

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.

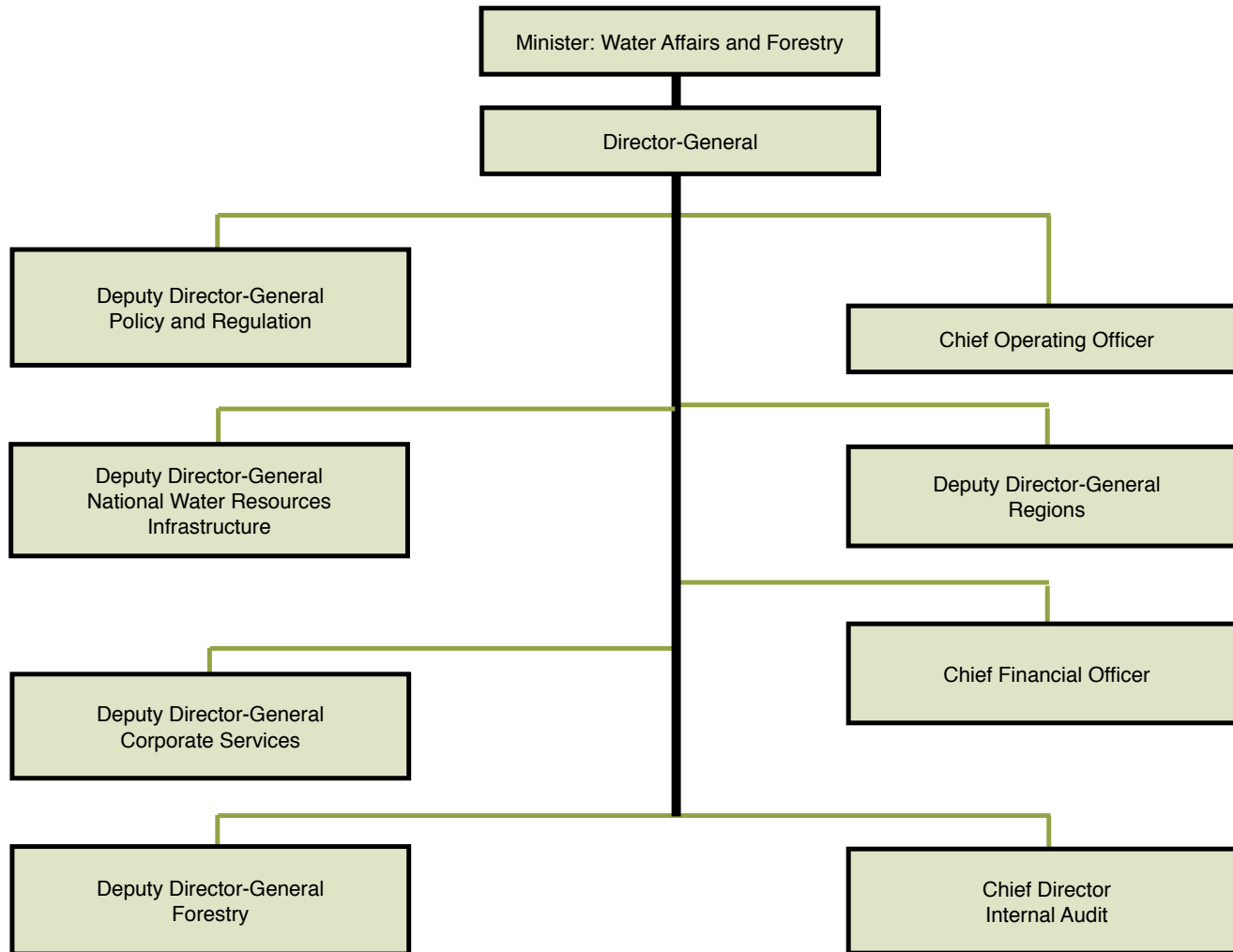
1.4 LEGISLATIVE MANDATE

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



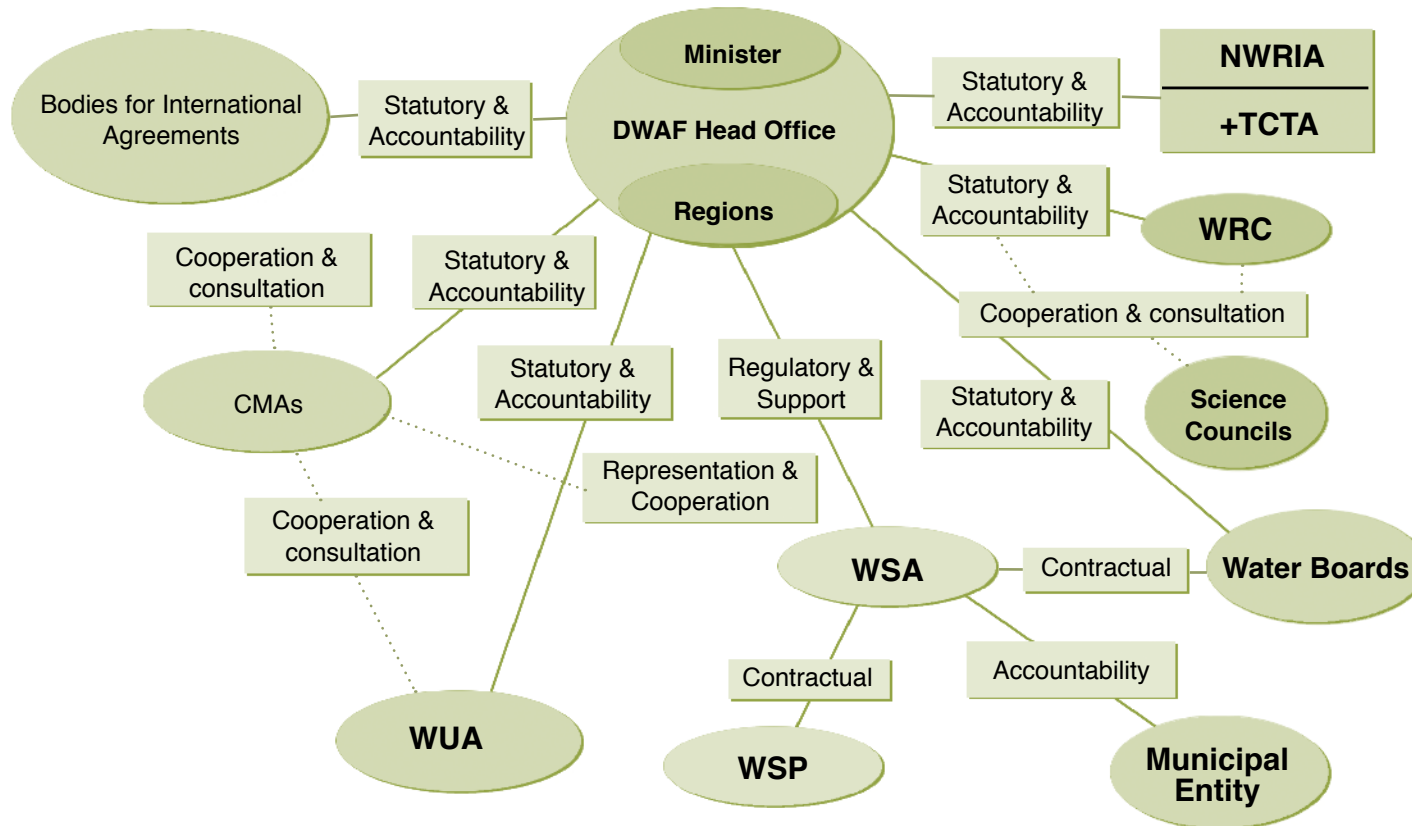
3 SECTORAL OVERVIEW

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

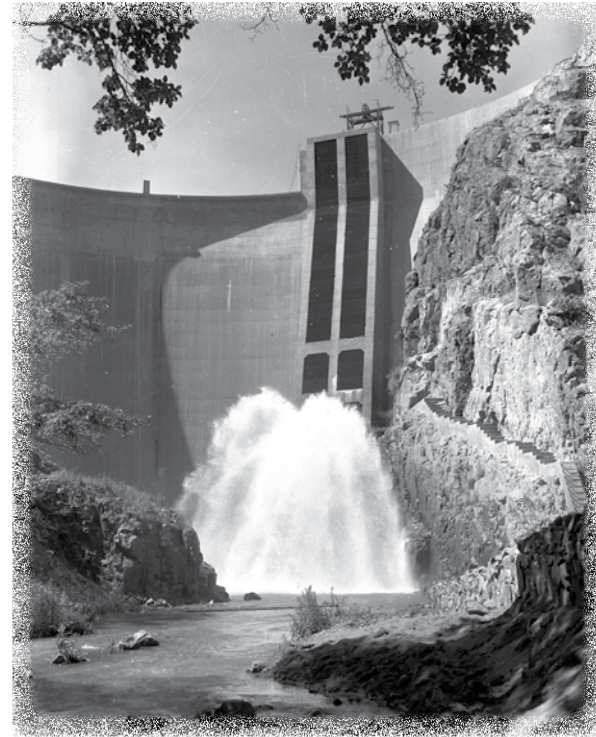
The respective roles and responsibilities of the role players are set out in various policies and legislation, and include the following:

- **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.

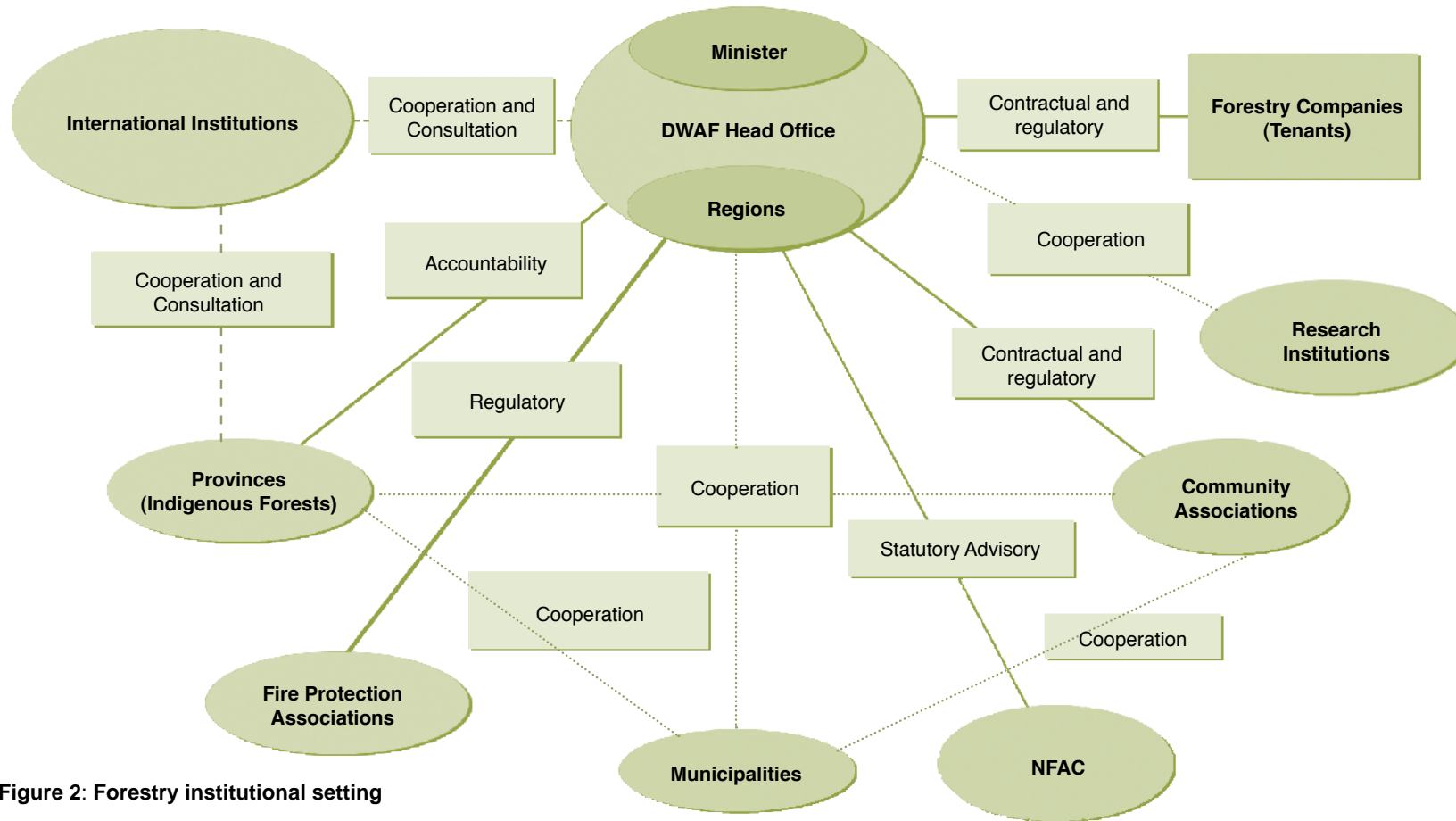


Figure 2: Forestry institutional setting

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.