



**DEPARTMENT OF WATER AFFAIRS  
3rd NATIONAL STEERING COMMITTEE MEETING FOR THE  
ESTABLISHMENT OF CATCHMENT MANAGEMENT AGENCIES (CMAs)**

**Date:** 31 May 2013  
**Time:** 09:00 to 14:15  
**Venue:** Emperors Palace Conference Centre

**1. OPENING**

**1.1 Welcome and opening remarks**

*Ms Mohapi and Ms Sigwaza co-chaired the meeting on behalf of Mr Nephumbada, and welcomed everyone to the meeting.*

*Ms Sigwaza informed the meeting that the Minister of Water Affairs had approved the business cases and signed the Government Gazette notices concerning the public consultation process for the establishment of the Breede-Gauritz and the Inkomati-Usuthu CMAs. This was a significant achievement towards the future of CMA establishment and Water Resource Management (WRM) in South Africa. She thanked the CMA establishment project team for their hard work in reaching this important milestone of the project.*

**1.2 Apologies**

*The apologies were recorded.*

**1.3 Approval of the Agenda**

*The agenda was approved with the reversed sequence of items 4 and 5.*

**2. REVIEW OF THE MINUTES OF THE PREVIOUS MEETING**

**2.1 Adoption of minutes**

*The minutes of the meeting of 8 February 2013 were approved with the following corrections:*

- *Item 4 page 2: "...given time constitute...." should read, ".... given time to constitute....".*
- *Item 5 page 4: "Legal Services had been requested provide...." should read, "Legal Services had been requested to provide..."*
- *Item 6.1 page 5: "...Usuthu WMA..." should read, "...Usuthu catchment..."*
- *Item 6.2 page 6: "...or merge of CMAs..." should read, "...or merger of CMAs..."*
- *Item 6.3 page 7: Ms Lucy 'Kube' should read Ms Lucy 'Kobe'*
- *'Johan van Aswegen' should read 'Johann van Aswegen' throughout the minutes.*
- *'Bryan Jackson' should read 'Brian Jackson'.*

**2.2 Matters arising**

*Progress against each matter arising was reported on as follows:*

	<b>Matter arising</b>	<b>Progress reported at the 3<sup>rd</sup> NSC meeting</b>
1	<p><b>Item 4:</b> The task teams would be further constituted by their respective chairpersons within the next two weeks, the composition of the task teams would be circulated to NSC members, and progress on activities of each task team would be reported at the next NSC meeting.</p>	<p>Three of the four task teams had been established:</p> <ul style="list-style-type: none"> <li>• <b>Monitoring and Information Systems:</b> Composition of members finalised and 3 meetings had been held</li> <li>• <b>WRM function delegation:</b> Composition of members finalised and 2 meetings had been held</li> <li>• <b>Finance, Viability and Sustainability:</b> Composition of members finalised and 2 meetings had been held.</li> </ul> <p>The <b>Change Management and Communication task team</b>, which focussed mainly on HR issues, had not yet met.</p>
2	<p><b>Item 4:</b> The NSC adopted the ToR of the NSC with the inclusion of:</p> <ul style="list-style-type: none"> <li>• Relevant points raised by the NSC</li> <li>• The task team leadership, roles and composition</li> <li>• Communication as part of the change management task team</li> </ul>	<p>The ToR of the NSC had been amended and circulated to members before finalisation of the document. The document was available from the NSC Secretariat.</p>
3	<p><b>Item 6.1:</b> [Ms Schreiner] requested that in future the regions' progress reports should be set against targets and timeframes.</p>	<p>The format of the RSCs progress reports had been changed to incorporate targets and timeframes. The new format had been sent to all RSCs to use when preparing progress reports.</p>
4	<p><b>Item 6.1:</b> Ms Deedat pointed out that it would be helpful for the progress reports to indicate how the CMAs would respond to specific challenges relating to the establishment process.</p>	<p>Task teams would give direction on how the CMAs would respond to specific challenges relating to the establishment process. Progress made by each task team to date would be presented under item 5 of the agenda of this meeting.</p>
5	<p><b>Item 6.6:</b> Mr Mahunonyane's presentation would be forwarded to NSC members.</p>	<p>Mr Mahunonyane's presentation [on the progress made with the establishment of the Orange CMA] had not been sent to NSC members.</p>
6	<p><b>Item 6.9:</b> The chairperson requested the regional representatives to make their progress reports available to NSC members prior to NSC meetings in future.</p>	<p>RSCs progress reports had been made available to NSC members prior to the 3<sup>rd</sup> NSC meeting.</p>
7	<p><b>Item 7:</b> The chairperson requested NSC members to consider the contents of the <u>risk management plan</u>, a document that listed the risks relating to the establishment of the CMAs, in the context of how the risks relate to the progress reports from the Regional Offices and what should be done to mitigate the risks. In terms of the ownership of risks, it was necessary to ensure that the relevant officials accepted responsibility for the risks. The risk management plan would be taken further by the PMG.</p>	<ul style="list-style-type: none"> <li>• Further consideration had not yet been given to the risk management plan [that listed the risks relating to the establishment of the CMAs].</li> <li>• The RSCs had not yet drafted risk management plans relevant to each CMA.</li> <li>• The PMG meeting had not taken place.</li> </ul> <p>The risk management plan, listing the risks relating to the establishment of the CMAs, would be scrutinised by RSCs and circulated to all NSC members before the next NSC meeting, in preparation for submission to the PMG.</p> <p><b>Action: Project Management Team/RSCs</b></p>
8	<p><b>Key issue 2</b></p>	

	<b>Matter arising</b>	<b>Progress reported at the 3<sup>rd</sup> NSC meeting</b>
	<i>Reporting framework and targets needed to be developed and streamlined.</i>	
9	<b>Key issue 3</b> <i>Leadership at a national level, not only from CD: IO, was crucial because the CMA programme cut across all DWA Chief Directorates. DDGs were required to take up this matter at a strategic level.</i>	<p><i>The necessary meeting between the Minister of Water Affairs and DDGs to discuss issues of regional leadership had not yet been held. The action items would remain on the agenda of NSC meetings until addressed.</i></p> <p><b>Action: NSC Secretariat</b></p>
10	<b>Key issue 4</b> <i>Political leadership and support were required, particularly to resolve political issues related to the CMA programme.</i>	
11	<b>Key issue 5</b> <i>Clarification and confirmation of the organogram, roles and responsibilities of the Regional and National Offices were required.</i>	
12	<b>Key issue 6</b> <i>The four DDGs on the NSC should attend the regular meetings with the Minister where progress and concerns about the CMA programme are discussed (in the place of the CD: IO).</i>	
13	<b>Key issue 7</b> <i>CSOs and CMFs should be involved in all engagements concerning the CMA programme.</i>	<p><i>CSOs and CMFs had been and would continue to be consulted as part of the regional public participation meetings.</i></p> <p><i>Mr Ashe mentioned that to date there had been very little consultation with CSOs concerning the rollout of CMAs and moved that this matter, especially reports from RSCs on public consultation process, be made part of the formal agenda of each NSC meeting.</i></p> <p><b>Action: Secretariat</b></p>
14	<b>Key issue 8</b> <i>There was a need for dedicated support capacity in the regions, especially a mix of skills ranging from economics to finance; filling the vacancies in the regions was being addressed by DWA HR. Strong support is required particularly in terms of project management. The DDG: Regions was required to address the need for dedicated support and capacity (including the appointment of PSPs) with a focus on the CMA programme.</i>	<p><i>A report indicating the dedicated support capacity and project management required in the establishment of CMAs had been prepared and submitted to DWA HR for consideration. The ToR for a PSP to support DWA HO and ROs in the establishment of CMAs had been developed. Update on the matter would be given at the next NSC meeting.</i></p> <p><b>Action: Project Management Team/Secretariat</b></p>
15	<b>Key issue 9</b> <i>A meeting must be held with National Treasury to discuss budget requirements for the CMA programme, in order to address the regions' concerns about the lack of allocated funding for this purpose.</i>	<p><i>Although efforts had been made to meet with National Treasury, this had not yet been possible. An update on financial issues would be presented in the Finance, Viability and Sustainability task team report under item 5.3 of the agenda of this meeting.</i></p>
16	<b>Key issue 10</b> <i>The DDGs were required to address the internal accounting systems and the reprioritisation and reallocation of funds in other DWA programmes</i>	<p><i>The matter concerning utilisation of revenue generated in the regions to cover costs of the CMA in each region to ensure that the CMAs were not solely dependent on the grant from National</i></p>

	<b>Matter arising</b>	<b>Progress reported at the 3<sup>rd</sup> NSC meeting</b>
	<i>that have not been utilised. The task teams should also address this issue.</i>	<i>Treasury had not yet been resolved. The CMAs' business plans made provision for the revenue to be transferred to the CMAs. The matter was being address by the relevant task team.</i>
17	<b>Key issue 11</b> <i>Billing issues, the different budgetary processes for the nine WMAs, inaccuracies and delays in terms of invoices, low collection rates for WRM charges and charge recovery per WMA would be addressed by the Finance, Viability and Sustainability task team.</i>	<i>The matter was being addressed by the relevant task team.</i>
18	<b>Key issue 12</b> <i>A new vision was being developed for Water User Associations (WUAs).</i>	<i>A first draft of the new vision for WUAs had been developed and once finalised, would be submitted to the Minister of Water Affairs to be addressed by the Ministry team that was reviewing DWA policy.</i>  <i>Adv Boshoff enquired whether CMAs would be afforded the opportunity to contribute to the development of a new vision for WUAs. Ms Bofilatos indicated that the new turnaround strategy for WUAs was in its early stages of development and that the ICMA, BOCMA and other stakeholders would be consulted in order to finalise the strategy. Ms Mohapi added that the draft document would be circulated to the NSC members for comment.</i>  <b>Action: Project Management Team</b>
19	<b>Key issue 13</b> <i>Support of CMAs from DWA HO was crucial.</i>	<i>DWA HO took note of this statement.</i>
20	<b>Key issue 14</b> <i>It is of utmost importance that the following processes be finalised:</i> <ol style="list-style-type: none"> <li>1) <i>Legal opinion with regard to the amalgamation or merger of the two existing CMAs must be finalised.</i></li> <li>2) <i>Alignment of the CMA programme with the NWRS 2 and working towards the timeframes indicated by Ms Brisley</i></li> <li>3) <i>The review of the NWA</i></li> <li>4) <i>Alignment of the CMA structure with the business of DWA</i></li> <li>5) <i>Political buy-in</i></li> <li>6) <i>Inclusive stakeholder engagements, clear communication plans and material</i></li> <li>7) <i>Operationalisation of the task teams.</i></li> </ol>	<ol style="list-style-type: none"> <li>1) <i>Legal opinion with regard to the amalgamation or merger of the two existing CMAs had been obtained, and had led to the Minister's approval of the business cases for the Breede-Gauritz and the Inkomati-Usuthu CMAs.</i></li> <li>2) <i>Ms Mohapi reported on progress made with regard to the NWRS 2 as follows: The task team established to review the NWRS had considered and incorporated all comments received into the NWRS 2, which had been submitted to the Minister and would follow the necessary channels until approved by Cabinet. The implementation plan would be developed once the NWRS 2 had been approved, and presented for consultation before responsibilities were allocated to sector partners. The successful implementation of the NWRS 2 would be the responsibility of the entire water sector, which had participated enthusiastically in the review of the NWRS. It was anticipated that the process would be finalised before the end of 2013.</i></li> <li>3) <i>Ms Mohapi reported that the legislative review process (of the NWA, the Water Services Act and the Water Research Act) addressed the challenges that hindered implementation and</i></li> </ol>

	Matter arising	Progress reported at the 3 <sup>rd</sup> NSC meeting
		<p><i>impacted on transformational issues in the water sector. Several policy-related issues as well as institutional arrangements had to be carefully examined. The review process focussed on presenting a holistic approach to water management, informed by policy decisions to be taken in terms of water services and WRM. The WRC had been appointed as the PSP to assist with drafting the proposed policy amendments within tight deadlines. Stakeholder consultation would possibly take place once the proposed policy amendments had been gazetted for consultation.</i></p> <p><i>Adv Boshoff indicated that amendments to policy would have serious implications for the CMAs and enquired when the CMAs would be informed of the anticipated amendments. Ms Mohapi informed the meeting that stakeholders would be given an opportunity to give input into the policy amendment process. The policy amendments had to be in place in order to review legislation. Stakeholders would be consulted on both processes. Adv Boshoff emphasised the need for the CMAs to partner with DWA in the broader consultation process.</i></p> <p><i>4) Alignment of the CMA structure with the business of DWA was being addressed by the task teams.</i></p> <p><i>5) Political buy-in was being addressed by the task teams</i></p> <p><i>6) The need for inclusive stakeholder engagements, clear communication plans and material was being addressed by the task teams</i></p> <p><i>7) Three of the four task teams had been constituted and had met. The Change Management and Communication task team had not yet been constituted or met.</i></p> <p><i>Mr Selepe referred to the action item under item 4 of the minutes of the previous meeting and pointed out that NSC members had not been informed of the composition of the task teams. Ms Bofilatos would inform NSC members of the composition of the task teams as well as the dates of future meetings of each task team.</i></p> <p style="text-align: right;"><b>Action: Ms Bofilatos</b></p>

**4. PROGRESS IN THE ESTABLISHMENT OF CMAs: A NATIONAL OVERVIEW (MR MASINDI)**

*Mr Masindi presented an overview of progress made since 19 March 2012 when the Minister had approved the establishment of 9 CMAs in 9 WMAs. The high level project plan framework for the*

establishment of 9 CMAs was made up of the preparatory phase (August 2012 to July 2013), the establishment phase (August 2013 to July 2014) and the operational phase (August 2014 to July 2015 and beyond). Progress made to date in terms of the framework was as follows:

- Nine WMAs had been gazetted
- The NSC had been established and three meetings had been held
- Nine RSCs had been set up in nine regions
- Business cases had been developed for Inkomati-Usuthu and Breede-Gouritz CMAs
- Engagements with National Treasury concerning budgetary requirements for the CMAs had commenced.

The current timelines for subsequent activities were:

- June 2013: Business cases for Limpopo and Pongola-Mzimkulu CMAs would be developed and submitted to the Minister and notices concerning the establishment of the CMAs would be prepared for publication in the Government Gazette.
- August 2013: Notices with regard to the establishment of Inkomati-Usuthu and Breede-Gouritz CMAs would be published in the Government Gazette.
- September 2013: The process to appoint the Inkomati-Usuthu and Breede-Gouritz CMA Governing Boards would be finalised and the appointment of Board members would commence.
- March 2014: Business plans for the Inkomati-Usuthu and Breede-Gouritz CMAs would be submitted to the Minister.

The development of business cases for all the CMAs had been fast-tracked, focussing on the business cases for the Vaal, Orange and Berg-Olifants CMAs. The Eastern Cape RO had initiated the business case for the Mzimvubu-Tsitsikamma CMA and the Western Cape RO had initiated the business case for the Berg-Olifants CMA. A PSP would be appointed to assist with the development of the business cases and in the operational phase of the establishment process. Discussions were being held with National Treasury concerning the listing of the Inkomati-Usuthu and Breede-Gouritz CMAs. The current process to appoint Governing Boards was being amended as part of the legislative review process. The compilation of a starter pack containing documents essential for the CMAs to become operational in terms of general process issues, Governing Boards, financial requirements and protocols, institutional performance and the development of a catchment management strategy, was underway. The CMA project management team would continue to support the three established task teams and ensure that the fourth task team became operational. An exercise had been undertaken together with DWA HR to assess the impending staff requirements of each CMA against the current staff of the proto CMAs.

The next steps involved:

- Submitting two business cases to the Minister in June 2013.
- Initiating three more business cases (Vaal, Orange and Berg-Olifants CMAs) within the next two months.
- Establishing the fourth task team and developing the implementation plan for HR related issues
- Identifying RO representation for inclusion in the task teams.
- Holding RSC meetings to inform stakeholders of current plans and processes concerning the rollout of nine CMAs.
- Inclusion of DWA Directorate Communication in the Regional Communication Strategy
- Drafting regional risk management plans that would feed into the national risk management plan.

### **Comments**

Adv Boshoff pointed out that that the Government Gazette notice received by the ICMA referred to the establishment of a new CMA (the Inkomati-Usuthu CMA) was incorrect and should have referred to the extension of the WMA and the change of name of the CMA from 'Inkomati CMA' to 'Inkomati-Usuthu CMA', in order to comply with the NWA. Ms Bofilatos indicated that the matter had been raised with DWA's Legal Services, which had assisted DWA IO in drafting the legal notices concerning the two amalgamated CMAs.

Ms Sigwaza emphasised DWA's intention to complete the CMA establishment process within the three-year timeframe, by July 2015.

Ms Mazwi suggested that the number of vacant posts at ROs should be confirmed with the ROs as well as DWA HR as part of the exercise to assess staff requirements for the CMAs.

Adv Boshoff pointed out that:

- All the documents required for the starter pack were available from the two existing CMAs, which should be involved in the development of the documents for the other CMAs.
- In terms of the exercise to assess staff requirements for the CMAs, no staff could be transferred to the ICMA from the RO as it had been established that the only remaining staff member in the proto CMA would be absorbed into the ICMA.

Mr Buthelezi indicated that staff requirements should be considered in terms of category A and B CMAs and that it was necessary to set timeframes and communicate with the CMAs in terms of the transfer of staff from the proto CMAs.

Mr Reddy pointed out that the Pongola-Mzimkulu CMA would require a different approach to the other CMAs in terms of staff transfers. The issue of staff transfers created insecurity among current proto CMA staff. He suggested that DWA HR should send a letter to the ROs informing them of the approach to be taken and clarifying some of the uncertainties surrounding the transfers. Communication about the matter was essential.

Mr van Aswegen emphasised the importance of instituting a specific approach to staff transfers, of guiding ROs in this regard and resolving the HR issues as soon as possible.

Ms Blie emphasised that:

- DWA HR should ensure that information about the CMA establishment process and the subsequent need to transfer staff was communicated to all RO staff members.
- Suggested that the Finance, Viability and Sustainability task team should work with the PSP's in developing business cases for the CMAs or order to ensure coordination of the efforts at all levels.
- Enquired whether PSP's would assist in the development of business plans for CMAs once established.

Mr Masindi assured Ms Blie that the Finance, Viability and Sustainability task team would assist the Eastern Cape RO in terms of the Mzimvubu-Tsitsikamma CMA, adding that lessons could be learnt from the two existing CMAs on how best to develop business plans. Initial support was provided by DWA IO to the established CMAs to draft their business plans. Templates of business plans as well as the indicators for the business plans were available.

Mr Ashe indicated that the CMA establishment process should be clearly communicated to the CMFs and that CMFs should be incorporated into DWA's stakeholder participation processes. Mr Masindi indicated that the ROs were responsible for the necessary communication with the CMFs and that DWA HO anticipated that there would be full engagement of the CMFs in the rollout of CMAs.

Ms Sigwaza indicated that knowledge and information exchange between NSC members was crucial to ensuring the smooth transition from proto CMAs to CMAs, particularly in relation to the transfer of staff, and that the trade unions and DWA HR were being consulted in this regard. The staff issue was a critical risk factor in the CMA establishment process. She suggested that RSCs should discuss and confirm the number of proto CMA staff, the number of vacant proto CMA posts and the estimated full staff compliment of the new CMAs to the project management team.

**Action: RSCs/Project Management Team**

The presentation would be circulated to all the ROs and RSCs.

**Action: Mr Masindi/NSC Secretariat**

## 5. TASK TEAMS FOR ESTABLISHMENT OF CMAs: PROGRESS AND ACTION PLANS

### 5.1 Monitoring and Information Systems task team (Ms Rajah)

The task team had held its first meeting on 4 April 2013 and the ToR of the task team covered the following:

- *Composition of the task team: Representatives from Water Resource Information Management (WRIM), Revenue Management, established CMAs, Regional Coordination, IO, ROs, the office of the CIO and relevant experts.*
- *Functions of the task team:*
  - *To identify the monitoring and information systems that should be transferred to the CMAs*
  - *To document a functional model that would guide DWA and CMA in terms of business processes, IT infrastructure and information systems*
  - *To review policies relevant to WRIM*
  - *To provide guidance on monitoring and information systems*
  - *To provide a plan on data management.*
- *The development of an institutional business model that would feed into the overall business case for the establishment of CMAs.*

The task team had commenced the process of gathering information, which involved:

- *Examination of documentation relating to business processes used in the existing CMAs available from the office of the CIO*
- *Obtaining lessons learnt from the existing CMAs*
- *Examination of historical documentation*
- *Obtaining input from the National Integrated Water Information System (NIWIS) project with regard to user requirements.*

An implementation matrix had been developed in a spreadsheet format using the following headings:

- *Phase of implementation*
- *CMA functions and associated activities*
- *DWA lead unit for each function*
- *Roles and enablers*
- *Standards and guidelines*
- *CMA role*
- *CMA processes*
- *Information needed*
- *Systems in DWA*
- *Access required by CMA*
- *Comments*

The populated matrix would be used to assess the high level functions and the systems required in order for CMAs to perform functions relevant to each phase of implementation. Factors critical to the successful implementation of CMAs would be evaluated in the context of the business case requirements, and roles, processes and dependencies ascertained. Progress had been made in terms of gathering the required information terms and the matrix would be circulated to the ROs and NSC members for comment and input.

Alignment between work done by all task teams would be necessary and input would have to be tested against previous experiences in the context of an institutional business model to support the implementation of CMAs.

### Comments

Mr Buthelezi commented that support systems were core to the effective functioning of the CMAs. Ms Rajah indicated that the task team had also done a detailed investigation into the administrative support systems required by the CMAs.



## **5.2 WRM Function Delegation Task Team (Ms Bofilatos)**

The task team was established on 14 May 2013 and co-chaired by the CD Legal Services and CD IO. The main objective of the task team was to advise the NSC on which functions should be delegated to the CMAs.

The functions of the task team included:

- Making recommendations to the NSC concerning the WRM functions that should be delegated to the CMAs, and the relevant timeframes.
- Developing an implementation plan that would provide clear guidance on the timeframes, responsibilities and the enabling environment and support that would ensure that the delegations were transferred or delegated to the CMAs.
- Coordinating non-delegated functions.
- Developing a communication protocol and business process.

The task team comprised representatives from Legal Services, IO, CFO, Water Resource Pricing and Finance, Revenue Management, Regional Coordination, WRIM, Regulation, Integrated Water Resource Planning, CMAs, ROs and HR.

All the CMA functions (inherent and initial) as well as functions not carried out by the CMAs, were being identified and documented. Critical success factors and roles of ROs, HO and CMAs would be identified based on the functions of CMAs. The information would contribute to the development of the institutional business model. The delegation of WRM functions to CMAs would be implemented through an SLA or MoU between DWA and the CMAs.

The next steps to be taken by the task team included:

- Finalising the document on the CMAs' initial, inherent and delegated functions and timeframes.
- Ascertaining which ROs should participate on the task team
- Identifying the functions that would not be delegated to the CMAs and compiling a communication protocol.
- Aligning the work done by the task team with the work of the other task teams and developing an institutional model.

### **Comments**

Adv Boshoff mentioned that it had been suggested at the task team meeting that reference should be made to the 'transfer' of functions instead of the 'delegation' of functions to the CMAs. It was important to address the full scope of transfer (by means of assignment as well as delegation) within the NWA. Ms Bofilatos confirmed that the document to support the implementation of CMAs would refer to both delegation and assignment of functions to the CMA. Ms Mohapi added that the overlapping responsibilities between DWA and the CMAs should be clearly defined.

Ms Bofilatos indicated that Legal Services would ensure alignment between the outcome of the task teams' work and the legislative review process.

Ms Mohapi emphasised the necessity for task teams to involve stakeholders, understand water users' needs and take cognisance their expectations in terms of the services provided by the CMA. This point was supported by several NSC members. It was suggested that stakeholders should be included in the early stages of the task team's discussions and that a top-down approach should be avoided. Task team members should be made aware of their responsibilities and the importance of their full participation in the task teams.

Ms Cronje commented that an exercise had been done with all the ROs to identify functions from the main and the trading accounts, and CMA functions had been standardised. It was the responsibility of the ROs to ensure implementation of the functions at the CMAs.

Mr Selepe pointed out that the task team should take into account that the functions delegated to the

CMAs would differ in each region and some CMAs may take on more functions than others.

Ms Mohapi confirmed that the comments of NSC members would be addressed by the task team and the project management team.

**Action: Project Management Team/WRM Function Delegation Task Team**

### **5.3 Finance, Viability and Sustainability Task Team (Ms Bofilatos)**

The CFO Main Account and Acting CFO Water Trading Entity (WTE) had not yet participated in the task team and were expected to attend its meeting on 12 June 2013. The responsibility of the task team was to provide recommendations concerning the financial support and financial arrangements required for the viability and sustainability for CMAs. The task team would look into the holistic viability of CMAs and guide the development and implementation of the internal controls and financial management systems. The main aspect of the ToR focussed on alignment between the task teams to ensure budget, functions and systems were in place for the CMAs and inform the institutional business model.

The task team would be co-chaired by CFO Main Account and Acting CFO WTE and would make recommendations to the NSC for approval by DWA top management. Members of the task team represented the Main Account as well as the WTE, IO, Regional Coordination, Waste Discharge, CMAs, Water Resource Pricing and Finance, ROs and National Treasury. It was important for regional representatives to be nominated as soon as possible.

The functions had been discussed and would be finalised at the task team's meeting in June. The original ToR had been revised and the Study on the Financial Viability of CMAs had been presented to the task team. The exercise done in terms of the realignment (standardisation) of the functions of the Main Account and the WTE would be presented at the next meeting. The task team would consider the critical success factors and make policy recommendations to the NSC, and budgetary requirements would be discussed with National Treasury. SLA's and MoUs in relation to the budget, functions and systems for the CMAs would be put in place between the CMAs and DWA.

Recommendations were required in terms of an establishing grant, an operating subsidy and the pricing strategy. CMA business planning and reporting requirements should be defined by rules relating to:

- CMA budgeting, linked to imperatives, functions and revenue
- Establishing water use revenue targets for the CMA in line with the Pricing Strategy
- Motivating financial support through CMA business planning
- Ensuring responsible financial governance and controls of public funds.

The next steps included:

- Identification of ROs for participation in the task teams by Regional Coordination
- Finalisation of WRM functions in the pricing strategy, ensuring consistency between all regions in terms of Main Account and WTE.
- Finding agreement on which functions were relevant to public interest
- Establishing financial support and financial arrangements
- Presentation to National Treasury
- Completion of the institutional business model
- Feedback to stakeholders concerning progress made in terms of the process to establish CMAs
- The task teams' inclusion in the Regional Communication Strategy.

#### **Comments**

Ms Mohapi suggested that the issue of representation from ROs on the task teams should be addressed. Ms Deedat offered to participate on the task team. An email would be sent to CDs at ROs informing them of the meeting on 12 June 2013 and requesting nominations for appropriate regional representatives to participate on the Finance, Viability and Sustainability task team.

**Action: Project Management Team**

Adv Boshoff raised the following issues:

- In terms of the way that making and receiving water use charges (billing) was formulated in Section 57 of the NWA, delegation of the function was inappropriate as the power to make water use charges was vested in the CMA and not in the Minister. He suggested that the task team should investigate this matter as it would have serious implications for water management revenue.

Ms Sigwaza clarified that the CMAs power to determine water use charges should be considered within the context of the framework and policy in relation to these charges being set by the Minister. The Minister retained the power to approve water use charges recommended by the CMAs.

Adv Boshoff indicated that the power in terms of the NWA was with the CMAs. However, the Minister, by approving the pricing strategy, determined who had the power to make the charges. The legislative review should consider changes to Section 57 to provide the making of water use charges being vested in the Minister and not the CMAs, and to specify that the water use charges made per WMA should be received by the relevant CMA. This would allow the CMAs to control revenue collected whereas currently the CMAs depended on the level of management of DWA and were not in a position to manage their own revenue.

The matter would be addressed in the legislative review process.

**Action: Project Management Team**

- The NWA stipulated that funding for CMAs must come from a parliamentary grant, water use charges and any other lawful source. He suggested that the task team should consider the implementation of the NWA in terms of funding the CMAs.

Ms Bofilatos informed Adv Boshoff that, although Section 57 stipulations had been omitted from the initial documents relating to delegation of functions to the CMAs, they had been taken into account by the task team in the record of all inherent and initial functions of CMAs. She added that the funds appropriated from parliament were to be used for seed funding and money for functions in the public interest. This would be clearly stated in the pricing strategy.

- Careful consideration should be given to the systems required in order for the CMAs to do the billing for water use, such as SAPS and WARMS. It was important to synchronise the systems with the functions and ensure compatibility of the systems. Urgent attention should be given to aligning WARMS with the CMAs as the system was required in order to address the chapter 4 functions in the NWA as well as for purposes of making and receiving water use charges. He cautioned that this issue would be a serious obstacle to the operationalisation of the new CMAs if not addressed.

Ms Mohapi indicated that this important matter (compatibility and interaction of systems and costs of using alternative, simpler systems) should be investigated by the task teams in order to find a uniform approach that applied to all CMAs.

**Action: Project Management Team**

- The ICMA would nominate its recently appointed CFO or the financial manager to participate on the task team.

Mr Selepe mentioned that the CMAs spent substantial time and expertise on licence administration and suggested that the task team should reconsider the current license administration fee of R100 and look into charging for each review of the licence instead of a once-off payment of the fee. Ms Mohapi indicated that this matter should be dealt with in the WRM policy review process and linked with the pricing strategy review.

**Action: Ms Mochotlhi/Project Management Team**

Ms Deedat enquired whether, if the recommendation was that the CMAs would set their own water use charge, it would be set in the same way that municipalities set their own water use tariffs, and asked how water use regulation would be managed and enforced.

Mr Reddy suggested that there should be a charge for the recreational use of water (such as houseboats on dams) and that there should be a special CMA task team that focussed on the financial aspects and funding of the CMAs.

Mr Ashe requested the task team to address access to water by resource-poor communities that relied on water.

Mr Buthelezi indicated that the term 'financial viability' should be defined by the task team. Ms Bofilatos explained that funding for CMAs would not come solely from water use charges as a certain percentage of funding would come from National Treasury.

#### 5.4 Change Management and Communication Task Team

The objectives of the task team, once constituted, would be to:

- Oversee the change management process across DWA
- Provide the appropriate policy frameworks and benchmarks
- Ensure that staff transfer and human resources is appropriately managed
- Intervene on processes where required

The task team would be chaired by the CD HR.

#### 6. CONSOLIDATED PROGRESS AND LESSONS LEARNT ON THE ESTABLISHMENT OF CMAs BY THE REGIONS (MS MOSUPYE)

Reports received from the regions indicating progress made in the establishment of CMAs, and capacity, skills and budget requirements were consolidated into the following table:

Water Management Area	Progress	Capacity and skills Status/requirements	Budget requirement
Limpopo	<ul style="list-style-type: none"> <li>• Regional Steering Committee established</li> <li>• 4 RSC meetings held</li> <li>• ToRs finalised</li> <li>• Implementation Plan finalised</li> <li>• Draft Communication Plan developed</li> <li>• Risk Plan not yet developed</li> <li>• Draft Business Case developed and almost completed</li> <li>• 9 Stakeholder Consultation meetings held</li> </ul>		R4 000 000 for stakeholder empowerment
Inkomati-Usuthu	<ul style="list-style-type: none"> <li>• Regional Steering Committee established</li> <li>• 6 RSC meeting held</li> <li>• ToRs finalised</li> <li>• Draft Communication Plan is in place and circulated for input</li> <li>• Risk Plan not yet developed</li> <li>• Business Case finalised, approved and submitted to NT for listing</li> <li>• Proposal for establishment of the CMA has been signed by the Minister for public comment</li> </ul>		R100 000

	<ul style="list-style-type: none"> <li>• 2 Stakeholder Consultation meetings held</li> </ul>		
Olifants	<ul style="list-style-type: none"> <li>• RSC established</li> <li>• 4 RSC meetings held.</li> <li>• ToRs not yet adopted</li> <li>• Draft Implementation Plan developed</li> <li>• Communication Plan not yet developed</li> <li>• Risk Plan not yet developed</li> <li>• Draft Business Case available</li> <li>• 5 Stakeholder consultation meeting held</li> </ul>		R980 000.00 (estimation) for stakeholder empowerment
Vaal	<ul style="list-style-type: none"> <li>• RSC established</li> <li>• 3 RSC meetings held</li> <li>• ToRs finalised</li> <li>• Implementation Plan finalised</li> <li>• Draft Communication Plan is in place</li> <li>• Risk Plan not yet developed</li> <li>• Business Case not yet developed</li> <li>• Stakeholder Consultation took place through the CMF</li> </ul>	Limited Capacity	Nothing set aside for establishment of the CMA
Orange	<ul style="list-style-type: none"> <li>• RSC established</li> <li>• 3 RSC meetings held</li> <li>• ToRs are in place</li> <li>• Implementation Plan finalised</li> <li>• Draft Communication Plan developed</li> <li>• Risk Plan not yet developed</li> <li>• No Business Case</li> <li>• Stakeholder Consultation has not yet commenced</li> </ul>	Limited capacity	Nothing set aside for establishment of the CMA
Pongola-Mzimkulu	<ul style="list-style-type: none"> <li>• RSC established</li> <li>• 4 RSC meetings held.</li> <li>• ToRs finalised</li> <li>• Implementation Plan finalised</li> <li>• Communication Plan finalised</li> <li>• Risk Plan not yet developed (but risk factors identified)</li> <li>• Draft Business Case available almost completed</li> <li>• 9 Stakeholder consultation meeting held</li> </ul>		R151 400.00 (estimation) for stakeholder empowerment
Breede-Gouritz	<ul style="list-style-type: none"> <li>• RSC established</li> <li>• 2 RSC meeting held</li> <li>• ToRs finalised</li> <li>• Draft Implementation Plan is in place and circulated for input</li> <li>• Draft Communication Plan is in place and circulated for input</li> <li>• Risk Plan not yet developed</li> </ul>	Limited capacity	Nothing set aside for establishment of the CMA

	<ul style="list-style-type: none"> <li>• Business Case finalised and submitted to NT for listing</li> <li>• Proposal for establishment of the CMA has been signed by the Minister and submitted to NT for listing</li> <li>• Stakeholder Consultation has not yet commenced</li> </ul>		
Berg-Olifants	<ul style="list-style-type: none"> <li>• RSC established</li> <li>• 2 RSC meetings held</li> <li>• ToRs not yet adopted</li> <li>• Draft Implementation Plan developed</li> <li>• Communication Plan not yet developed</li> <li>• Risk Plan not yet developed</li> <li>• Business Case not yet developed</li> <li>• Stakeholder Consultation has not yet commenced</li> </ul>		Nothing set aside for establishment of the CMA
Mzimvubu-Tsitsikamma	<ul style="list-style-type: none"> <li>• RSC established</li> <li>• 4 RSC meetings held</li> <li>• ToRs finalised,</li> <li>• Implementation Plan finalised</li> <li>• Draft Communication Plan is in place</li> <li>• Risk Plan not yet developed</li> <li>• Business Case development in progress</li> <li>• Stakeholder Consultation has not yet commenced.</li> </ul>	Limited Capacity However the PSP will assist in capacitating officials as per the ToRs	Nothing set aside for establishment of the CMA however there is allocation of R791 000 for the development of the Business Case

The regions identified the following challenges as hindrances to the establishment of CMAs:

- The lack of policies and guidelines in relation to the following areas:
  - CMA remuneration policy
  - Rules of engagement between CMAs and ROs.
  - Establishment and post establishment of CMAs, in order to create sustainable institutions.
  - Procedures to align systems.
  - The distinction of roles and responsibilities between the ROs and the CMAs.
  - Transfer of staff, budget and other resources from DWA and the RO.
  - Delegations and assignments to the CMA.
  - Rules of engagement between the CMAs and the ROs
  - Regulation of CMAs by the ROs.
- Some CMFs were reluctant to attend meetings as they were not reimbursed for costs incurred, because the stakeholder reimbursement policy had not yet been approved by DWA top management.
- Resources and capacity had not been allocated to the CMA establishment process, leading to delays and compromises with regard to the quality of work done by the ROs and RSCs.

DWA HO responded as follows to recommendations from the regions in terms of the CMA establishment process:

RO Recommendation	DWA HO response
The CMA establishment should be managed as a project and a decision must be made on how the process would be taken forward.	The establishment process was being addressed as a DWA project and the necessary decisions had been taken on the way forward. The Minister's

RO Recommendation	DWA HO response
	<i>commitment to the process and the prioritisation of the establishment of CMAs was clear.</i>
<i>DWA should implement a stakeholder reimbursement policy.</i>	<i>This issue must be addressed urgently in order to ensure stakeholder attendance and participation in consultation meetings. The necessary budget would also have to be approved in order to be able to implement the remuneration policy.</i>
<i>The establishment of the CMA is a politically sensitive issue and higher level engagements with strategic stakeholders such as SALGA were critical.</i>	<i>This challenge had already been identified as a risk as buy-in was necessary from strategic stakeholders as well as politicians through the relevant structure in the provinces. Most of the RSCs had taken cognisance of the need to consult strategic stakeholders and relevant politicians.</i>
<i>Based on the two functional CMAs, the transfer of staff was not possible (specifically for the ICMA) due to the constraints of existing policies and legislation. Direction should be given to staff concerning CMA establishment processes. Uncertainty and fear from staff must be addressed urgently.</i>	<i>The task teams were addressing this concern.</i>
<i>Clear direction must be provided through the establishment of appropriate policies and guidelines.</i>	<i>The Water Management Institutions (WMIs) project was addressing policy and guidelines requirements to support the processes of CMA establishment.</i>
<i>It was necessary to link strategic objectives of the provinces with the CMA through the Provincial Growth and Development Strategy and the CMS.</i>	<i>There was no doubt that the CMS must be aligned with the provincial and local government strategies.</i>

**Comments**

*Mr Buthelezi observed two critical issues from the presentation:*

- *The absence of a risk management plan*
- *Stakeholder engagement had not yet commenced.*

*He enquired about the timeframes and deadlines for both activities. Ms Mosupye indicated that the national risk management plan had been develop and would be used to guide regional risk management plans, which still had to be developed. She pointed out that stakeholder engagement had not yet commenced in some regions due to limited capacity and delays in the process.*

*Adv Boshoff noted the challenges experienced by the ROs' in respect of their relationship with the CMAs and commented that engagement between the CMAs and DWA HO was equally important. He brought the following points relating to the sensitive issues of remuneration to the attention of the NSC:*

- *Proper guidelines to structure and standardise the remuneration of CMA staff were necessary and current salary determination processes should be simplified.*
- *The different skills levels required by WRM in relation to those required for water services should be taken into account in determining capacity and skills requirements as well as remuneration policy of CMAs. There was a severe shortage of specialised WRM skills that would be required for the nine CMAs.*
- *The Minister was required to give a directive in respect of the remuneration of Governing Board members.*

*Ms Blie emphasised the need to finalise the stakeholder reimbursement policy to facilitate the stakeholder engagement process. She mentioned that the regions required substantial budgets for stakeholder consultations.*

*Ms Bofilatos explained that a budget had not been allocated to IO for the project to establish CMAs. A national PSP was being set up to support the CMA establishment processes. Existing structures in the*

regions should be used to support the stakeholder consultation process in order to minimise the need for additional budgets. Money for CMA establishment had been allocated under the Main Account although funds were also available in the WTE account. In some cases, such as the Vaal CMA, the WTE funds could be used for certain parts of the establishment process.

Ms Mmakgang confirmed that stakeholder consultations with regard to the Berg-Olifants as well as the Breede-Gouritz CMAs had commenced in the existing forums and that only the risk management plan had not been completed.

Mr Ashe emphasised that civil society groupings had expressed the need for policies concerning stakeholder engagement and support to and empowerment of communities. There ought to be budget allocations and timelines set for community empowerment. The role of CMFs and WUAs must be expanded and CMA business cases would have to make provision for stakeholder empowerment.

Ms Deedat suggested that more concrete information about the WRM skills and expertise required by the CMAs should be made available. She drew DWA's attention to the fact that although consultation took place within the formal structures, many stakeholder groups outside of these structures had not been engaged in the CMA establishment process, and offered assistance to facilitate participation by these groups. Mr Reddy supported Ms Deedat's point that the citizens' voice must be heard and emphasised the importance of effective involvement of CMFs that were representative of a variety of stakeholder bodies and constantly evolving to capacitate more stakeholders. He suggested that the ROs should produce concretised plans focussing on the sustainability of the CMAs in terms of efficiencies of capacity empowerment before designing business cases.

Ms Mosupye assured the meeting that effective stakeholder participation would be incorporated in the business cases of all new CMAs and that the project management team would address the matters raised by NSC members.

**Action: Project Management Team**

Mr van Aswegen mentioned that political sensitivity in areas where two provincial structures were amalgamated had proved difficult to manage. He suggested that it was necessary to de-politicise and remove the regional divisions from the CMA establishment process, and to implement a combined management structure to facilitate the amalgamation process.

## **7. LESSONS LEARNT FROM EXISTING CMAs**

### **7.1 ICMA (Adv Boshoff)**

Adv Boshoff presented some of the most important lessons learnt by the ICMA on behalf of Dr Gyedo-Ababio, the ICMA's recently appointed CEO.

#### **Proto CMA and Transfer to CMA**

- Although DWA had ring-fenced a proto CMA for the Inkomati WMA, it was not transferred to the ICMA. Proto CMAs should be transferred from DWA to the CMAs on the same date as the appointment of the CMA Governing Boards, as delays resulted in many functions not being performed and resulted in non-compliance with the NWA.
- The transfer of functions must accompany the appointment/transfer of staff and related budgets and assets.
- Remuneration for the same positions in CMAs and in DWA should not differ significantly, and a uniform remuneration strategy should be developed for all CMAs.

#### **Appointment of Governing Board**

- The process to appoint a Governing Board must commence timeously.
- Capacity, including appropriate technical and sectorial expertise, should be considered during the appointment of Governing Boards.



- Sectorial representation on the Governing Boards should not be generic but take into account the specific expertise requirements of each CMA.
- Conflict of interest on the part of Board members should be considered at the onset of the process to appoint members of the Board.
- The number of seats on the Governing Board must be in accordance with nature and magnitude of the duties of the CMA as well as the budget or revenue that would be generated. Maximum funds should be available to allow the CMA to perform core WRM functions.

#### **Appointment of CMA staff**

- The Governing Board should begin by transferring staff from DWA as part of the ring-fenced proto CMA.
- Staff appointments after the transfer of the proto CMA must be done in accordance with the approved Annual Performance Plan (referred to by DWA as the CMA business plans) requirements of National Treasury.
- Measures should be put in place to enable the recruitment and retention of specialist WRM staff, noting that the establishment of nine CMAs would create a huge shortage in WRM staff.

#### **Induction of Governing Board and CMA staff**

- Induction of Governing Board and CMA staff should be done immediately after appointment and simultaneously.
- The roles and responsibilities of the Governing Board and staff must be clearly understood within the context of the NWA, PFMA and other relevant legislation.
- 'Interference' of Governing Board members in operational duties of CMA staff must be avoided at all costs.

#### **Delegations, Powers and Functions of CMAs**

- Compliance with the powers and functions of the CMA must be done within the scope of section 41(1) (f) of the Constitution of the Republic of South Africa 1996, noting that CMAs, appointed by the Minister of Water Affairs in terms of the NWA, were public entities within the national sphere and should not accept any power or function unless conferred in terms of the Constitution.
- The powers and functions were covered under the schedule (or checklist) of compliance with NWA compiled by and available from the ICMA.
- The ICMA had an appropriate organisational structure and staff to perform, but had to wait for the correction of the delegations and the extension of Governing Board members' term of office in order to continue with the 'transformation' of the Irrigation Boards.

#### **Compliance with the NWA**

- The schedule on the compliance with the NWA by the ICMA was an indicator of the CMA's challenges with regard to the implementation of the NWA.
- WUAs could comply with Schedule 4 of the NWA without having full-time staff and the necessary finances to support their business plans.
- The limited delegations to ICMA compounded the problem of compliance with the NWA.

Although 'empowered' to see to matters related to water and environmental degradation, the ICMA was not represented on the Regional Mining Development Environmental Committee (RMDEC) and therefore could not participate in the assessment of applications for mining licenses regarding matters related to water resource pollution. DWA should be pro-active in ensuring that CMAs were represented on RMDEC and similar bodies.

#### **7.2 BOCMA (Mr Buthelezi)**

Mr Buthelezi gave a brief overview of the Breede-Overberg catchment management area, and the lessons learnt in the establishment and operationalization of BOCMA.

Office accommodation was not in place at the time of the appointment of the CEO. It was important to ensure that basic infrastructure, including ICT systems, was in place for the new CMAs. Functions should be delegated to the CMAs as soon as possible. Policies and minimum guidelines concerning the set-up procedures, institutional structure and management of the agency, particularly in terms of budgets and staff appointments, should be provided to the Governing Boards and management of CMAs.

DWA's support was a key element in CMA creation and evolution. An operational and reporting relationship between the CMA and DWA, especially the ROs, should be clearly defined, with the understanding that the CMA was a separate legal entity.

Funds were transferred to BOCMA after 6 months of its existence as an entity of DWA, but no internal financial management controls were in place. This should be avoided in future by ensuring that internal controls and monitoring systems were in place from the onset of the CMA.

Stakeholder engagement was an essential catalyst in building credibility of the CMA and was crucial to ensure effective functioning of the entity. The new CMAs should invest considerable time and effort in consultations with a broad spectrum of stakeholders.

DWA had to show commitment to the process of creating CMAs, and recognise that the CMAs enhanced the role of DWA in managing water resources. Mixed messages to the public should be avoided at all costs.

The institutional structure of CMAs must be correct and appropriate. Stakeholder representatives must be appointed to the Board on the basis of their contribution to the CMA Board and the committees of the Board in terms of skills and a thorough understanding of the business of water. The structures should function correctly, and be conducive to the attraction and retention of skilled staff and Board members.

Stakeholder engagement should ensure an investment in all water users, especially those from disadvantaged communities. The CMAs must recognise the need for transformation of Irrigation Boards to WUAs and in terms of interaction and dialogue between water users and CMAs. WUAs should be able to link directly with the relevant CMA.

All CMAs must have or commit to providing the following particular requirements in order to be effective and receive unqualified audits:

- Water Resources Planning initiatives must be in place, particularly in terms of land use, the CMS and the necessary skills and capacity to ensure credibility.
- Water use management, including licensing, control and compliance of water use
- Institutional engagement
- Water allocation reform
- Water resource protection
- Strategic support, including information, HR and finance systems
- Management and governance.

### **Comments**

The NSC noted and congratulated the ICMA and BOCMA for having received unqualified audits since inception.

Ms Deedat suggested that the Water Information Network South Africa (WIN-SA) should be requested to include the lessons learnt by the two existing CMAs in their newsletter.

**Action: Project Management Team**

## 8. WAY FORWARD

### 8.1 PMG and NSC meetings

*Ms Mosupye, in her role as coordinator of the Project Management Group (PMG), observed that the PMG appeared to have become obsolete as the 2nd and 3rd NSC meetings had been attended by members of the PMG and the forums had overlapping agendas. She requested that the NSC discuss the way forward in this regard.*

*Ms Mohapi indicated that although CDs were members of the NSC, representatives were often delegated to attend NSC meetings. These representatives were members of the PMG and RSC. The key distinguishing factors between the ToR of the PMG and the NSC were that the NSC was aimed at high-level processes and decision-making, comprised DWA top management and gave guidance to the PMG and RSCs, while the PMG dealt with implementation related issues.*

*Ms Thompson mentioned that the previous NSC meeting had been well attended by DWA top management and suggested that most CDs (particularly the regional CDs) were unavailable for this meeting as it clashed with several other high level meetings. Ms Deedat commented that, in terms of political buy-in, it was important for people in strategic positions to attend the NSC meetings. She suggested that at least 2 of the 4 NSC meetings per year should be attended by top management, and that the importance of top management's attendance should be emphasised.*

*The PMG and NSC structures should remain unchanged and be reviewed at the next NSC meeting.*

**Action: NSC Secretariat**

### 8.2 Summary of Key Issues

*Ms Sigwaza summarised the proceedings, highlighting the following key issues raised in discussion that would be addressed by the project management team, the task teams and the RSCs:*

- The effective use of RSCs: Matters at the regional level should be addressed by the RSCs and only matters of national relevance should be brought to the NSC.*
- Inclusive stakeholder engagements at a regional level: This important aspect was emphasised, particularly by CSOs.*
- Finalisation of the regional risk management plans: Targets had been set for the completion of the plans.*
- Limited progress made with the establishment of some of the new CMAs, particularly the Vaal CMA, was a concern to the NSC.*
- CMA starter pack: The existing CMAs would contribute documentation and knowledge to the development of the starter pack for new CMAs.*
- Staff transfers (from proto CMAs to CMAs): Clarification and communication of policy (including remuneration packages for CMA CEOs) and procedures in terms of staff transfers would be addressed urgently. Intervention was required from DWA top management, particularly in terms of the non-functionality of the Change Management and Communication task team.*
- CMFs and stakeholder remuneration policy: Consultations with stakeholders were being hindered by the absence of a stakeholder remuneration policy and a budget to implement such a policy. This matter had to be addressed.*
- Budgets for stakeholder empowerment in the regions: Adequate budget was required in order to facilitate empowerment initiatives in the regions.*
- Standardisation of functions and structures of CMAs: It was necessary to standardise the assignment and delegation of functions to CMAs and to align structures to support the CMAs in performing the functions delegated or assigned to them.*
- PMG and NSC structures would continue unchanged until reviewed at the next NSC meeting.*
- Revision of Section 57 of the NWA concerning the making of water use charges: Adv Boshoff's suggestion in terms of amending Section 57 of the NWA to vest powers to make water use charges in*

the Minister instead of the CMAs, and to specify that water use charges (per WMA) would be received by the relevant CMA, would be considered in the context of the current legislative review process.

- *Delegation/assignment of functions to the CMAs: The delegation or assignment of functions to the CMAs would be considered as part of the current legislative (and policy) reviews.*
- *Review of the water user licence administration fee: Consideration would be given to charging for each review of the licence instead of a once-off payment of the fee, as part of the WRM policy review process, linking with the current review of the pricing strategy.*
- *There should be a clear distinction between WUA and CMA functions: The separation of WUA and CMA functions would be considered as part of the current legislative review process and in the development of risk management plans.*
- *Engagement between the CMAs and the ROs and the CMA and DWA HO would be addressed and formed part of the CMA starter pack.*
- *The establishment of some of the CMAs was behind schedule: Timelines would be reviewed and clear targets set for the establishment of the CMAs that were lagging behind.*

## **9. CLOSURE**

*Ms Sigwaza thanked everyone for their participation in the meeting and requested NSC members to ensure that matters of regional concern were addressed at RSC level.*

*Ms Mohapi closed the meeting at 14:15.*

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Co-Chairperson

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Date

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Co-Chairperson

**ANNEXURE A: ACTION ITEMS**

No.	Action	Responsible person/structure
1	<b>Item 2.2 no. 7</b> <i>The risk management plan, listing the risks relating to the establishment of the CMAs, would be scrutinised by RSCs and circulated to all NSC members before the next NSC meeting, in preparation for submission to the PMG.</i>	Project Management Team/RSCs
2	<b>Item 2.2 nos. 8, 9, 10, 11, 12</b> <i>The necessary meeting between the Minister of Water Affairs and DDGs to discuss issues of regional leadership had not yet been held. The action items would remain on the agenda of NSC meetings until addressed.</i>	Project Management Team /NSC Secretariat
3	<b>Item 2.2 no 13</b> <i>Consultation with CSOs concerning the rollout of CMAs and reports from RSCs on public consultation process [would be] part of the formal agenda of each NSC meeting.</i>	Project Management Team/NSC Secretariat
4	<b>Item 2.2 no 14</b> <i>An update on the [dedicated support capacity (a mix of skills ranging from economics to finance) and project management] required in the establishment of CMAs, and on the appointment of a PSP to support DWA HO and ROs would be given at the next NSC meeting.</i>	Project Management Team/NSC Secretariat
5	<b>Item 2.2 no 18</b> <i>The new turnaround strategy for WUAs was in its early stages of development and the ICMA, BOCMA and other stakeholders would be consulted in order to finalise the strategy. The draft document would be circulated to the NSC members for comment.</i>	Project Management Team
6	<b>Item 2.2 no 20</b> <i>Ms Bofilatos would inform NSC members of the composition of the task teams as well as the dates of future meetings of each task team.</i>	Ms Bofilatos
7	<b>Item 4</b> <i>RSCs should discuss and confirm the number of proto CMA staff, the number of vacant proto CMA posts and the estimated full staff compliment of the new CMAs to the project management team.</i>	RSCs/Project Management Team
8	<b>Item 4</b> <i>The presentation, Progress in the Establishment of CMAs: A National Overview, would be circulated to all the ROs and RSCs.</i>	Mr Masindi/NSC Secretariat
9	<b>Item 5.2</b> <i>Task teams need to understand water users' needs and take cognisance their expectations in terms of the services provided by the CMA.</i>	Project Management Team/ WRM Function Delegation task team
10	<b>Item 5.2</b> <i>Task team members should be made aware of their responsibilities and the importance of their full participation in the task teams.</i>	Project Management Team/
11	<b>Item 5.3</b> <i>An email would be sent to CDs at ROs informing them of the meeting on 12 June 2013 and requesting nominations for appropriate regional representatives to participate on the Finance, Viability and Sustainability task team.</i>	Project Management Team
12	<b>Item 5.3</b> <i>Changes to Section 57 to provide the making of water use charges being vested in the Minister and not the CMAs, and to specify that the water use charges made per WMA should be received by the relevant CMA, should be addressed as part of the legislative review process.</i>	Finance, Viability and Sustainability Task Team/ Project Management Team

No.	Action	Responsible person/structure
13	<p><b>Item 5.3</b>  <i>Urgent attention should be given to aligning WARMS with the CMAs as the system was required in order to address the chapter 4 functions in the NWA as well as for purposes of making and receiving water use charges.</i></p>	<p><i>Finance, Viability and Sustainability Task Team</i></p>
14	<p><b>Item 5.3</b>  <i>Compatibility and interaction of systems (particularly systems required in order for the CMAs to do the billing for water use, such as SAPS and WARMS) and costs of using alternative, simpler systems should be investigated by the task teams in order to find a uniform approach that applied to all CMAs.</i></p>	<p><i>Finance, Viability and Sustainability Task Team/Project Management Team</i></p>
15	<p><b>Item 5.3</b>  <i>A review of the current licence administration fee should be considered in the WRM policy review process and linked with the pricing strategy review.</i></p>	<p><i>Ms Mochotlhi/Project Management Team</i></p>
16	<p><b>Item 5.3</b>  <i>The task team would address the following matters raised by NSC members:</i></p> <ul style="list-style-type: none"> <li><i>• A charge for the recreational use of water (such as houseboats on dams)</i></li> <li><i>• Access to water by resource-poor communities that relied on water.</i></li> </ul>	<p><i>Finance, Viability and Sustainability Task Team</i></p>
17	<p><b>Item 6</b>  <i>Effective stakeholder participation would be incorporated in the business cases of all new CMAs.</i></p>	<p><i>Project Management Team</i></p>
18	<p><b>Item 6</b>  <i>The following input from NSC members would be addressed:</i></p> <ol style="list-style-type: none"> <li><i>1) The need for proper guidelines to structure and standardise the remuneration of CMA staff (taking into account the specialised WRM skills requirements, capacity building and retention)</i></li> <li><i>2) Current salary determination processes should be simplified.</i></li> <li><i>3) The Minister should give a directive in respect of the remuneration of Governing Board members.</i></li> <li><i>4) Stakeholder reimbursement policy should be finalised to facilitate the stakeholder engagement process.</i></li> <li><i>5) Budget allocations and timelines for community empowerment were required.</i></li> <li><i>6) Stakeholder groups outside of the existing structures must be engaged in the CMA establishment process.</i></li> <li><i>7) ROs should produce concretised plans focussing on the sustainability of the CMAs in terms of efficiencies of capacity empowerment before designing business cases.</i></li> </ol>	<p><i>Project Management Team</i></p>
19	<p><b>Item 7</b>  <i>The Water Information Network South Africa (WIN-SA) should be requested to include the lessons learnt by the two existing CMAs in their newsletter.</i></p>	<p><i>Project Management Team</i></p>
20	<p><b>Item 8.1</b>  <i>PMG and NSC structures should be reviewed at the next NSC meeting.</i></p>	<p><i>NSC Secretariat</i></p>
21	<p><b>Item 8.2</b>  <i>Matters at the regional level should be addressed by the RSCs and only matters of national relevance should be brought to the NSC.</i></p>	<p><i>ROs/RSCs</i></p>

No.	Action	Responsible person/structure
	<i>Project Management Team</i>	
22	<b>Item 8.2</b> <i>The delegation or assignment of functions to the CMAs would be considered as part of the current legislative (and policy) reviews.</i>	<i>Project Management Team</i>
23	<b>Item 8.2</b> <i>The separation of WUA and CMA functions would be considered as part of the current legislative review process and in the development of risk management plans</i>	<i>Project Management Team</i>
24	<b>Item 8.2</b> <i>Engagement between the CMAs and the ROs and the CMA and DWA HO would be addressed and formed part of the CMA starter pack.</i>	<i>Project Management Team</i>
25	<b>Item 8.2</b> <i>Timelines would be reviewed and clear targets set for the establishment of the CMAs that were lagging behind.</i>	<i>Project Management Team</i>
26	<b>Item 8.2</b> <i>The existing CMAs would contribute documentation and knowledge to the development of the starter pack for new CMAs</i>	<i>Project Management Team</i>
27	<b>Item 8.2</b> <i>Clarification and communication of policy (including remuneration packages for CMA CEOs) and procedures in terms of staff transfers (from proto CMAs to CMAs) would be addressed urgently. Intervention was required from DWA top management, particularly in terms of the non-functionality of the Change Management and Communication task team.</i>	<i>Project Management Team</i>
28	<b>Item 8.2</b> <i>Consultations with stakeholders were being hindered by the absence of a stakeholder remuneration policy and a budget to implement such a policy. This matter had to be addressed.</i>	<i>Project Management Team</i>
29	<b>Item 8.2</b> <i>Adequate budget was required in order to facilitate empowerment initiatives in the regions.</i>	<i>Project Management Team</i>

**ANNEXURE B: ATTENDANCE LIST**

<b>NAME</b>	<b>INSTITUTION</b>
<i>Phakamani Buthelezi</i>	<i>BOCMA</i>
<i>Hameda Deedat</i>	<i>Civil Society Organisation</i>
<i>Bryan Ashe</i>	<i>Civil Society Organisation</i>
<i>Nomvuzo Mjadu</i>	<i>DAFF</i>
<i>Edwin Mametja</i>	<i>DAFF</i>
<i>Siziwe Blie</i>	<i>DWA EC</i>
<i>Pumza Gasas-Lubelwana</i>	<i>DWA EC</i>
<i>Ephraim Matseba</i>	<i>DWA GP</i>
<i>Carey Rajah</i>	<i>DWA HO</i>
<i>Deborah Mochothli</i>	<i>DWA HO</i>
<i>Emmah Malatji</i>	<i>DWA HO</i>
<i>Eustathia Bofilatos</i>	<i>DWA HO</i>
<i>Isa Thompson</i>	<i>DWA HO</i>
<i>Kenneth Masindi</i>	<i>DWA HO</i>
<i>Konanani Khorombi</i>	<i>DWA HO</i>
<i>Maria Morabe</i>	<i>DWA HO</i>
<i>Matome Mahasha</i>	<i>DWA HO</i>
<i>Mercy Mosupye</i>	<i>DWA HO</i>
<i>Ndileka Mohapi</i>	<i>DWA HO</i>
<i>Niel Van Wyk</i>	<i>DWA HO</i>
<i>Prudence Mthembu</i>	<i>DWA HO</i>
<i>Rachael Cronje</i>	<i>DWA HO</i>
<i>Thabelo Masevhe</i>	<i>DWA HO</i>
<i>Thoko Sigwaza</i>	<i>DWA HO</i>
<i>Teballo Rabodiba</i>	<i>DWA LP</i>
<i>Jay Reddy</i>	<i>DWA KZN</i>
<i>Pravita Jairam</i>	<i>DWA KZN</i>
<i>Johann van Asweg</i>	<i>DWA MP</i>
<i>Wendy Ralekoa</i>	<i>DWA NW</i>
<i>Sam Thobejane</i>	<i>DWA NW</i>
<i>Enele Mmakgang</i>	<i>DWA WC</i>
<i>Nosie Mazwi</i>	<i>DWA NC</i>
<i>Joseph Mabunda</i>	<i>ICMA</i>
<i>Marcus Selepe</i>	<i>ICMA</i>
<i>Johan Boshoff</i>	<i>ICMA</i>
<i>Heather Erasmus</i>	<i>Write Connection (Scribe)</i>
<b>APOLOGIES</b>	
<i>Mbangiseni Nephumbada</i>	<i>DWA HO</i>
<i>Moses Mahunonyane</i>	<i>DWA FS</i>
<i>Abe Abrahams</i>	<i>DWA NC</i>
<i>Thomas Gyedo-Ababio</i>	<i>ICMA</i>
<i>Johan van Rooyen</i>	<i>DWA NWRP</i>
<i>Jomo Lambani</i>	<i>DWA MP</i>



## **ANNEXURE C: ACRONYMS**

<i>BOCMA</i>	<i>Breede-Overberg Catchment Management Agency</i>
<i>CD</i>	<i>Chief Directorate</i>
<i>CFO</i>	<i>Chief Financial Officer</i>
<i>CIO</i>	<i>Chief Information Officer</i>
<i>CMA</i>	<i>Catchment Management Agency</i>
<i>CMF</i>	<i>Catchment Management Forum</i>
<i>CSO</i>	<i>Civil Society Organisation</i>
<i>DAFF</i>	<i>Department of Agriculture, Forestry and Fisheries</i>
<i>DDG</i>	<i>Deputy Director-General</i>
<i>DWA</i>	<i>Department of Water Affairs</i>
<i>HO</i>	<i>Head Office</i>
<i>HR</i>	<i>Human resources</i>
<i>ICMA</i>	<i>Inkomati Catchment Management Agency</i>
<i>IO</i>	<i>Institutional Oversight</i>
<i>KZN</i>	<i>KwaZulu Natal</i>
<i>NIWIS</i>	<i>National Integrated Water Information System</i>
<i>NSC</i>	<i>National Steering Committee</i>
<i>NWA</i>	<i>National Water Act</i>
<i>NWRS</i>	<i>National Water Resource Strategy</i>
<i>PFMA</i>	<i>Public Finance Management Act</i>
<i>PMG</i>	<i>Project Management Group</i>
<i>PSP</i>	<i>professional service provider</i>
<i>RO</i>	<i>Regional Office</i>
<i>RSC</i>	<i>Regional Steering Committee</i>
<i>SALGA</i>	<i>South African Local Government Association</i>
<i>ToR</i>	<i>Terms of Reference</i>
<i>WMA</i>	<i>Water Management Area</i>
<i>WMI</i>	<i>Water Management Institution</i>
<i>WRC</i>	<i>Water Research Commission</i>
<i>WRIM</i>	<i>Water Resource Information Management</i>
<i>WRM</i>	<i>Water Resource Management</i>
<i>WTE</i>	<i>Water Trading Entity</i>
<i>WUA</i>	<i>Water User Association</i>