 | 3,221,192 | 4,313,760 |
| Change to 2006 Budget Estimate | | | | 58,081 | 13,741 | 259,561 | 1,127,045 |

6.3 PROGRAMME 3: WATER SERVICES

Measurable objective: Ensure provision of effective, efficient and sustainable basic services, bulk infrastructure by local government and delegated water services institutions.

The Water Services programme ensures access to effective, sustainable and affordable water and sanitation services, through policy development, planning, regulating and monitoring of the sector. This includes institutional and implementation support to local government.

There are 13 sub-programmes:

- Provisioning Policies ensures basic water supply and sanitation services for improved quality of life and poverty alleviation.
- Water and Sanitation Services supports the development of infrastructure for basic water supply and sanitation services at the regional level, for improved quality of life and poverty alleviation.
- Water Sector Policies provides a framework for the effective and sustainable delivery of water services to underpin economic and social development.
- Water Sector Support supports the delivery of sustainable water services at the regional level to underpin economic and social development.
- Institutional Policies supports effective water services institutions.
- Institutional Support provides support at the regional level for effective water services institutions.
- Transfer Policies guides the transfer of operation and maintenance functions and water services schemes for effective local operations and management.
- Transfer of Functions implements the transfer of water services schemes to water services institutions to ensure effective local level operation and management.
- Africa Initiative promotes the programme's activities to achieve UN millennium development and World Summit on Sustainable Development targets in Africa and to support NEPAD.
- African Participation promotes and supports policies to achieve the UN millennium development targets in Africa.

- Operations of Water Services ensures reliable and sustainable supply of water for basic use and economic development. (While this function is still with the Department, it is a temporary arrangement and will be phased out as the transfer programme is completed). The programme is funded with earmarked funds for conditional grants to local government.

6.3.2 The Strategic Framework for Water Services

The fundamental driver of the Strategic Framework for Water Services (SFWS: 2003) is the Constitution, which states that water service provision is a local government function. The SFWS provides a comprehensive summary of policy with respect to the water services sector in South Africa and sets out a strategic framework for its implementation in the short to medium term, including 19 specific outcome targets. The function of infrastructure implementation has already been transferred and water services scheme operation is in the final phases of being transferred to local government and/or appropriate water services institutions.

Due to the broadened definition of water services, which includes basic and higher levels of service as well as service quality, the Water Services Act is in the process of being revised and extended to ensure that appropriate legal mechanisms are in place to enable the sector to achieve its goals. In addition to these, strategies in support of the SFWS are being developed and implemented and include the institutional reform of water service provision as well as regulatory and sector support strategies.

Ensuring access to basic water supply and sanitation services remains a core priority for the Department and an extensive effort is being made to achieve the water and sanitation delivery targets in the SFWS. A key challenge in this regard is that the Department, although accountable for the success of meeting the water and sanitation targets, is in an indirect position in terms of funding and infrastructure provision. Other critical issues to be addressed are the required increased levels of funding, improvement of implementation capacity and associated decision-making processes and sustainable management in Water Services Authorities (WSAs). The current rate of delivery at local government level remains a concern to the Department. In view of the urgency of a greatly increased rate of service delivery, the Department is increasing its hands-on support to local government to ensure that the targets are met.

The Cabinet further approved that 0.75% of the GDP needs to be made available to the Water Services Sector towards the attainment of the 19 water services targets. The investment levels have not been forthcoming and the Department is working with the Department of Provincial and Local Government (DPLG), SALGA and municipalities to address the challenges of inadequate resources. Some of the capacity constraints within the municipalities are addressed through donor support in the implementation of the five-year Local Government Support Programme. Specific outcome targets are set out under the section on "Selected medium-term output targets". The Department has, however, intervened in a limited way to obtain grant support from the People's Republic of China with the view to provide materials to the municipalities for the provision of free basic water, targeting the poor without infrastructure. The limited equitable share available for the operation and maintenance will hamper the rollout of free basic sanitation.

6.3.3 Water Services and Sanitation

Since 1994 various Government policies and legislation relating to water service and the role of local government have been developed and implemented. The Strategic Framework for Water Services (SFWS) that was approved by Cabinet in 2003 provides a comprehensive summary of policy with respect to the water services sector in South Africa and sets out a strategic framework for its implementation over the next ten years. The changed role of the Department is defined in the SFWS as that of sector leader, of which the following four are core responsibilities: policy, support, regulation and information management. The function of infrastructure implementation and water services scheme operation previously performed by the Department was transferred to local government and/or other appropriate water services institutions in line with the Constitutional mandate in 2005.

Access to basic water supply and sanitation services remains a priority development area for South Africa. In the past year, the Department's role in supporting local government, particularly Project Consolidate and its proactive and active involvement in the Imbizos Programme was acknowledged in various forums throughout the country. Plans are in place to build on this foundation as it is through this support that local government can deliver on its mandate.

A lot of progress has been made with regard to the targets and the country has achieved the Millennium Development Goals (MDGs) of halving the backlog of access to basic sanitation and water by 2015. However, serious challenges lie ahead in terms of achieving the targets the country has set. During the last financial year 1.1 million additional people

received access to basic water and an additional 100 000 households received access to basic sanitation.

Of the 252 000 buckets identified, 140 000 buckets have been eliminated to date. Comprehensive plans are in place to deal with the remainder and with the tremendous support and collaboration received from leadership at all levels of Government, this target will be met.

The Department through the Social Cluster, submitted a Service Delivery Acceleration Plan to the Cabinet Lekgotla. The approval of this plan by Cabinet implies that the Department of Water Affairs and Forestry will in 2007 take a lead in ensuring that targets are met. This plan places a lot of emphasis on joint partnerships between National DPLG, SALGA, Department of National Treasury and municipalities, with the DWAF taking the lead in terms of providing strategic direction to accelerated service delivery. Other key strategic interventions are mobilisation of resources, both human and financial, the intensification of the current support initiatives and hands-on monitoring of delivery at local government level.

An amount of R950 million has also been made directly available to the Department to ensure access of water and sanitation services to schools and clinics. The DWAF will have to focus on ensuring that the December 2007 second target, ensuring access to water and sanitation services to all clinics in the country, is met. National Treasury further responded to the concerns of the Department on the state of bulk infrastructure in the country by allocating an amount of R1.4 billion over a three-year period to implement the regional bulk infrastructure programme.

The need to ensure sustainable and cost effective services by local government continues to be a challenge. In 2006, a strategy to guide institutional reform of water service provision was developed and will be presented to Cabinet by June 2007 for final approval.

The year 2006 saw an improvement in the provisioning of free basic water to communities. There is still a need to find more effective ways of supporting struggling municipalities where poverty levels are high. The Department is concerned about communities who are not benefiting from this service due to lack of infrastructure. As part of the service delivery acceleration plan, municipalities will be encouraged to look at creative means of providing interim services to unserved communities.

Water Services Medium-Term Output Targets

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|------------------------------------|---|--|--|---|--|
| Ensure provision of basic services | Basic sanitation and water services provided to all | Number of buckets eradicated in the formal settlements | 100% of buckets backlog eradicated in the formal established settlements by December 2007 | - | - |
| | | Number of clinics provided with water and sanitation services | 100% of clinics backlog eradicated by December 2007 | - | - |
| | | Number of people provided with basic sanitation services | 800 000 households provided with basic sanitation services | One million households provided with basic sanitation services | One million households provided with basic sanitation services |
| | | Number of households reached through health and hygiene education programme | 800 000 households reached through health and hygiene education programme | One million households reached through health and hygiene education programme | One million households reached through health and hygiene education programme |
| | | Number of schools provided with water and sanitation services | 5% of schools backlog eradicated | 100% of schools backlog eradicated | - |
| | | Percentage of total number of schools reached through education programme on water conservation, sanitation and forestry | 10% of total number of schools reached through education programme on water, conservation, sanitation and forestry | 20% of total number of schools reached through education programme on water, conservation, sanitation and, forestry | 30% of total number of schools reached through education programme on water, conservation, sanitation and forestry |
| | | Number of people provided with basic water services | 2.4 million people provided with basic water services | 4.8 million people provided with basic water services | - |

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|---|--|---|--|--|---|
| Ensure provision of basic services (cont) | Free basic water and sanitation services provided to those who have access to basic services | Number of people having access to free basic services | Free basic water provided to 50% of population with basic water services | Free basic water provided to 100% of population with basic water services WSA providing FBW to communities | - |
| Ensure provision of basic services(continued) | Local government support plan implemented | Improved basic service delivery by municipalities | Approved DWAF local government support plan aligned to DPLG five year plan | Review and ongoing implementation | Review and ongoing implementation |
| | Regional bulk infrastructure developed and maintained | Sustainable infrastructure | Approved policy and guidelines and piloted; work started on 40 projects | Complete 23 of the 40 projects | Complete 23 of the 40 projects |
| Drinking water quality management | Compliance of water service authorities with drinking water quality standards | Percentage of water services authorities complying with drinking water quality management standards | 100% of water services authorities submit reports to DWAF; support provided to needy municipalities | 100% of water services authorities submit reports to DWAF; support provided to needy municipalities | 100% of water services authorities submit reports to DWAF; support provided to needy municipalities |
| Water Sector policies and regulations | Legislation aligned to strategic services framework for water services | Water services legislations reviewed | Promulgation of revised Water Services Act Regulatory strategy developed. Institutional reform strategy developed. | Begin to implement new legislation; devise a plan to implement the two strategies | 100% Implementation of legislation and complete implementation of strategies |

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|---|---|--|---|---|---|
| Water Sector Support | Water sector institutions executing their legislative functions as stipulated in the Water Services Act | Percentage of water sector institutions operating effectively and improved performance | Improved performance by 25% of water sector institutions Sector support strategy and implementation plan developed and implemented | Improved performance by 50% of WSA and WSP | Improved performance by 50% of WSA and WSP |
| Water Sector Support | | | Intergovernmental relations act implemented Mobilise international support through Masibambane 3 | | |
| Transfer Policies and Transfer of Functions | Water schemes transferred | Number of schemes transferred and agreements in place | 317 schemes 57 agreements | Monitor compliance with conditions of transfer agreements | Monitor compliance with conditions of transfer agreements |
| | | Number of schemes that comply with standards | 70% of schemes complying with standards | 80% of all WS of schemes complying with standards | 100% of all WS of schemes complying with standards |
| Operations of Water Services | Reliable and sustainable supply of water provided for basic use and economic development | Percentage water supplied for basic use and economic development | 80% compliance | 100% compliance | - |
| Africa Initiative and Africa Participation | Support to water services programmes in Africa supported Sustainable Development targets | Participation in international forums | Participate in international conferences Host African Conference Provide support to NEPAD initiatives | Participate in international conferences Host youth conference | Participate in international conferences |

6.3.4 Resource information – Water Services

| Water Services | | | | | | | |
|---------------------------------------|------------------|------------------|------------------|------------------------|----------------------------------|------------------|------------------|
| Sub-programme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
| | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
| Provisioning Policies | 8,609 | 6,326 | 3,335 | 2,999 | 33,999 | 39,409 | 49,734 |
| Water and Sanitation Services | 1,021,882 | 282,746 | 200,450 | 18,132 | 394,497 | 647,440 | 979,180 |
| Water Sector Policies | 35,348 | 42,168 | 41,421 | 44,586 | 50,004 | 55,063 | 58,909 |
| Water Sector Support | 61,913 | 68,883 | 68,336 | 75,324 | 88,691 | 95,328 | 102,440 |
| Institutional Policies | 10,732 | 3,518 | 6,595 | 10,845 | 11,387 | 12,184 | 13,037 |
| Institutional Support | 47,270 | 49,113 | 44,994 | 46,264 | 47,705 | 51,614 | 55,561 |
| Transfer Policies | 224 | - | - | - | - | - | - |
| Transfer of Functions | 10,719 | 28,460 | 14,411 | 18,194 | 16,255 | 17,392 | 18,609 |
| Africa Initiative | 113 | - | 195 | 100 | 100 | 107 | 114 |
| African Participation | - | - | - | 300 | 803 | 859 | 919 |
| Water Services Administration | 5,212 | 5,977 | 7,867 | 10,183 | 10,711 | 11,162 | 11,914 |
| Water Services Support | 99,491 | 122,305 | 55,061 | 105,913 | 90,726 | 105,450 | 117,359 |
| Operations of Water Services | 1,089,929 | 951,863 | 1,068,333 | 1,132,125 | 1,168,782 | 1,383,142 | 1,119,815 |
| Total of sub-programmes | 2,391,442 | 1,561,359 | 1,510,998 | 1,464,966 | 1,913,660 | 2,419,150 | 2,527,591 |
| Change to 2006 Budget Estimate | | | | 2,715 | 369,557 | 646,831 | 620,567 |

6.4 PROGRAMME 4: FORESTRY

Measurable objective: To ensure the sustainable management of all forests, woodlands and plantations, and enhance the contribution of forest resources to social and economic development.

6.4.1 Sub-Programmes

There are 12 sub-programmes, which reflect the organisational restructuring that the Department has undergone:

Forestry Oversight develops policies to support sustainable forest management, oversees the sector and ensures that policy and law at all levels of Government are coherent. This includes international liaison on sustainable forest management and governance.

Forestry Governance supports sustainable forest management by monitoring forestry management and ensuring that there is sufficient capacity at a local level for the implementation of forestry legislation.

Forestry Development develops strategies and forest enterprise development programmes that support BBBEE and that enable communities to make use of tree and forest resources to improve their livelihoods. This includes international liaison, which promotes forestry development in South Africa, in the SADC region and on the African continent.

Community Empowerment supports the implementation of programmes that enable communities to participate in the benefits of forestry to generate economic growth and sustain livelihoods.

Fire Regulation and Oversight supports rural socio-economic development through developing systems and strategies for preventing, managing and monitoring veld and forest fires. It is an area of growing importance in the Department, as full-scale implementation of the Veld and Forest Fires Act needs to be achieved.

Fire Governance provides technical advice to, and support for, the organisation and operation of local institutions to prevent veld and forest fires and to achieve goal fire management in general.

State Forest Transfer and Regulation deals with the transfer and post-transfer administration and regulation, of state forests. It includes the management of delegations

and legal agreements on state forests and the collection and management of lease rentals.

State Forest Administration and Oversight implements and negotiates the transfer of state forests and monitors the post-transfer management of forests and relations with stakeholders.

State Forest Management deals with the sustainable development and management of state forests by the Department to optimise their social and economic and environmental benefits.

Sustainable Forest Management ensures the sustainable management of state forests to optimise social and economic benefits in rural areas and to ensure the participation of stakeholders.

Forestry Management and Support provides for efficient general administration and management support for the overall programme.

Forestry Support Services provides technical, financial and general administration support for regional forestry activities.

6.4.2 Selected Outcomes

The forestry programme promotes the sustainable use and protection of plantation and indigenous forests to achieve social and economic benefits and to promote rural development, through policy development, regulation, facilitation and monitoring and evaluation. The forestry sector has significant potential to contribute to rural development and job creation in some of the underdeveloped areas. DWAF has been working with other government departments to promote community-based afforestation in the Eastern Cape and KwaZulu-Natal. The expected outcomes include social and economic benefits through the completion and the implementation of the Broad-based Black Economic Empowerment Forestry Charter. The process of transforming the Forest Sector is in place with the development of the Transformation Charter for the Forest Sector. This sector has an annual turnover of R32 billion with a value adding contribution to the South African economy of some R14 billion (2006) and providing more than 170 000 jobs.

Because forestry plantations are situated largely in the rural areas, this fact provides the potential to bring jobs and income to poor rural communities. To date not more than 15% of the equity value is owned by black people, of which only a very small portion is in the hands of black women. The charter has been designed to change this, and in a way that

spurs on further growth and is value adding. The charter should create an economically enabling environment for the implementation of the Forestry Enterprise Development Programme. Rural livelihoods will be improved through forestry activities such as the expansion of the forest estate and economic benefits derived from timber and non-timber products.

In addition to the implementation of the Forestry Charter the Department will contribute to food security by ensuring that up to one million fruit trees will be planted. The planting will be done in collaboration with the Department of Agriculture, Department of Education and the Department of Local Government and Housing. Preference will be given to schools and households. The planting of fruit and other trees will contribute to mitigate climate change, whilst greening the landscape and ensuring that people do not live in hunger or fear of starvation. This is done cognisant of the fact that in some instances there is a direct relationship between food consumption levels and poverty. Tree planting will give food security to people - they will have access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life. Tree planting will also increase the output potential of the nursery industry, thus creating jobs and contributing to economic and social development. The project will inject more than R12 million into this industry excluding the cost of the trees required for planting.

The Forest Sector Growth Strategy provides for the afforestation of more than 100 000 hectares over the next ten years, mostly in the Eastern Cape and KwaZulu-Natal. This represents an investment in forestry in excess of R1.5 billion, with further substantial investments in downstream processing enterprises. The investment in forestry alone will benefit an estimated 120 000 households and contribute more than R150 million per annum to the economy of the provinces. It is important that, where applicable, provincial governments, district and local municipalities are to be supported to include forest enterprise developments in their Growth and Development Strategies, Integrated Development Plans and Local Economic Development plans respectively.

Sustainable management of forest resources and their regulation will lead to land proclaimed as 'no longer required for forestry activities' being transferred to other organs of the State. Such transfers will result in about 710 000 hectares of land being assigned for alternative land use purposes. KwaZulu-Natal and Eastern Cape citizens will benefit the most from this policy decision. This change in land use will contribute to the Government's Programme of Action of increasing infrastructure investment in rural areas.



FORESTRY MEDIUM-TERM OUTPUTS AND TARGETS

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|-----------------------------------|--|---|--|--|--|
| Forestry Oversight and Governance | Regulations published | Regulations in place for forest management and amended as necessary | Regulations gazetted, public comment taken and considered | Regulations approved | Regulation of forest management with amendments as necessary |
| | Policy for provision of financial support through the National Forests Act published | NFA Financial support policy approved by FFMC | Agreement with key stakeholders on need for fund | Fund established with appropriate management systems | First projects supported by fund |
| | | Approval of the Forestry Support Fund by Treasury | Treasury submission for the establishment of the Forestry Support Fund | Implementation of the Policy | Monitoring and assessment of the implemented policy |
| | A national forest monitoring system based on the criteria, indicators and standards | Sector performance against National Forest Plan determined by Criteria and Indicator (CI) reports | Sector complying with NFP objectives | Sector complying with NFP objectives | Critical review of the NFP objectives |
| | | Availability of annual State of Forest Sector report according to C+I framework | Regulations which compel the sector to report against CI framework published | Information gathered from sector and report published by November 2008 | Sector reporting against the CI |
| | A national certification system (NCS) developed | Use of NCS by main certification body | Draft minimum standards agreed by the sector | NFAC approval of NCS standards Publication and communication of NCI to certification bodies operating in South Africa | Implementation of the National Certification System |
| | National Forests Act Enforcement Strategy developed | FFMC approved strategy; decrease in number of recorded transgressions | Strategy review completed and communicated to clusters and other departments | Training of staff members in the regions and the prosecuting authorities and implementation of the strategy | Compliance with and enforcement of the strategy |

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|--|--|--|---|--|--|
| Forestry Oversight and Governance (cont) | A responsive national forestry curricula developed | Training institutions cooperation to the needs of the forestry sector | Input into curricula of all tertiary institutions offering forestry qualifications | Implementation of a responsive curriculum by training institutions and organisations | Implementation of a responsive curriculum by training institutions and organisations |
| | Cluster/provincial responsibilities in accordance with NFA enforcement implemented | Quarterly reports from clusters/provinces against the CI framework | All forestry regions reporting against the CI for sustainable forest management | All forestry regions reporting against the CI for sustainable forest management | All forestry regions reporting against the CI for sustainable forest management |
| | Cooperative partnerships managed to support Sustainable Forest Management | Established Forest Development Enterprises | Number of established viable enterprises that comply with Forestry BBBEE charter targets | Forest Sector compliance with the Forestry Charter | Forest Sector compliance with the Forestry Charter |
| | Forest monitoring system based on Forestry Information System developed | Updated annual forestry statistics against CIs for Sustainable Forest Management | Increase the functional capacity in the Knowledge and Strategic Information Unit | Information gathered from sector and publishing of reports | Information gathered from sector and publishing of reports |
| | | | Electronic web-based reporting portal developed to facilitate electronic reporting by majority of forestry sector | | |
| | 2008 State of forestry sector report compiled and published | 2005 and 2008 State of forestry sector report tabled in Parliament | Secure and store data currently with PSP for use in 2008 and future reporting | Manage project to produce 2008 State of forestry sector report | Submit draft 2008 State of forestry sector report to FFMC by July 2009 |
| | | | Produce Terms of Reference and appoint PSP to collate and analyse report | | 2008 State of forestry sector report published and tabled by Minister in Parliament before December 2009 |

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|--|---|--|---|---|--|
| Forestry Development and Community Empowerment | Policy Research Framework developed | A forestry sector research framework agreed by all stakeholders | Recommendations of PSP reviewed, adjusted and approved by FFMC and incorporated into the Forestry BBBEE Charter | Funding secured and institutional arrangements made for DWAF's contribution to implementation of the agreed Research and Development strategy | Implementation of the agreed Research and Development strategy |
| | Strategy to combat long-term timber supply implemented in consultation with the forest sector | A national forest plan which reflects strategy to deal with sustainability of supply of timber | Sustainable supply of timber | Sustainable supply of timber | Sustainable supply of timber |
| | Cooperation with SADC maintained | Regional collaboration on SFM studies | Ratification of SADC Forestry Protocol | Cooperation with SADC | Cooperation with SADC |
| | A defined South African strategy and position for participation in UNFF and AFLEG agreed upon | UNFF and AFLEG Resolutions on sustainable forestry management in Africa | Participation in UNFF and AFLEG processes | Participation in UNFF and AFLEG processes | Participation in UNFF and AFLEG processes |
| | Bi-lateral and multi-lateral agreements that support Sustainable Forest Management concluded | Technical exchange programme implemented | Explore bi-lateral agreement scope with India and Brazil | Sign bi-lateral agreements with India and Brazil on issues of mutual interest | Exchange visits and information sharing with like minded countries |
| | Afforestation plans implemented | Whole country strategic environmental assessments maps completed | Targets for current year new afforestation as defined in BBBEE Charter met | Targets for current year new afforestation as defined in BBBEE Charter met | Targets for current year new afforestation as defined in BBBEE Charter met |
| | Sector growth strategy completed and incorporated into National Forest Plan | Forestry BBBEE Charter Plan implemented | Institutions and resources as defined in BBBEE Charter in place | Institutions and resources as defined in BBBEE Charter in place | Institutions and resources as defined in BBBEE Charter in place |

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|---|---|---|--|--|--|
| Forestry Development and Community Empowerment (cont) | PGD, IDPs and LED plans and strategies revised and monitored | Provincial Development Plans and District Integrated Development Plans incorporating forestry | Forestry reflecting in relevant Provincial and local government planning documents | Engagement and support from all DWAF clusters to provincial and local government on implementation of forestry | Engagement and support from all DWAF clusters to provincial and local government on implementation of forestry |
| | Forest Enterprise Development Annual Status Reports compiled | Annual Status Reports on the Sector available | Annual forestry report against CI framework reflecting the extent of FED | Annual forestry report against CI framework reflecting the extent of FED | Annual forestry report against CI framework reflecting the extent of FED |
| | Compliance with the BBBEE Charter in conjunction with relevant Government departments Supported and monitored | Compliance with BBBEE Charter | Targets for equity in forestry as defined in the BBBEE Charter met | Targets for equity in forestry as defined in the BBBEE Charter met | Targets for equity in forestry as defined in the BBBEE Charter met |
| | Existing and potential economic opportunities on State forests developed to contribute to BBBEE | Number of opportunities taken up by communities and PDIs | At least one FED project initiated on every DWAF managed estate | At least one FED project initiated on every DWAF managed estate | At least one FED project initiated on every DWAF managed estate |
| | DWAF's Woodlands role implemented according to the DWAF policy | Extent of DWAF responsibilities executed according to policy | Staff and resources secured for implementation of woodlands strategy | Implementation of woodlands strategy | Implementation of woodlands strategy |
| | 2010 Greening and Trees for food programmes incorporated into the IDPs | Number of IDPs incorporating the greening programme livelihoods and urban forestry | Support to communities through partners for livelihood/greening projects | Support to communities through partners for livelihood/greening projects | Support to communities through partners for livelihood/greening projects |
| | SADC forestry potential study completed and integrated into SADC and NEPAD processes | SADC forestry potential study available | Report on forestry potential in SADC | Consultation of SADC member states and integration into the NEPAD processes | Implementation of viable projects with SADC member States (maximum of three) |

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|---|---|---|---|---|---|
| Fire governance, regulation and oversight | Capacitated FPAs in all high and extreme risk areas established and registered | Number of registered FPAs in all high fire risk areas that report to DWAF | FPAs established in high risk areas | FPAs established in high risk areas | FPAs established in medium risk areas |
| | National Veldfire Information System implemented effectively and efficiently | National Veldfire Information System Operational | All inefficiencies with system addressed | Implement NVFIS and report on number of fires and extend annually | Implement NVFIS and report on number of fires and extend annually |
| | National Fire Danger Rating System fully established and rolled out | National Fire Danger Rating System Operational | Implement NFDRS and improve system compatibility MoU signed with United States Forestry Services on cooperation on NFDRS | Review NFDRS and address any inefficiencies Implement MoU with United States Forestry Services | Improve NFDRS Implement MoU with United States Forestry Services |
| | Cooperative Government partnerships managed to ensure the implementation of NVFFA | Memorandum of Understanding (MoU) with DPLG MoU with SAWS (MoU signed with SAWS already) | Compliance with provision of MoUs | Review MoU with SAWS | Implement MoU with SAWS and DPLG |
| | Negotiated management of cross-border fires completed | MoUs on cross-border fires | MoU with Lesotho, Mozambique and Swaziland signed | MoU Botswana and Namibia signed | MoU Zimbabwe signed |
| | Communication and awareness strategy on NVFFA implemented | Number of fire campaigns implemented | Communication campaigns implemented in all high risk fire areas | Communication campaign rolled out nationally | Communication campaign rolled out nationally |

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|---|--|---|--|---|---|
| State forest transfer, regulation, administration, oversight and management | Plantation packages transferred to communities and forestry enterprises according to approved transfer plan | Number of opportunities taken up by communities and PDIs in State plantation forest | Audit of Category A transfers Transfer of Manzengwenya and Mbazwana | Complete the report on the audit of Category A transfers Transfer of refurbished estates | Transfer of refurbished estates |
| | The management responsibility of DWAF's remaining indigenous forests transferred to new Agencies according to approved transfer plan | Delegation or assignment agreements in place with relevant agents | Transfer of Mpumalanga, KwaZulu-Natal, Eastern Cape and Southern Cape forests completed | Transfer of Limpopo forests completed | - |
| | Management of State natural forest managed by provinces monitored | Audited monitoring reports | Annual audits conducted in all four provinces in which delegations or assignments exist All leased areas managed in terms of agreements | Annual audits conducted in all four provinces in which delegations or assignments exist All leased areas managed in terms of agreement | Annual audits conducted in all four provinces in which delegations or assignments exist All leased areas managed in terms of agreement |
| | Support provided to new management agencies implemented | Degree to which all relevant indicators and measures are being met by new management agencies | Financial and technical support provided to all transfer beneficiaries | Financial and technical support provided to all transfer beneficiaries | Financial and technical support provided to all transfer beneficiaries |
| | payments of lease rentals to land beneficiaries paid timeously | Distribution of rentals to beneficiaries in terms of agreed service standards | Agreement reached with DLA on resolution of land beneficiaries uncertainty | Payment of rentals to land claim beneficiaries | Payment of lease rentals to land claim beneficiaries and finalising land tenure reform beneficiaries |
| Sustainable Forest Management and Forestry Support Services | Category B and C state owned plantations management programme implemented | Audited Progress Reports against CI framework approved by FFMC | Management of state plantations using the CIs Targets as defined in annual plans of operations met | Management of state plantations using the CIs Targets as defined in annual plans of operations met | Management of state plantations using the CIs Targets as defined in annual plans of operations met |

| SUB-PROGRAMME | OUTPUTS | MEASURES | 2007/08 TARGETS | 2008/09 TARGETS | 2009/10 TARGETS |
|--|---|---|---|---|---|
| Fire governance, regulation and oversight (cont) | TUP in state owned plantations decreased | Decreasing scale of TUP | 20% decrease in temporary unplanted areas | 40% decrease in temporary unplanted areas | 60% decrease in temporary unplanted areas |
| | Fire damage to the state forest estate decreased | Number of hectares damaged | Maintain fire damage to state forest estate to less than 1% per annum | Maintain fire damage to state forest estate to less than 1% per annum | Maintain fire damage to state forest estate to less than 1% per annum |
| | State natural forest managed according to CIs | Number of CI audit queries addressed within agreed time periods | Implementation of Standard Operating Practices in natural forests | Implementation of Standard Operating Practices in natural forests | Implementation of Standard Operating Practices in natural forests |
| | DWAF's Protected Area System Plan Implemented | Number of hectares of forest type in formally protected areas | Sustainable management of the remaining indigenous forests | Sustainable management of the remaining indigenous forests | Sustainable management of the remaining indigenous forests |
| | Consumptive use of forest indigenous resources Promoted | Number of licenses or permits issued for consumptive use | State forests managed to optimise consumptive use | State forests managed to optimise consumptive use | State forests managed to optimise consumptive use |

6.4.3 Resource Allocation - Forestry

| FORESTRY | | | | | | | |
|---|-----------------|---------|---------|------------------------|----------------------------------|---------|---------|
| Sub-programme | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
| | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
| Forestry Oversight | 5,779 | 13,927 | 12,502 | 16,258 | 59,300 | 20,200 | 21,347 |
| Forestry Governance | 1,900 | 1,953 | 295 | 2,397 | 2,207 | 2,313 | 2,437 |
| Forestry Development | 308 | 658 | 768 | 10,153 | 10,770 | 11,000 | 11,591 |
| Community Empowerment | 17,142 | 21,968 | 26,052 | 21,855 | 22,892 | 23,991 | 25,279 |
| Fire Regulation and Oversight | 350 | 560 | 350 | 4,591 | 3,200 | 3,450 | 3,635 |
| Fire Governance | 935 | 1,005 | 1,376 | 2,537 | 2,301 | 2,412 | 2,542 |
| State Forest Transfer and Regulation | 980 | 1,080 | 269 | 6,973 | 8,670 | 9,100 | 9,589 |
| State Forest Administration and Oversight | 19,014 | 20,271 | 69,886 | 23,293 | 24,720 | 25,907 | 27,298 |
| State Forest management | 2,226 | 2,010 | 1,170 | 2,113 | 2,240 | 2,357 | 2,484 |
| Sustainable Forest Management | 312,568 | 321,723 | 268,764 | 317,081 | 291,421 | 304,939 | 321,314 |
| Forestry management and Support | 1,813 | 1,972 | 8,539 | 3,244 | 1,782 | 1,900 | 2,002 |
| Forestry Support Services | 48,592 | 79,502 | 30,948 | 37,905 | 31,042 | 32,689 | 34,444 |
| | | | | | | | |
| Total of sub-programmes | 411,607 | 466,629 | 420,919 | 448,400 | 460,545 | 440,258 | 463,962 |
| Change to 2006 Budget Estimate | | | | 50,000 | | - | (9,756) |

7 SUMMARY OF RESOURCE INFORMATION

| TOTAL OF SUB-PROGRAMME | | | | | | | |
|----------------------------|-----------------|-----------|-----------|------------------------|----------------------------------|-----------|-----------|
| R thousand | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
| | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
| Administration | 332,205 | 353,425 | 365,255 | 509,670 | 502,110 | 524,384 | 565,995 |
| Water Resource Management | 1,116,208 | 1,476,264 | 1,506,793 | 2,237,268 | 2,430,032 | 3,221,192 | 4,313,760 |
| Water Services | 2,391,442 | 1,561,359 | 1,510,998 | 1,464,966 | 1,913,660 | 2,419,150 | 2,527,591 |
| Forestry | 411,607 | 466,629 | 420,919 | 448,400 | 460,545 | 440,258 | 463,962 |
| Total Resource Information | 4,251,462 | 3,857,677 | 4,534,475 | 4,660,304 | 5,306,347 | 6,604,948 | 7,871,308 |

Infrastructure spending

The growth in expenditure over the 2007 MTEF is influenced by the additional allocations for VAT adjustments, the Olifants River Water Development Project (De Hoop Dam and related bulk distribution infrastructure), the Dam Safety Rehabilitation programme and the initial financing of the National Water Resource Infrastructure.

For the Olifants River Water Resources Development Project the funds for implementation of the De Hoop Dam will be fully provided for in the budget. For subsequent components, a portion of the funding will be provided from the financial markets in accordance with cost-responsibility attributable to commercial users. A similar arrangement will be made for the Mokolo River Water Resources Augmentation Project for which an estimated 75% of the estimated total cost of R1 900 million is attributable to commercial users. Funds to complete bulk Rural Water Supply works, including Inyaka Water Treatment Works, Nandoni Water Treatment Works and the Hluhluwe Scheme, are to be fully provided from the Exchequer account. Also the funding requirements for new dams such as the Nwamitwa Dam, Mzimkulu Off-channel Storage Dam and the Zalu Dam, mostly intended to improve water supply to social users, is fully provided for in the budget. Funding for rehabilitation work on dams to ensure safety will continue throughout the period.

During the period, expenditure of off-budget funding for the implementation of the Berg Water Project and the Vaal Eastern Sub-system Augmentation Project (VRESAP or Vaal pipeline) will be completed by the Trans-Caledon Tunnel Authority as implementing agent.

National Treasury has approved and allocated special funding amounting to R1.4 billion for bulk water services infrastructure.

The MTEF allocations are as follows:

- 2007/2008: R300 million
- 2008/2009: R450 million
- 2009/2010: R650 million

| INFRASTRUCTURE | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|
| SUMMARY | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Mega projects | 8,400 | 83,149 | 160,048 | 518,143 | 640,000 | 1,250,000 | 1,231,000 |
| Large projects | 431,479 | 168,503 | 156,897 | 96,456 | 142,800 | 408,100 | 706,700 |
| Small projects | 13,362 | 14,842 | 16,880 | 54,430 | 18,221 | 66,210 | 29,255 |
| TOTAL | R453,241 | R266,494 | R333,825 | R669,029 | R801,021 | R1,724,310 | R1,966,955 |

| INFRASTRUCTURE | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|--|----------------|----------------|-----------------|-----------------|------------------|--------------------|--------------------|
| MEGA PROJECTS | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Nandoni Water Treatment Works and Distribution | 4,000 | 59,674 | 102,515 | 68,143 | 40,000 | 10,000 | 1,000 |
| ORWRDP Phase 2A- De Hoop Dam | | | 32,303 | 300,000 | 200,000 | 550,000 | |
| ORWRDP Phase 2B- G - Social components | | | | | 50,000 | 250,000 | 600,000 |
| Nwamitwa Dam | | | | | | 90,000 | 280,000 |
| Dam Safety | 4,400 | 23,475 | 25,230 | 150,000 | 350,000 | 350,000 | 350,000 |
| SUBTOTAL | R8,400 | R83,149 | R160,048 | R518,143 | R 640,000 | R 1,250,000 | R 1,231,000 |

| INFRASTRUCTURE | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|---|-----------------|-----------------|-----------------|----------------|------------------|-----------------|------------------|
| LARGE PROJECTS | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Nandoni Dam | 135,861 | 83,548 | 26,080 | 5,000 | 2,000 | | |
| Inyaka Pump-station | 5,874 | 9,300 | 2,100 | 50 | | | |
| Inyaka WTW Phase 11 | | | 24,000 | 46,406 | 33,600 | 48,100 | 34,100 |
| Hluhluwe Phase 111 | | | 27,500 | 28,500 | 28,500 | 30,500 | 33,000 |
| Xikundu | 30,620 | 23,145 | 3,000 | 2,500 | | | |
| Banhoek Weir | | | 10,000 | 14,000 | 20,700 | 18,500 | 19,600 |
| Zalu Dam | | | | | | 17,000 | 29,000 |
| Clan William Dam Raising | | | | | 38,000 | 100,000 | 75,000 |
| Mokolo River Water Resources Augmentation | | | | | | 96,000 | 380,000 |
| Implementation Of Water Services Projects | 291,124 | 52,510 | 64,217 | | | | |
| Mzimkulu River Off-Channel Storage | | | | | | 68,000 | 136,000 |
| Hazelmere Dam Raising | | | | | 20,000 | 30,000 | |
| SUBTOTAL | R463,479 | R168,503 | R156,897 | R96,456 | R 142,800 | R408,100 | R 706,700 |

| INFRASTRUCTURE | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| SMALL PROJECTS | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Various | 13,362 | 14,842 | 16,880 | 54,430 | 18,221 | 66,210 | 29,255 |
| SUBTOTAL | R13,362 | R14,842 | R16,880 | R54,430 | R18,221 | R66,210 | R29,255 |

Expenditure on Science and Technology projects:

| | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| STS | 43,393 | 45,677 | 48,081 | 50,612 | 54,000 | 57,421 | 60,292 |
| STET | 1,422 | 1,496 | 1,575 | 1,658 | 1,924 | 1,791 | 1,881 |
| STI | 9,501 | 10,004 | 10,531 | 11,085 | 12,018 | 39,117 | 41,073 |
| STAs Total | R 54,316 | R 57,177 | R 60,187 | R 63,355 | R 67,942 | R 98,329 | R 103,246 |

Science and Technology Activities in the Department

The Water Research Commission, which is funded by water levies, undertakes the major Science and Technology activities for the State water sector and commissions research into a wide range of fields in the water sector. The Water Research Commission also ensures the development of young science and technology professionals through ensuring their active participation in research. Further to this, the Department contributes to the development of science and technology in a number of ways, including providing bursaries and in-service training in science and technology fields; commissioning research such as surveys of groundwater availability, surface water quality, yield analyses, impact of invasive alien plants on water availability; monitoring and evaluation of water quality and quantity; generation of standards for drinking-water quality, for effluent discharge and for resource quality and development of new methodologies such as for determining the ecological reserve requirements of water resources.

In relation to forestry, the Department has recognised that research is significantly under-funded and that the budget for research must grow in future. The development of science and technology in the forest sector is particularly important to enable the sector to meet the growth needs of the economy and to support transformation under the Forest Sector Charter.

The Department works in conjunction with the forestry sector on various research issues. One of the key issues to which the Department is contributing currently is research into the control and management of the Sirex wasp, which is threatening the sustainability of the forestry industry. The Department has also developed criteria and indicators for Sustainable Forest Management, which are being applied in state forests and which set the standards for determining the sustainability of forest management. Further innovations include the development of a forest information system and a fire danger rating system.

8 LINKAGES

8.1 Interdepartmental Linkages

The Department also expends significant effort in liaising with other departments in all spheres of Government, to enhance integrated planning and implementation with all relevant sectors. The principal relationships at national level are as follows:

- The Departments of Agriculture, Environmental Affairs and Tourism, Social Development Labour, Defence, and Education in relation to alien vegetation clearing activities,
- The Departments of Public Service and Administration and National Treasury on corporate (human resources and financial) issues,
- The Departments of Labour, Social Development, Agriculture and Public Works in respect of activities related to poverty reduction and job creation,
- The Departments of Public Enterprises, and Land Affairs in respect of the restructuring of commercial forestry,
- The Department of Environmental Affairs and Tourism in respect of environmental issues, including activities related to water quality management and management of indigenous forests,
- The Departments of Trade and Industry and Agriculture in respect of development issues, particularly Spatial Development Initiatives, and
- The Departments of Provincial and Local Government, Health, Environmental Affairs and Tourism, and Education in respect of water services (water supply and sanitation) issues. These departments, together with DWAF, constitute the national Sanitation Task Team.
- The Department continues to maintain wide-ranging cooperation and interaction with Provincial and Local Governments, particularly in those areas of activity in which constitutional legislative competence is enjoyed by these spheres of Government.
- The Department is taking part in the Governance and Administration cluster, Social cluster and Economic, Investment and Employment cluster and reports quarterly on the progress made regarding the set priorities of Government. It is through these clusters that the Department also cooperates with other departments, which are also involved in working towards the achievement of Government priorities.

8.2 Local government

The Department has links with the local government regarding water supply and sanitation targets. This link is important in that the Department has to ensure that the nationally set targets are met while municipalities have to implement the plans drawn towards meeting the targets. The Department will continue to interface with local government regarding the water and sanitation targets through Masibambane and other forums to ensure that targets are met.



PART C: APPENDICES

Appendix 1

1 SERVICE DELIVERY IMPROVEMENT PROGRAMME FOR 2007/08

The Department of Water Affairs and Forestry is the custodian of South Africa's water and forestry resources. As a sector leader, the Department through this Service Delivery Improvement Plan commits itself to achieve its constitutional obligations towards the people of South Africa through:

- the formulation and implementation of policies governing the sectors of water and forestry,
- ensuring that all South Africans have access to clean potable water and sanitation,
- promoting sustainable, effective and efficient water resources management to ensure sustainable economic and social development, and
- promoting the sustainable management of the country's natural forest resources and commercial forestry for socio-economic benefits.

Through this Service Delivery Improvement Plan DWAF pledges to:

- aim for excellence in the delivery of services,
- provide high quality and sustainable services that meet with accepted norms and standards,
- respond to requests within specified time frames, and
- annually review and improve service delivery processes that will influence the quality of services.

BATHO PELE COMMITMENT

Response to letters and telephone calls pledge:

- answer 95% of calls to the Department within five rings,
- activate 100% of all staff voicemail facilities when unable to answer the call,

- reply to 80% of complaints or queries done via e-mail and voicemails within 48 hours,
- send letters of acknowledgement for complaints or queries done in writing within five working days from the day of receipt in 80% of cases, and
- send a progress report within 30 working days with full contact details of the person handling the matter.

Keeping appointments

- If any employee of the Department makes an appointment with a customer, the Department of Water Affairs and Forestry guarantees that the employee will keep the appointment at a mutually agreed time unless exceptional circumstances arise.

Payment of invoices

- Pay 90% of all invoices within 30 working days on receipt of correct completed invoices

Guaranteed service standards on DWAF major services

DWAF commits to deliver the following services as per this Service Delivery Improvement Plan

| KEY SERVICES | SERVICE BENEFICIARIES | STANDARDS | Mechanisms to remove barriers to increased access to services | Methods for provision of information regarding services | Complaints mechanism (where relevant) |
|---|---|---|---|--|---|
| Support to municipalities in case of water related emergency situations | Local government SALGA DPLG Public | Respond to 90% of all requests for advice and/or support to municipalities in dealing with emergency incidents related to water supply and sanitation within 24 hours | Overall support to municipalities coordinated through municipal support plans, hands-on support provided in the form of Provincial Support Teams, Technical Assistance Contracts, Project Consolidate Coordinators, tools and guidelines | Ministerial Izimbizo, national toll-free line, Masibambane web-site, national and provincial level monthly-quarterly publications, MIG monthly briefings, pamphlets, awareness campaigns, councillor training programmes | National toll-free line, Izimbizo, water summits, regional one-stop shops, Provincial and District Water Sector Forums and letters to the Department. |
| Access to dams for recreational purposes | Public | Ensure equitable access to state dams for recreational purposes taking into account safety requirements and zoning of dams for specific activities | Recreational Water Use Regulations developed to facilitate public participation in compilation of Resource Management Plans (RMPs) to ensure equitable access to state dams Developed a Memorandum of Agreement with Swimming South Africa to support awareness campaign to public for safe and equitable access to state dams | Recreational Water Use (RWU) manual on DWAF internet website | |
| Access to state forests | Public | Ensure approval or refusal of forestry permits for activities in state forests within 30 days of receiving completed application | Website populated with RDM related information Posters, brochures and toolkit developed and training given to regional office staff. | Awareness raising through pamphlets, brochures and leaflets, information sessions, workshops and radio talks | NFAC advice given to the Minister acted upon Ministerial enquiries responded to, acted upon Complaints boxes in regions |

| KEY SERVICES | SERVICE BENEFICIARIES | STANDARDS | Mechanisms to remove barriers to increased access to services | Methods for provision of information regarding services | Complaints mechanism (where relevant) |
|--|--|--|--|---|--|
| Sale of timber | Public Forestry Enterprises | Ensure fair and transparent procedures for the sale of timber from state forests in support of BBBEE | Speedy adjudication of timber sales tenders | Advertising of tenders in the Government Gazette, newspapers as well as local distribution. Transparency of tendered prices | Call centre and letters |
| Issuing licenses: Water | Farmers, mines, forestry, municipalities, water boards and industries. | Accept or decline 70% of water use licence applications within six months from date of receipt of a correct and completed application: Inform applicants within one month of receiving licence application if further information is required | Streamline the process of water use authorisation through assigning internal responsibilities and timeframes for assessment, coupled to a tracking system. Developing user-friendly licence assessment guidelines and building internal capacity. Developing external licence application information guidelines | Make water use licence application guidelines available to applicants through regional offices. Prompt responses to queries relating to processing of licence applications | Water Tribunal |
| Emergency intervention: Fire water pollution incidents | Local Government Public | Support emergency fire fighting through the Working on Fire Campaign. Take action within 24 hours from being notified of significant water pollution incidents. | DWAF membership of aerial fire fighting associations in some provinces. Fire prevention and suppression measures taken up in fire-plans | Fire-plans are transparent documents | - |
| Provision of raw water | Water users | Provide raw water at agreed level of assurance | Posters, brochures and toolkit developed and training given to regional office staff | | Cases referred by affected parties to the Water Tribunal and adjudicated by the Tribunal |

| KEY SERVICES | SERVICE BENEFICIARIES | STANDARDS | Mechanisms to remove barriers to increased access to services | Methods for provision of information regarding services | Complaints mechanism (where relevant) |
|---|-----------------------|---|---|---|---------------------------------------|
| Support grants/subsidy to resource poor farmers | HDI farmers | <p>Provide financial assistance on request by resource poor farmers if funds are available for:</p> <ul style="list-style-type: none"> grants for capital cost for construction and/or upgrading of irrigation schemes subsidies on operation and maintenance of waterworks and water resource management subsidies/grants for acquiring water allocations for irrigation; viability studies and investigations on irrigation schemes; training of management committees of Water User Associations or other approved legal entities; rain-water tanks for family food production and other productive uses | The regulations to support resource poor farmers have been drafted and require the approval of the Director General prior to publishing for comments. Once comments are received they will be considered and forwarded to Parliament for final approval | The service provided will be marketed via the regional offices and the Coordinating Council for Agricultural Water. WUA and CMAs will also be used to market the grant offered. | |

Appendix 2

2 ASSET MANAGEMENT STRATEGY

An Asset Management Strategy that was developed in March 2006 is being implemented to comply with all of the National Treasury's requirements and GAAP and re-valuate all of the Department's fixed assets.

A Project Charter has also been approved for the Enterprise Wide Asset Management. The goal is to implement formal asset management throughout the Department by December 2007. The objectives of the project are to:

- compile a comprehensive and accurate asset management system; enable the Department to use the system as a decision support mechanism; provide a basis from which the assets will be managed optimally over its entire lifespan; provide a basis from which the cost of ownership can be determined; support the sustainability of current and new schemes and form an accurate basis from which raw water price determination can be done.



Appendix 3

3 CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLANS

3.1 SUMMARY OF PAYMENTS FOR CAPITAL ASSETS

| Summary of Payments for Capital Assets | | | | | | | |
|--|-----------------|---------|---------|------------------------|----------------------------------|---------|---------|
| Payments for Capital Assets | | | | Adjusted appropriation | Medium-term expenditure estimate | | |
| R thousand | Audited outcome | | | | 2006/07 | 2007/08 | 2008/09 |
| | 2003/04 | 2004/05 | 2005/06 | | | | |
| Buildings and other fixed structures | 372,790 | 344,174 | 381,115 | 139,899 | 23,625 | 133,298 | 137,129 |
| Buildings | - | 1,452 | 5,178 | 2,957 | 3,190 | 3,342 | 3,532 |
| Other fixed structures | 372,790 | 342,722 | 375,937 | 136,942 | 20,435 | 129,956 | 133,597 |
| Machinery and Equipment | 33,812 | 49,454 | 35,363 | 107,486 | 74,352 | 79,024 | 83,696 |
| Transport Equipment | - | - | - | - | - | - | - |
| Other Machinery and Equipment | 33,812 | 49,454 | 35,363 | 107,486 | 74,352 | 79,024 | 83,696 |
| Cultivated assets | - | 90 | 30 | - | - | - | - |
| Software and other intangible assets | - | 11,340 | 13,463 | 7,612 | 2,499 | 2,985 | 3,142 |
| Land and subsoil | 1,231 | - | - | - | - | - | - |
| Total payments for capital assets | 407,833 | 405,058 | 429,971 | 254,997 | 100,476 | 215,307 | 223,967 |

Appendix 4

4 INFORMATION TECHNOLOGY ACQUISITION PLAN

| TASK AREA | ACQUISITION | EXPECTED OUTCOME | ESTIMATED COST (VAT EXCLUDED) 2007 |
|----------------------------------|---|--|---|
| IT Operations and Infrastructure | Overall IT support in IT applications, operations and infrastructure support through renewal of Arivia contract Three to six months of hand over from Arivia to new outsourcing partner(s) | Managing IT support during the handover period | R154 million per annum: increase target date March 2008 R35 million (funding expected from business and CFO) |
| IT Operations and Infrastructure | IT Security Infrastructure Security Audit Trail, additional disk space and tracing software | Increase system availability for all applications and network environment. Ensure that security vulnerabilities and threats in the environment are eliminated and information and data protection is high. | R2 million R1.3 million |
| IT finance and administration | Asset Management System | End to end management of assets and total cost of ownership | R1.5 million |
| IT Operations and infrastructure | Business Continuity Management and disaster recovery strategy for the enterprise | Implementation of disaster recovery and business continuity for class A and B to increase system availability and ensure business continuity in an event of a disaster | R2.7 million |
| IT Operations and infrastructure | System Monitoring Tools for applications, databases, operating systems and networks | Increase availability of systems and applications through proactive monitoring of servers | R2.4 million |
| IT Operations and infrastructure | Access control systems, unlimited power supplies, air conditioning and cleaning up of cabling | Increase availability of systems and security where there is critical computer equipment and IT facilities (such as head office server rooms and regional server rooms) | R2.2 million |

| TASK AREA | ACQUISITION | EXPECTED OUTCOME | ESTIMATED COST (VAT EXCLUDED) 2007 |
|--|--|--|------------------------------------|
| IT Operations | Implementation of best practices and monitoring | Ensure the environment is compliant with legislation and IT standards and enforce proper management and usage of IT assets | R230 000 |
| IT Operations | Server optimisation | Consolidation and replacement of servers and backups to enable a centralised environment that will make support efficient and increase availability of application and systems | R2.3 million |
| IT Operations and infrastructure | Local Area Network (LAN) Assessment | Identify and implement LAN requirements both in head office and regions to increase access to all systems on the network. This will increase availability and reliability | R650 000 |
| | LAN Upgrade and implementation of recommendations | | R1.2 million |
| Customer Relationship Management, IT Operations and Infrastructure | Service Desk tools and telephony infrastructure (such as. PABX that can be integrated to the service desk tools) | Improve customer support and management of incidents and problems more effectively through a DWAF centralised service desk | R4 million |