

DISCLAIMER

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ACRONYMS

AUSAID	Australia Aid
BoTT	Build operate Train and Transfer
CLO	Community Liaison Officer
CDO	Community Development Officer
DAC	Development Assistance Committee (OECD)
Danida	Development programme of the Government of Denmark
DCD	Department of Constitutional Development (former name for DPLG)
DCR	Development Co-operation Report
DFID	Department for International Development (UK)
DG	Director General
D:IL	Directorate: International Liaison (DWAF)
D:MCBC	Directorate: Municipal Capacity Building and Co-ordination (DPLG)
D:T	Directorate: Transformation (DWAF)
DoF	Department of Finance
DPLG	Department of Provincial Affairs and Local Government
DWAF	Department of Water Affairs and Forestry
EC	Eastern Cape
EU	European Union
GEAR	Growth, Employment and Redistribution Strategy
IDC	International Development Co-operation (DoF)
IDP	Integrated Development Plan
IDRC	International Development Research Centre (Canada)
IODSA	International Organisation Development South Africa
ISD	Institutional and Social Development
JICA	Japan International Co-operation Agency
KZN	KwaZulu-Natal
LFA	Logical Framework Analysis
LG	Local Government
LGTP	Local Government Transformation Programme
LIDS	Local and Institutional Development Support Directorate (DWAF)
M&E	Monitoring and Evaluation
MTEF	Medium Term Expenditure Framework
NaSCO	National Sanitation Co-ordination Office
NGO	Non Governmental Organisation
NP	Northern Province
NWP	North West Province
NWWSA	North West Water Supply Authority
NCWSTI	National Community Water and Sanitation Training Institute
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PIA	Project Implementing Agent
PMS	Project Management Services (also DoF)
PSC	Project Steering Committee
RDP	Reconstruction and Development
SALGA	South African Local Government Association
TA	Technical Assistance
UN	United Nations
UNDP	United Nations Development Programme
VWC	Village Water Committee
WSA	Water Services Act
AD	Assistant Director
BoTT	Build operate Train and Transfer
CDO	Community Development Officer
CMA	Catchment Management Agency
CWSS	Community Water Supply and Sanitation
DD	Deputy Director

DDF	Draw Down Facility
DI	Development Objective
DWAF	Department of Water Affairs and Forestry
HRD	Human Resource Development
IA	Implementing Agent
IO	Immediate Objective
IPS	Integrated Planning Services
ISD	Institutional and Social Development
LG	Local Government
LGTP	Local Government Training Programme (Danida)
LGSETA	Local Government Sector Education Training Authority
MTEF	Medium Term Expenditure Framework
NaSCO	National Sanitation Co-ordination Office
NGO	Non-Governmental Organisation
NWP	North West Province
NWWSA	North West Water Supply Authority
PSC	Project Steering Committee
RCF	Regional Consultative Forum
SABTACO	South African Black Technical and Allied Careers Organisation
STCs	Short Term Consultancies
TA	Technical Assistance
W&S	Water and Sanitation
WATSAN	Water and Sanitation (Committee)
WAF	Water and Forestry
WSA	Water Services Authority
WSDP	Water Services Development Plan
WSSP	Water Sector Support Project
WSSU	Water Sector Support Unit

EXECUTIVE SUMMARY

MAIN FINDINGS

Official development assistance (ODA) to the South African water and sanitation sector from 1995-1999 took place in a context of extraordinary flux, with the introduction and shifting of policy, legislative changes, institutional restructuring and new mandates being the order of the day. National and departmental structures for the management and co-ordination of ODA, too, have been subject to change over this period, adding to the overall picture of dynamism and, at times, uncertainty.

In the midst of the building and restructuring described above, the government has been under intense pressure to deliver basic services to the millions of rural poor. While many communities have benefited from improved water supplies, the effectiveness and sustainability of projects have been compromised by the a range of factors, including the limited capacity of DWAF and its implementing agents to effectively integrate social, institutional and gender issues into its high-profile, rapid delivery approach.

Donors have been attracted to the sector for several reasons. Some of these are the early formulation of a guiding policy, strong leadership at senior levels of government, the Department of Water Affairs and Forestry's (DWAF) comparatively good absorptive and organisational capacity and the overall appeal of water and sanitation as a basic human needs sector.

The lion's share of water and sanitation ODA has been channeled through DWAF, with less than 2% running through other national departments and NGOs. ODA grants have comprised about 7% of funds spent on water and sanitation by DWAF and NGOs (collectively) from 1995-1999. The water and sanitation sector share of total ODA committed to South Africa, i.e. all sectors, over the same period has been approximately 11%.

Donor support to the sector has focused mainly on 'transition'. This has involved assistance with legislative review, institutional restructuring and strengthening, establishment of new directorates, capacity building and the piloting of provisions set out by new policies and legislation. Only three of twenty-three donors have provided grants to government for capital works (hardware), although the contributions of the European Union to capital projects and their related institutional components make up more than half of all funds directed to the sector. Other donors have funded smaller-scale capital projects implemented by NGOs, with the Mvula Trust being by far the largest non-governmental recipient of ODA. Support to the regions has been concentrated on the country's five poorest provinces, which were those with the highest levels of unserved. Most donors opt to support 'cutting edge' or 'gap-filling' activities, where risks are higher, visibility greater and core funding more difficult to secure.

Although no formal process exists to ensure the alignment of ODA to national sector objectives, this 'fit' has been good to outstanding, with donors playing a

relatively responsive role in the identification of priorities set by DWAF and South African political leaders. Donors also operate within their own broad areas of interest and comparative advantage. This means they are not simply taking the 'next project off the pile'. Projects result from an intersection of interests falling within the national framework for the sector, and gaps can occur where this convergence is lacking. A second, more complex reality is that projects increasingly involve local government institutions, whose priorities, abilities and timing are not precisely aligned to those of the line departments with which they are teamed. Both the multi-disciplinary nature of the sector and the government's articulated goals around democratic governance suggest the need for broader participation in the definition and process of alignment.

National DWAF has exerted a reasonably strong degree of control over the negotiations and project conceptualisation processes, with provinces only occasionally playing a key role in project identification. Government control tends to be relaxed after this stage, due both to a degree of confidence arising from negotiations and to the reasons listed in the next sentence. The assumption of full ownership of specific initiatives has proven more challenging, because of capacity problems of partner institutions at almost all levels, limited intergovernmental co-ordination, poor pre-consultation with target groups and, in some instances, weak political commitment, e.g. to sanitation or gender. These issues have been a source of frustration for a number of donor agencies and have even led to the cancellation of some projects.

In turn, DWAF and other recipient institutions report difficulties associated with some donors' lack of transparency, excessive bureaucracy, slow release of funds, poor control over funding lapses, demands on scarce human resources and short-term commitments. The occasional tying of aid to foreign goods and services and the use of ODA as a 'forerunner' for the donor country's economic and political interests were included among the challenges named by South African ODA partners. Notwithstanding these issues, and the need for their further exploration, there is no doubt that a culture of good will and pragmatism in general prevails between donors and stakeholders alike.

The absence of a formal mechanism to prioritise DWAF and key stakeholder needs for donor assistance has resulted in an approach that is largely project-rather than programme-based and *ad hoc* rather than centrally planned. While the approach reflects the positive adaptation of most donors and DWAF to a highly fluid policy environment, it has carried some costs that should be addressed in the next phase of ODA. Some of the bigger donors have begun to pursue programmatic approaches that marry their own 'frameworks' with those of the department. This is in general a positive step, but it makes the need for local ownership even more important. Other donors prefer a project-oriented approach, which carries some risk of being implemented in relative isolation from the mainstream of sector activities.

Within the context explained in the previous point, there have been few incentives for donors to co-ordinate their work. DWAF has not placed a high priority on this type of co-operation, even tending to 'separate' donors because of concerns about 'poor synergy'. Some suggestion of donor competition or 'guarding of turf' was indicated by findings of the present study, lending

credence to DWAF's wariness. At the same time, DWAF and donors acknowledge that well-managed co-ordination could lead to greater efficiency and impact, especially where donors are working on similar issues or in the same provinces. Change is afoot, with the new European Union-led initiative involving a number of its member states.

The need for greater strategic co-ordination between different departments and spheres of government is also receiving increased recognition, as demonstrated by the growing number of partnerships between various actors. Co-operation between DWAF and DPLG is pivotal to this process and should be a condition of any ODA that touches on areas relating to local government jurisdiction.

Other departments, such as 'Health' and 'Environment', also need to be drawn in, in order that effective linkage is made between the activities and intended outcomes of projects. The 'cluster' or 'sector' approach is still very new in terms of its practical application and discussions around the concept remain in the early stages. Important lessons can be learned from the DFID-funded Water Sector Support Programme, a pioneer in the move towards co-operative governance.

There are challenges associated with ODA projects. These stem largely from poor 'buy in' by key partners and from the absence of clear policy frameworks or guidelines in a few critical areas of support, e.g. cost recovery and transfer (the latter being a role some donors play in 'running' with brand new policies).

Complicated local politics and bureaucratic government procedures also pose constraints to smooth implementation and optimal attainment of project goals. An ambivalence or lack of know-how in relation to securing local government representation in some projects has been another weakness, with the low capacity of the third sphere providing an excuse as well as a reason for inadequate strategising around this issue. The problem is receiving a substantial amount of attention in the current definition of water services projects, although donors continue to express the need for more decisive and integrated action from the national triad of 'Finance', 'Water Affairs and Forestry' and 'Provincial and Local Government Affairs'.

Substantial efforts have been made within DWAF as well as DPLG over the last eight months to formalise and strengthen the co-ordination and management of ODA through the development of specific institutional structures and procedures. New systems are in some cases meant to co-exist with established practices, especially as regards project identification and development. Challenges that are already apparent include the insufficient capacity of the new ODA structures and the mixed messages embodied in DWAF's dual system of project identification, i.e. a central versus decentralised approach.

Overall, these developments provide an opportunity for positive change and need to be well understood by donors and DWAF personnel in order to receive support. It will be important to monitor new systems and to obtain feedback from donors and other stakeholders on their application and usefulness. This will allow for continuous improvement and clear alignment with the principles and objectives set for the sector.

Provincial ODA structures, based in the Premier's Office, have occupied a marginal position in relation to the alignment of ODA to regional priorities, with most support being channeled to the provinces through national line departments. Provincial area planning processes have been limited largely to the prioritisation of capital projects, but offer potential as a mechanism for strategising around the best uses of and delivery mechanisms for ODA. Donor co-ordination functions are almost non-existent at the local government level, even though numerous local authorities have participated in water and sanitation-related ODA projects around the country. In general, involvement at this level has not been co-ordinated with DPLG.

A co-operative relationship between DWAF and the Department of Finance's International Development Co-operation Chief Directorate (IDC), charged with national donor co-ordination, is observable, although DWAF has signaled that it needs additional support of a strategic and informational nature. Donors are ambivalent about the IDC, pointing to the structure's capacity limitations, time lags, weak information and communication systems, and its need to handle annual consultations more strategically. Representatives of the WAF Ministry echoed these sentiments. At the same time, recognition is accorded the talents of some individuals at IDC and the structure's current efforts to strengthen the national donor co-ordination function.

The DCR study process has revealed the difficulties in trying to establish a clear quantitative picture of the flows and precise character of ODA to the sector. DWAF has made more progress than most national departments in documenting and publishing information on donor programmes, but this process needs greater streamlining and precision before its potential as a strategic planning or evaluation tool can be exploited.

International experience has not been especially well-tapped by DWAF, resulting in South Africa continuing to 'learn' the lessons produced in countless other countries over the last two decades. Both donors and South African stakeholders feel there is a curious resistance in the sector to learning from 'outside' experience.

At the same time, South Africa needs to be selective about the lessons it internalises, given its differences from the impoverished countries from which many lessons have been drawn. South Africa's resource base, its middle-income economy, its extremes of rich and poor and its vesting of services provision with local government converge to create a unique situation to which 'blueprints' from elsewhere should not be applied wholesale. In this context, it is even more critical for the sector to *capture and learn from its own lessons*, processes that are decidedly weak at the present time.

The attainment of sustainable project benefits is as much a challenge for ODA projects as it is for non-ODA projects, although the easier-to-measure outputs and goals of water resources initiatives show that sustainability is less of a problem here than in water services initiatives. Although a number of constraints to long-term benefits appear to be rooted in South African institutions and systems (e.g. rapid delivery, weak linkage between water supply, sanitation, health, gender and the environment), some are donor-based as well. In particular, the short time-frames of most ODA projects appear to be

unrealistic in the context of the ambitious objectives that are set. For a variety of reasons that need to be better understood, momentum is too often lost after the 'laying of important foundations'.

Although it has not been possible to come up with a scientific assessment of 'impact', it can be safely concluded that the overall effect of donor support to the sector has been positive, even though it has been mixed. Assistance to a wide range of activities has resulted in a greater national and provincial readiness to meet the multitude of challenges associated with the implementation of the Water Services Act and the National Water Act.

The many challenges that remain need to be subject to a careful process of prioritisation in relation to their 'fit' with donor offers of assistance. This is one way of promoting a more optimal impact of ODA. Another will be to take full advantage of the rich insights and ideas of the many stakeholders who contributed to the DCR 2 process. Finally, the development of a better understanding of the ODA impact goes hand in hand with improved (and consistently applied) systems of monitoring and evaluation.

Donors profiled by the study exhibited a range of approaches to monitoring and evaluation (M&E), in keeping with the requirements of their own organisations. Typically, donors depend on a variety of fairly standard project and programme monitoring systems. These include progress reports, Project Steering Committee meetings, independent reviews, Project Completion Reports and annual review processes. Very few formal evaluations have occurred. DWAF has its own M&E system for tracking water services capital projects and, with EU support, has established M&E units in two provinces and at head office. The system is unevenly understood and applied at the operational level and is rarely used to assess post-implementation sustainability or to generate 'lessons'. It nonetheless embodies a useful potential that needs to be better realised.

Weak commitment, low levels of interest and a poor understanding of the relevance of gender issues to the sector mean that 'gender' is not being systematically addressed by the department, donors, local authorities or other stakeholders, with very few exceptions. The lack of dedicated resources for gender and its status as a 'special programme' within DWAF puts it in competition with other 'transformation' issues and removes it from where it belongs, in the mainstream of development planning.

Environmental issues are an integral part of water resources projects but figure less explicitly in water services initiatives, despite the strong environmental link between water supply, sanitation and human behaviour. Donors played a role in the Environmental Conservation Act (Oct. 97), which specifies that water services authorities must receive an authorisation permit from the Department of Environmental Affairs and Tourism (DEAT) before construction of any schemes. ODA was also made available for the development of an environmental checklist, to be used for preparing applications for permits. A number of ODA pilot projects have addressed community sanitation and the need for improved environmental awareness. A few have been highly innovative, while others have produced mixed results.

RECOMMENDATIONS

1.1 INSTITUTIONAL ARRANGEMENTS FOR ODA

National responsibility for donor co-ordination and management is vested with the International Development Co-operation Directorate (IDC) of the Department of Finance. At the departmental level (within DWAF) this role is performed by the International Liaison Directorate (ILD), part of the International Projects Chief Directorate. Established in June 1999, the ILD is behind the development and approval of a new Donor Funds Interim Policy and Procedures document, as well as the formation of a Donor Assistance Co-ordination Committee, charged with supporting the ILD with its ODA-related functions. The following recommendations are aimed at strengthening these structures.

1.1.1 National (Macro) level

- ◆ It is recommended that the IDC (DoF) utilise the information obtained through the overall DCR 2 process to prepare a targeted client survey involving donors and the government institutions it co-ordinates. The aims would be to obtain detailed feedback on its present services and to refine its understanding of needs and expectations, in the interests of strengthening existing systems.
- ◆ With or without a client survey, it is clear that donors and government ODA structures feel the need for a more regular flow of information from the IDC. DWAF's wish is for easily digestible background information on relevant donors, including programme information and trends, pertinent excerpts from country agreements and minutes from annual consultations. As well, the D:IL would appreciate strategic advice that can be used to inform solicitation and negotiations processes. Donors would like to be kept up-to-date on what other donors are doing; options might be for the IDC to co-ordinate annual information meetings, run a donor web site or publish newsletters to which donors could contribute.
- ◆ It is also suggested that the IDC examine and learn from the ODA management and co-ordination models of other countries, notably that of Botswana, which has received very positive reviews from some of the donor agencies operating in South Africa. The systems of countries with larger donor programmes, more comparable to South Africa, should also be reviewed for useful ideas.
- ◆ Finally, it is recommended that the IDC take the lead in bringing together departmental Director Generals and / or key Ministry officials to discuss their experiences and views on the best uses of ODA, as well as further opportunities for collaboration.

1.1.2 Departmental level

- ◆ The relative independence of directorates under DWAF's decentralised dual system for engaging with donors may undermine the increasing emphasis

on alignment. It is recommended that this potential contradiction be discussed by the DACC and that recommendations be developed by the committee to ensure the strengthening of alignment.

- ◆ The present staff contingent of the D:IL far from reflects the conclusions of an early assessment on the personnel needs of the directorate. DWAF needs to consider the financial and strategic importance of filling the Deputy Director: Donor co-ordination post originally envisaged, as well as both Assistant Director positions. An audit of skills needed in relation to existing skills is also suggested.
- ◆ The D:IL is advised to prepare a procedures manual outlining the different options and processes for applying for donor assistance in the water and sanitation sector. Issues of accountability and reporting should be included. These procedures are summarily described in DWAF's new interim policy on ODA, but require fleshing out in a practical document to be distributed to all relevant stakeholders.
- ◆ The handing over of the donor co-ordination function from DWAF's RDP Implementation Directorate to the ILD was not officially announced to donor agencies. Although it is too late to provide donors with a formal introduction to the D:IL, a number of them have expressed the desire for a short written document that clarifies the directorate's role and functions in relation to ODA.
- ◆ The new Donor Assistance Co-ordination Committee needs to develop criteria for the consideration of projects or initiatives proposed by donors, in order to enhance the likelihood of strong alignment between donor projects and national objectives and priorities. Support should be sought from DWAF's DG and the IDC in this exercise. A good 'match' must be ensured before proposals are solicited from potential recipients. In addition, the committee is advised to develop a grid for the evaluation of funding proposals sent in response to requests from the D:IL. The grid should include criteria on transformation issues, such as gender.
- ◆ In light of the highly uneven capacity of different institutions and different parts of DWAF, it is recommended that the Donor Assistance Co-ordination Committee take steps to 'level the playing field' by developing and circulating a user friendly format that will clarify expectations vis-à-vis the content and presentation of proposals. Short descriptions of particular donors' interests, comparative advantage and strategic approach to support in South Africa are needed to assist applicants in 'pitching' their proposals to their own advantage. A precondition of this activity is that the committee and the D:IL build up their own understanding and database on different donors.
- ◆ Given the constitutional role of local government in water services provision, it is strongly recommended that a representative of the national Department of Provincial and Local Government be invited to sit on DWAF's Donor Assistance Co-ordination Committee. It may be important as well to invite representation from individual Strategic Planning Directorates (Premiers' Offices), or from other national departments, on occasions when proposals involve a particular regional or thematic emphasis. Another option is to invite non-voting 'guests' from other structures to offer views on particular projects, based on their expertise in a particular area. Time constraints may well pose difficulties in the implementation of this recommendation.

- ◆ In addition to interdepartmental co-ordination for project identification and selection, it is suggested that the Directors General of DWAF and other relevant departments meet bi-annually to exchange ideas on optimising the use of ODA. They could also explore ways in which greater interdepartmental co-ordination could enhance the results of ODA and other programmes.
- ◆ It is highly recommended that DWAF develop a system of central co-ordination that allows sector priorities to be ranked and held up against offers of donor assistance. Such a process would benefit from organised inputs from provinces and councils, derived through processes that ensure representation from a diverse collection of groups, including provincial ODA structures. As strong as DWAF has been in relation to other national departments, the department would do well to adopt a more co-ordinated, pro-active stance as regards the solicitation and negotiation of support. Co-ordination *within* DWAF is as important as co-ordination with external actors. Notwithstanding the reality that donors have their own preferences and comparative advantages, recipients armed with a clear strategy will increase the extent to which they *direct and benefit from* ODA.
- ◆ Within DWAF, Chief Directors are urged to establish a formal mechanism to allow for a co-ordinated assessment of the needs of the directorates and sub-directorates falling within the Chief Directorate (CD) and the CDs falling within branches. A process of prioritisation at this level will help to reduce the competition for donor funds that occurs between different directorates and the resulting 'randomness' of projects.

1.2 DONOR CO-ORDINATION

- ◆ Increased co-ordination between donors has been identified as having important potential benefits. Together with the IDC, DWAF needs to develop a policy position and strategy on donor co-ordination. Donor co-ordination should also be raised as a key issue at the next annual meeting between donors and DWAF's Minister.
- ◆ The current initiative to improve co-ordination between EU member states active in the water and sanitation sector is commended. The EU is urged to actively engage and invite participation from the Directorate: International Liaison (DWAF) and the Directorate: Municipal Capacity Building and Co-ordination (Department of Provincial and Local Government). DWAF is encouraged to use this process as a stepping stone to other types of collaboration. The EU is urged to monitor and cull lessons specifically related to its experience in co-ordinating the inputs of different donor agencies in the project.
- ◆ It is suggested that DWAF not only maintain but beef up its web site to include a wider selection of ODA reports and information, in order that donors and others can stay abreast of developments and benefit from the work of other agencies. See also Recommendation 2.1.2 on improving the flow of information between donors.

1.3 ALIGNMENT

- ◆ Alignment is presently achieved through an 'intuitive' rather than a systematic process. The question of alignment needs to be unpacked by the IDC, DWAF's Ministry and senior department officials. As obvious as it sounds, it is important that decision-makers at every level (at which alignment takes place) can answer the question '*alignment to what?*' in concrete terms. These terms may need to be given definition by written documents that are regularly updated to reflect shifting priorities, new policies and even emerging trends. Additionally, the D:IL and the DACC may need 'alignment' tools for assessing and approving project proposals.
- ◆ In terms of the Constitution and the Water Services Act, domestic water supply and sanitation systems are the responsibility of local government. The IDC, DWAF and donors need to ensure that water sector projects in these fields are fully aligned with local government priorities and needs, as well as 'world best practice', adjusted to local conditions. Such alignment is essential for achieving local government ownership, optimal impact and sustainability. To this end, donors are advised to make formal co-operation with DPLG a condition of support to DWAF.

1.4 CONTROL AND OWNERSHIP

- ◆ It is recommended that negotiations related to donor water and sanitation projects start at the national level with both DWAF and the Department of Provincial and Local Government (DP&LG) jointly setting out broad programme parameters. Regional and local players, who have firsthand information on gaps, needs and local situations, should join the process at an early stage, providing input into a detailed design. It is suggested that the new provincial structures for ODA, such as the Northern Province's ODA technical committee co-ordinated by the Premier's Office, be drawn in, among other relevant stakeholders. This is likely to facilitate greater ownership among key stakeholders and to enhance the relevance, viability and sustainability of ODA projects.
- ◆ It is recommended that in the process of empowering and capacitating local government, community institutions, too, be supported and built up in a manner that enhances participation and ownership of development at this level. As the primary agent of development, local government requires assistance with developing the capacity to audit and support local structures, in a manner that creates sustainability and good governance.
- ◆ The process of local government capacity building will be lengthy. Therefore, it is suggested that donors support DWAF and DPALG in exploring medium-term options e.g. private sector and NGO services support agents, to assist and build up capacity in water services authorities, i.e. local government, and village level water services providers.
- ◆ The proposed model of decentralised donor project definition and planning is unlikely to automatically deliver South African ownership, long-term impact and sustainability. Local players must continue to be involved and have 'counterparts' ready for training where appropriate to produce the best results. To this end, DWAF and donors are advised to consider, among

other mechanisms, supporting 3-5 year local secondments to some of the weakest local authorities, allowing for dedicated attention to be paid to the multiplicity of tasks associated with developing long-term capacity in water and sanitation.

1.5 MONITORING AND EVALUATION

- ◆ Clauses in both of South Africa's major Water Acts make monitoring mandatory and place responsibility for its introduction on DWAF, together with the provincial MECs responsible for local government. Water services authorities and providers are required to supply information and to co-operate with monitoring initiatives. As a minimum requirement, all donor-supported capital projects need an explicit mechanism for integrating their own M&E systems with the departmental requirements for M&E.
- ◆ The DWAF M&E system is robust but far from perfect. However, before further revisions of this system are considered, it is recommended that ODA project implementers and other stakeholders make better use of the existing system and that future revisions are effected in response to reported shortcomings and/or solicited feed-back from users. To this end, all donors supporting capital projects should be briefed on the existing system and strategies for its application discussed in negotiations at the project development stage.
- ◆ Donor support would be well-directed toward assisting DWAF to broaden and improve the application of the current M&E system, especially in terms of its treatment of the social, institutional, gender and other 'soft' aspects of water and sanitation projects. Support is also needed to boost the practical capacity of individuals and institutions to implement the system. The use of analysed data and information for design adjustments and dynamic project management needs to be encouraged. Assistance is also warranted in the areas of post-implementation M&E and the culling of lessons for the wider benefit of sector development.
- ◆ Another potentially fruitful area of ODA support is that of community-led participatory self-assessment, which should be carried out as a complementary activity to independent or external monitoring, evaluation and auditing.

1.6 CAPTURING AND APPLYING LESSONS

- ◆ A formal system for the 'clearing', contextualisation and dissemination of lessons (ODA and non-ODA generated) is urgently needed. The study team recommends the establishment of an independent 'Best Practice Unit' as a joint initiative between DWAF and the Department of Provincial and Local Government. For this to be fully successful, however, a culture of learning needs to replace the short-term memory approach that predominates in many parts of DWAF.
- ◆ While guarding the imperative of forging its own solutions, DWAF is urged to adopt a more receptive stance to the wealth of lessons generated in other countries, especially as regards the need for linkage to other sectors, role

players and disciplines. Policy making, soul searching and troubleshooting may be more productive if time is taken to 'check' the strategies deployed in relation to similar challenges elsewhere. The department's selective approach to study tours and international visits is commended.

1.7 TRACKING DEVELOPMENT ASSISTANCE

- ◆ There is a need for greater precision and more detail in DWAF's International Programme Co-operation Status Reports, including, for example, information on donor commitments and actual disbursements, DWAF programme commitments and disbursements (rate of spending), retention money held back from consultants and channels for funding. Main project components should be costed rather than simply providing a lump sum for the entire programme. A project classification system is needed and should likely be developed, along with other system requirements, in conjunction with the IDC, in order to ensure compatibility with emerging macro ODA tracking systems.
- ◆ The chain of difficulties or constraints to the effective capturing and collection of ODA (and perhaps other) data needs to be fully investigated and troubleshooting strategies devised to eliminate or circumvent the systemic bottlenecks that prevail. Systems to improve and streamline tracking need to be begun at the project management level, in order that data can be easily and regularly transmitted to the D:IL, as the body responsible for the consolidation and reporting of all data related to donor programmes. Given that the Department of Finance ultimately needs to process all information, it seems important that DWAF's tracking approach be guided by the CD:IDC.
- ◆ The study process revealed the substantial difficulties in obtaining comprehensive information on donor projects, particularly in cases when projects had been completed and documents sent to the 'archives'. In light of these problems, donors are urged to ensure that at least one hard copy and / or an electronic directory of relevant reports is maintained by their respective mission or development agency, even after project completion. Government departments should take the same step, but ensure that documents and electronic information are maintained in a central registry within the department, where they can be reviewed and /or photocopied in a controlled reading room or accessed through e-mail. This would reduce the enormous waste of time and money spent by personnel, as well as consultants and researchers, searching for documents that have 'gone missing'.

1.8 IMPACT AND SUSTAINABILITY

- ◆ Donors and DWAF alike need to take a more pro-active approach to the linking of water supply, sanitation and water-related health and hygiene issues in order to achieve the maximum benefit from community water supply and sanitation initiatives. DWAF is encouraged to establish active working relationships with other national departments as a way of building the multi-disciplinary projects shown to produce positive results elsewhere in

the world. DWAF is urged to show its commitment to sanitation issues by expediting its plans to establish a properly staffed Sanitation Directorate and by actively capitalising on the support being offered by donors in this area.

- ◆ All donor projects need an explicit strategy for ensuring the sustainability of project benefits. Pilot projects in particular need to incorporate greater clarity around long term goals and expectations, given the generally poor sustainability of many of these initiatives and the disappointments they tend to engender at community level.

1.9 GENDER

- ◆ Donors are advised to closely follow and support the decision to develop a strategic plan for the implementation of DWAF's Gender Policy. They are, moreover, encouraged to develop strategies for linking their own gender policies to those of DWAF and the country as a whole. In particular, donors need to take a more pro-active stance in raising gender issues at the conceptualisation and design stage of projects. In addition to the mainstreaming of gender in all ODA projects, there is a need for pilot projects to explore specific gender issues at the community and district levels. Donors should support gender training across the board.

1.10 ENVIRONMENT

- ◆ It is recommended that the requirements of the Environmental Conservation Act as amended in October 1997 be more widely publicised throughout the regions and that the EU checklists be made readily available to assist water services authorities or their agents to apply for the necessary project authorisation permits. Further steps to monitor and ensure compliance need be taken through the rigorous implementation of DWAF's M&E system, as well as through by-laws (the latter obviously outside the scope of ODA projects).
- ◆ It is also recommended that compliance with any environmental factors highlighted in the permits is monitored and evaluated by appropriate officials such as local government environmental health officers.
- ◆ Donors are advised to use ODA to encourage an active partnership between DWAF and DEAT, and to use partnerships to improve the relevance and effectiveness of projects that incorporate the interests of both departments. The rich resources offered by the environmental NGO community should also be tapped to the full advantage of project efforts.
- ◆ It is recommended that DWAF act with urgency to clarify its sanitation policy and to establish a sound institutional structure for addressing sanitation, in order to harness the evident donor interest in supporting this critical area.

1.11 DRAWING IN LOCAL GOVERNMENT

* See also recommendations in 1.3 *Alignment*.

- ◆ Despite the enormous pressure on local authorities to assume their constitutional role in local services delivery, greater consideration need be given to the dual realities that many local government institutions are starting from scratch and that all have multiple functions to perform in relation to different sectors. Broad capacity building efforts not unlike those undertaken in support of DWAF's restructuring, amalgamation and redefinition from 1994 are required to assist local authorities. The funding, finding, securing, training and retaining appropriate human resources for local government pose a major challenge that has direct repercussions for the water and sanitation sector. It is critical that donor agencies address this context in their support to the sector.
- ◆ It is strongly suggested that every water and sanitation sector project falling within local government areas of responsibility incorporate DPLG participation from the earliest stages of discussion and that strategies are developed as part of the project for addressing capacity shortfalls that could hinder or undermine project success.
- ◆ As one option, donors and government are urged to consider the merits of ODA funding of three- to five-year secondments (sector specialists) to local authorities. This would ensure the presence of individuals who will nurture new projects and actively support local government in its transition to a full water services authority role. Short-term foreign technical assistance may be required to 'jump start' these longer-term placements, with strategies for maximising the transfer of knowledge and skills forming a fundamental part of any brief.
- ◆ It is recommended that DWAF ensure that other, relevant donor agencies benefit from the experiences and lessons of DFID's Water Sector Support Programme in Northern and Mpumalanga provinces, in order that realistic strategies can be devised for encouraging local ownership. DFID is encouraged to carry out a rigorous evaluation of its activities and impact in the area of transfer and to share these widely with DWAF and the donor community working on similar initiatives.

1.12 IMPROVING THE EFFECTIVENESS OF ODA

Donors

- ◆ It is highly recommended that donors give serious and creative attention to the issues that have been identified by the study as posing 'constraints' to more effective development. In particular, strategies must be devised to address the following needs:
 - a continued increase in the rate of involvement of DPLG and local authorities, in consideration of the vital role they are expected to play;
 - more realistic time frames or longer-term commitments, which serve to protect donor investments as much helping to see a process through to a point of reasonable maturity. Where long-term commitments are not possible at the outset, donors and the South African government must do everything possible to plan ahead, so as to avoid the 'stop – start' nature of many projects and the disillusionment and loss of momentum they tend to produce;

- more pre-feasibility and feasibility work, particularly at the community level, where local dynamics and governance issues can serve to undermine project activities and objectives. In this vein, as well, it is important that communities share the objectives set by projects and give active consent to the intervention;
- avoidance of purely top down project identification process and the unnecessary risks associated with 'driving a national' or single stakeholder agenda for which there is not popular or local support;
- at the level of negotiations, flexible project designs and institutional arrangements and greater transparency;
- less bureaucratic application, approval and management systems.
- A more strategic selection of pilots projects, including consideration of their potential for large-scale replication.

Government

Government-based constraints to greater effectiveness need to be addressed through:

- ◆ better communication and co-ordination of role players within and outside of DWAF, at all levels and between all spheres;
- ◆ a more deliberate, representative system of prioritisation and clear strategies, revised annually, on the use of ODA;
- ◆ more clarity on the means of achieving alignment and an increased focus on poverty alleviation in relation to alignment;
- ◆ more streamlined, efficient ODA procedures at the macro level and less cumbersome procedures for consultant selection at the departmental level;
- ◆ the forging of strategies in every project that will deal with the question of 'ownership': who will be taking care of this initiative and how will this be done?

1 INTRODUCTION

1.1 BACKGROUND TO THE STUDY

This report is part of a larger project undertaken by the South African Department of Finance (DoF), with the support of the United Nations Development Programme (UNDP) and other donors, to evaluate international donor assistance to South Africa from 1994-99. A key objective of the Donor Co-operation Report (DCR) is to offer recommendations on the alignment of future Official Development Assistance (ODA) to the development priorities of the South African government.

A team of local consultants conducted phase 1 of the DCR with the assistance of an international expert and the support of the UNDP. Its purpose was:

- ◆ To establish the extent of ODA to South Africa from 1994-99;
- ◆ To assess how effectively funds had been spent and;
- ◆ Based on the outcome, to recommend a framework for future ODA expenditure.

The current and second phase of the DCR reflects a decision by the DoF to gain more detailed insights by assessing the role and impact of ODA in specific sectors and theme areas. Specifically, studies have been undertaken in the following areas: water and sanitation, health, education, infrastructure, land, labour, SMME, environment, gender, capacity building, democracy and governance and institutional arrangements. In addition, a data team has collected and analysed quantitative information on the full spectrum of ODA in the country.

The water and sanitation study was funded by DANCED, an agency of the Government of Denmark. The terms of reference for the study appear in Appendix One. In broad terms, the consultants were asked to give focus to five main areas of investigation, while paying extra attention to the first two:

- ◆ Control and Alignment of ODA
- ◆ Institutional Arrangements
- ◆ Character (level and nature) of ODA
- ◆ Impact Assessment
- ◆ Tracking, Monitoring and Evaluating ODA

In addition, each sector team was asked to analyse the particular integration of four cross-cutting themes into ODA to the sector: gender, environment, capacity building and democracy and governance, as well as to examine experiences in at least three provinces.

The study's primary client is the International Development Co-operation Chief Directorate (IDC), Department of Finance, as the body responsible at national level for the co-ordination and management of ODA. A secondary audience is formed by donor agencies, the Department of Water Affairs and Forestry (DWAF) and the Department of Provincial and Local Government (DPLG).

Finally, it is hoped that the report will be of use and interest to the range of stakeholders involved in or affected by donor programmes in South Africa.

1.2 HOW THE STUDY IS STRUCTURED

The remainder of this section describes the methodology employed by the study.

- ◆ Section 2 sets the scene for ODA to the sector by summarising the character of and major developments in South African water and sanitation since 1994;
- ◆ Section 3 examines the levels and flows of ODA to the sector and notes trends;
- ◆ Section 4 deals with questions relating to the ownership, control and alignment of ODA;
- ◆ Section 5 unpacks and analyses institutional arrangements, including the gamut of structures, procedures and practices at different levels. This substantial section compares past and present arrangements for ODA and discusses co-ordination between donors;
- ◆ Section 6 deals with the issues of monitoring, evaluation and learning, looking at current systems within DWAF, specific donor-supported initiatives and the question of how to make the best use of lessons;
- ◆ Section 7 summarises the major impacts / outcomes of ODA to the sector;
- ◆ Section 8 looks at the manner in which the cross-sectoral themes of gender, environment, governance and capacity building have been dealt with by donor programmes. Special attention is accorded 'gender', in light of its importance to, and frequent neglect, by the sector;
- ◆ Appendices 1-4 contain background information, such as the study TOR, List of Meetings, References and a List of donor-supported DWAF projects.
- ◆ Appendices 5 – 9 offer programme profiles of five different donor agencies, as they apply to assistance to the water and sanitation sector: Danida, the European Union (EU), the Department for International Development (DFID), the International Development Research Centre (IDRC) and Ireland Aid.

1.3 METHODOLOGY

1.3.1 Introduction

DCR teams were given a good degree of leeway in identifying a research approach that would best illuminate the key issues for their studies. Detailed Inception Notes enabled a management team to provide feedback and direction on the conceptual and physical approaches proposed by each team.

1.3.2 Study design

There have been at least 23 international donors to the water and sanitation sector since 1995, a number too large for each donor to be considered in any

depth by the current undertaking. In analysing the overall character of ODA, however, the study presents the broad picture of aid flows and levels, pointing to changing trends over the five-year period. As well, the considerable attention paid to wider issues, such as institutional arrangements for ODA, has relevance for all donors and ODA role players. In its selection of projects, the study gives more attention to Water Services than Water Resources.

Apart from an overview, the study has focused its investigations by selecting a diverse yet fairly representative sample of experiences for deeper analysis. In this regard, the study was designed to include:

- ◆ at least seven donor agencies, representing countries from three regions of the world, and including one multilateral organisation. Donors highlighted in the research process were Danida, DFID, the EU, Ireland Aid, the International Development Research Centre (IDRC), Japan International Co-operation Agency (JICA) and UNICEF. Case studies were prepared of the programmes of the first five on this list. Intentions to report in detail on water-related WHO support to the Department of Health, and the AusAid programme in KwaZulu-Natal, had to be abandoned because of difficulties obtaining information (notably, written reports). However, these projects, along with those of JICA and UNICEF have served to inform many of the perspectives in the report;
- ◆ the ODA experiences of five different provinces: North West, KwaZulu-Natal, Northern, Eastern Cape and Mpumalanga;
- ◆ a cross-section of national initiatives, with the emphasis on donors profiled by the study.

A concerted attempt was made to select programmes that offered:

- ◆ sufficient scope for the analysis of the cross-cutting areas and;
- ◆ experiences from different spheres and from the two most important departments of government for the sector.

The study does *not* deal with:

- ◆ the forestry component of the Department of Water Affairs and Forestry (DWAF) or;
- ◆ any programme or project that places an exclusive emphasis on water resources management / development;
- ◆ projects involving concession loans, given that these form a small minority of DWAF's ODA projects.

1.3.3 Research team and strategy

The Water and Sanitation research team was composed of three sector specialists: Hilary Syme, Refilwe Pitso and Derek Hazelton. Study team members gathered information using two main strategies. The first involved a comprehensive *review of literature* (see Appendix 3), including:

- ◆ Donor Co-operation Report background material;
- ◆ national policy / strategy / and budgeting documents that form the wider framework for sector and donor activity;

- ◆ government policies and reports on international liaison and donor co-ordination, with special attention paid to DWAF's recent publications in this area;
- ◆ DWAF Annual Reports and other generic documentation from the department;
- ◆ donor strategy / programme / and project reports of all kinds;
- ◆ project evaluations and reviews;
- ◆ academic papers on the sector.

The second strategy involved the conduct of *interviews* with a wide range of stakeholders: approximately 130 individuals in six provinces, including Gauteng (see Appendix 2 for a list of meetings). A series of questionnaires, tailored to the type of organisation and even adapted for particular individuals, were utilised by the team to facilitate discussions with representatives from:

- ◆ international donor agencies;
- ◆ three spheres of government (DWAF and DPLG);
- ◆ implementing agents;
- ◆ consultants;
- ◆ water boards;
- ◆ national and provincial local government associations;
- ◆ NGOs in three provinces plus national;
- ◆ One parastatal (Development Bank of Southern Africa).

On the basis that some valuable information and views were offered in confidence, the team has elected to exercise the privilege of *not* naming sources of quotes in every instance.

1.3.4 A note on donor profiles

It is important for readers to take cognizance of the fact that the study of different donor programmes has been carried out with varying degrees of intensity.

The programmes of Danida, DFID and the EU have been accorded the greatest emphasis, as the three seen as having the highest impact on the sector since 1995. The focus on the latter two also reflects a directive from project management to 'follow the money.'

Ireland Aid and the IDRC are covered in less detail than the first three, but provide useful insights nonetheless. The same is true for JICA, AusAid and UNICEF, whose institutional arrangements and projects were examined closely and have informed this work.

It would be incorrect to conclude that programmes *not* covered by the study are less significant; many have vital strategic importance and have addressed areas of critical need. It has simply been a matter of making choices within the time and financial constraints posed by the DCR project.

The donors programme profiles in Appendices 5 - 9 'bring to life' many of the theoretical and general constructs discussed in the main report and, in this sense are among the study's richest offerings.

1.3.5 Challenges faced

The team did not face any overwhelming obstacles, other than a shortage of time. Apart from this, the main challenges were formed by:

- ◆ difficulty in obtaining comprehensive, reliable and up-to-date data on donor spending in the sector, particularly as regards the level of commitments versus disbursements;
- ◆ similar head-aches trying to secure complete sets of documentation for some of the projects being profiled, especially those projects which had already ended;
- ◆ the fact that relevant donor staff and international consultants no longer lived in South Africa and had been replaced by individuals with limited knowledge of the project;
- ◆ defensiveness on the part of those fearing criticism;
- ◆ reluctance of some individuals to express negative views about donors, stemming from loyalty to people whose efforts were appreciated or from concern that further funding might be withheld;
- ◆ the tendency of some interviewees to present 'theory' versus 'reality', i.e. to describe procedures without qualifying the degree to which they are put into practice;
- ◆ the need to 'separate out' ODA issues from the plethora of generic issues in which all ODA is embedded.

2 CONTEXT: WATER AND SANITATION SECTOR

2.1 INTRODUCTION

The present section outlines the major characteristics and developments in the water and sanitation sector over the period being studied. Apart from the obvious relevance of the broader context for donor support, this outline helps to set the stage for later discussions on ODA alignment to sector priorities.

2.2 TAKING STOCK: THE SITUATION IN EARLY 1994

A snapshot of the water and sanitation sector just before the first donor programme commenced reveals the following basic characteristics:

- ◆ A high degree of institutional fragmentation, with different types of structures all over the country holding some responsibility for water services and water resource management;
- ◆ A confusing and antiquated legislative framework, shown by the existence of 91 different acts dealing with water, the main one dating from 1956;
- ◆ Extreme inequality in the social distribution (delivery) of water and sanitation, with the poor black rural majority experiencing the poorest access to basic services. In numerical terms, at least 12 million of 38 million people did not have adequate water supplies. As many as 21 million lacked adequate sanitation facilities (figures released by DWAF in May 2000 are now pegging

these numbers at 17.9 and 21.7 respectively – discussed further in Section 2.2.5, final paragraph);

- ◆ Against the above background, the absence of a national programme for community water supply, although some homeland governments, such as Boputhatswana and Gazankulu were providing basic services with substantial subsidies from national government;
- ◆ The founding of the Mvula Trust in 1993, a large NGO dedicated to improving community water supply and receiving funding from local and international donors;
- ◆ The existence of a small cluster of NGOs active in rural water and sanitation, on the brink of a funding crisis, as foreign funds were withdrawn in favour of direct support to the new government;
- ◆ Isolation of the mainstream from international events in the sector, i.e. the United Nations Decade for Water, 1981-90, and its follow-on activities, including the burgeoning preoccupation with issues of sustainability;
- ◆ The existence of a core group of individuals – returned expatriates, activists, NGO workers and others – who began in the early 1990s to reconceptualise the sector and to forge the foundations of a new policy;
- ◆ A situation of water scarcity: South Africa is dependent on rainwater for about 80% of its supply, but, until the recent deluge of rain in Southern African, received only half the world's annual rainfall, a situation exacerbated by dramatic seasonal and geographic variations in precipitation;

2.3 1994-99: INTENSE ACTIVITY AND INCREDIBLE CHANGE

2.3.1 Introduction

The five-year period covered by the study stands out as an era in which most pre-existing structures and ways of looking at things, especially in government, were 'stood on their heads', as part of a fundamental shift required by the transition to democracy. In the water and sanitation sector, the overwhelming issues were:

- ◆ the integration of multiple water institutions under one banner;
- ◆ the reorientation and development of legal and policy frameworks to ensure the equitable and sustainable distribution and management of the country's water resources and;
- ◆ the mounting of an ambitious delivery programme aimed at addressing the basic needs of the country's poor.

A fourth major issue to emerge from the steady flow of policy and legal documents was the need to establish, transform and capacitate local government institutions in order that they could fully and competently assume the roles set out for them by South Africa's new laws.

Probably the most salient comment that can be made about this period is that it was characterised by constant change, requiring all actors to carry out their work on an unpredictable and ever moving playing field. This quality above all needs to be considered in any analysis of ODA to the sector.

It is beyond the scope or brief of the present study to look in any depth at the changes wrought over this period, but an attempt to encapsulate major events follows. The relevance of these events for ODA is discussed in Section 2.4.

2.3.2 Policy and strategic development

The Department of Water Affairs was among the first departments to produce a coherent national policy (Water and Sanitation Policy: White Paper, 1994). Starting with an acknowledgement of historical disparity, this document set out guiding principles, established a basic service provision standard, clarified roles and objectives and dealt with a range of 'supplementary' issues, such as gender, the environment and sanitation. Two years later, a National Sanitation Policy and Programme of Action emerged. The policy defined 'sanitation', building on the principles contained in the earlier policy and laying the groundwork for action in six main areas:

- ◆ health and hygiene,
- ◆ community issues and HRD,
- ◆ environmental impact,
- ◆ financial and economic approach,
- ◆ technical considerations and institutional frameworks (the policy is currently under review).

The year 1996 also saw the completion of an important strategic study of community water supply and sanitation (CWSS), which provided the first national assessment of the water supply challenge on a province by province basis.

The White Paper on a National Water Policy for South Africa, 1997, established a new context for water management, emphasising the many dimensions of sound water resources management policy and suggesting the need for a new National Water Bill. A subsequent White Paper on Local Government put forth a multi-faceted vision for this sphere of governance, including a new approach to municipal services delivery and a strong developmental role for local government, including in local economic development. To carry out its functions and responsibilities, local government is entitled to an equitable share of revenue raised at the national level.

In 1998, DWAF approved a Gender Policy which dealt with the internal (the institution itself), as well as external elements (DWAF's programme) of gender relations. The policy is discussed further in Section 8.5 on Gender.

Finally, a DWAF Strategic Plan, 2000-01, was just released (May 2000), which defines, among other things, the Department's core functions, its medium-term objectives and its aims in terms of the standards and levels of service to be attained. The Plan also provides the basis for monitoring and revising DWAF's institutional transformation process.

2.3.3 A new legal framework

In 1996, the South African government introduced a Constitution that included a number of clauses pertaining to water services delivery, at the crux of which lay the provision that local government holds responsibility for water supply.

Also in 1996, a comprehensive legal review process called the Water Law Review produced twenty-eight principles to form the basis of the country's new legislation on all aspects of water.

This was followed the next year by a Framework for Regulating Water Services, a policy discussion document that brought new refinement to the understanding of various roles in services delivery, including the all-important distinction between *water services authorities* and *water services providers*.

These documents paved the way for two critical pieces of legislation that now govern every aspect of water in South Africa: the Water Services Act (WSA), 108 of 1997, and the National Water Act (NWA), 36 of 1998, both summarised below.

The WSA provides a developmental framework for water services by clearly defining the roles and responsibilities of the different spheres of government and the possible roles of other actors in services provision, e.g. water boards, community structures, the private sector, etc. The 'bottom line' is that: 'the provision of water and sanitation services is a function of local government and that national and provincial governments must by legislative or other measures support and strengthen the capacity of local government to manage their own affairs, to exercise their powers and perform their functions.'

In terms of the WSA, a Water Services Authority (WS Authority) is a local government institution, with a duty to all consumers in its area of jurisdiction to progressively ensure efficient, affordable, economical and sustainable access to water services. To this end, each authority is bound to develop a Water Services Development Plan (WSDP), containing, in broad terms, an audit of the existing situation (re. resources and needs) and a plan for the provision, maintenance and governance of services to all types of consumers within its area of authority. In terms of the Local Government Transition Act, 1993, the WSDP is best developed as a component of a multi-sectoral Integrated Development Plan (IDP).

The WS Authority can act as its own Water Services Provider or it can delegate the role to any institution, public or private, with the capacity to engage in the reticulation of water to end-users. A variety of options involving different actors are possible, but, ultimately, none should obscure the ultimate responsibility and authority held by local government. In practice, the politics and administration of services delivery is a complex system in which central, regional and local government, water boards, contractors and NGOs co-operate and compete within the various frameworks for funding and delivery.

The NWA is concerned with ensuring that the nation's water resources are developed, conserved, managed, protected, used, distributed and controlled in a manner that:

- ◆ meets basic human needs;
- ◆ facilitates social and economic development;
- ◆ promotes equitable access;
- ◆ redresses past imbalances;
- ◆ protects the environment;
- ◆ fulfils international obligations and;
- ◆ promotes the sustainable use of water in the public interest.

The Act legislates an integrated approach to the management of water resources. It delegates powers to as-yet-unformed institutions at regional or catchment level, so as to enable broad participation.

The legislation and bills focused on local government complete the picture. These include a Local Government Municipal Structures Act, which identifies different types of municipal structures and their functions, as well as the Municipal Systems Bill, which stresses the developmental role of the third sphere and covers human resource and procedural issues and performance management, among other issues. Finally, the recent Demarcation Act clarifies the jurisdictional responsibilities of local authorities country-wide through its establishment of wall to wall municipalities.

2.3.4 Institutional assessment and restructuring

One of the first challenges facing the government in 1994 was the need to amalgamate all the fragments of different governing structures left over from the previous regime and, from there, to embark on a programme of rationalisation and restructuring. Institutions not only had to be 're-invented' to reflect a new vision, mandate and style of government, but staff had to be retrained and recruited to perform entirely different kinds of functions. Most of all, the government faced a profound challenge in the need to develop a 'common vision' among the many fragments that had been brought together by the country's first democratic election.

A second major challenge has involved the reconceptualisation and building of the third sphere, in a way that assists local government to assume its constitutional role in services delivery. This has proven to be a slow process in general. On top of the dynamism associated with two sets of local government elections country-wide, a national demarcation process, completed this year, has redefined the jurisdictional boundaries of all councils, creating wall to wall municipalities. A *re-demarcation* process is still underway, with the effect of extending uncertainty a few months longer.

An entire book could be written on the continuing process of institutional transformation within DWAF and some of its partner organisations. It will have to suffice to list the major programmes developed within DWAF over the period under consideration:

- ◆ the establishment in 1994 of a Community Water Supply and Sanitation (CWSS) Chief Directorate at national level, mirrored by CWSS Directorates at provincial level, their essential role to develop and implement CWSS programmes, using funds made available through the RDP;

- ◆ the transformation of the CWSS Chief Directorate into the Water Services Chief Directorate in 1999, reflecting the diminishing role of DWAF in direct service provision and its increasing role in the facilitation of services delivery by other institutions;
- ◆ the creation within the Water Services Chief Directorate of a national Institutional and Social Development (ISD) Directorate and the recruitment of regional ISD staff to address the human, social and institutional side of water and sanitation development;
- ◆ the recruitment and training of Community Development Officers in some regions, charged with training and liaising with communities on DWAF's behalf;
- ◆ the replacement in 1999 of the national ISD Directorate with a Local Institutional Development Services Directorate (LIDS), focused on capacitating local government and the other institutional role players in the service provision network;
- ◆ the establishment of a national Transformation Directorate, responsible for ensuring the implementation of government objectives to improve opportunities for previously disadvantaged population groups;
- ◆ the founding of a multi-departmental National Sanitation Co-ordination Office (NaSCO), based in DWAF and the subsequent development of a national sanitation programme;
- ◆ the establishment of a multi-departmental Health Education and Awareness Task Team (HEATT), chaired by the Department of Health;
- ◆ the launching of a national water conservation campaign, aimed at making all users more aware of their use and consumption of water.

2.3.5 Addressing the services backlog

South Africa's new government of national unity was driven to do as much as possible, as quickly as possible, to bridge the enormous gap in the living standards of its population. Genuine concern for the poor, coupled with intense political pressure to be 'seen to be delivering', produced an environment in which the physical delivery of services dwarfed strategies to ensure sustainable development.

Early on, DWAF began systematically to address the range of social, institutional, technological and economic issues understood to exert a major impact on project success. However, the department did not start with a base of experience, knowledge, resources or tools that would allow for the even integration of these issues. This was even more true for sanitation than water, as a low priority area in which the government had virtually no experience. The present preoccupation with revisiting 'problem projects' not only reflects the aftermath of the 'rapid delivery approach', but also the impossibility of mobilising an effective, South African 'multi-disciplinary machine' overnight.

As a highly visible programme and one where accomplishments have been much touted, DWAF has been the object of some sharp criticism of late, related to the poor sustainability of its endeavours. Concerns have been raised internally as well as by outsiders to the department. In particular, the Build Operate Train and Transfer programme (BoTT), devised to accelerate water

services delivery by using private sector consortia, has generated controversy, as a relatively expensive option that has not adequately addressed the institutional and social issues so vital to sustainability. Further concerns relate to the drawing of funds and expertise away from emerging local government where, it can be argued, decision making and resources should be focused. The BoTT programme operates in four provinces.

Another area of criticism relates to the 'minimal headway' made in addressing the sanitation backlog or, indeed, even in raising awareness and generating a demand for improved sanitation services (Minister R.Kasrils, Shotha [DWAF weekly newsletter], June 15: 1). This has been manifested by the low numbers of newly served, as well as by the inconsistent support given the sanitation issue by DWAF and some of the other governmental players which sit on the interdepartmental National Sanitation Task Team (NSTT).

The future shape, status and mandate of the National Sanitation Co-ordination Office (NaSCO), housed in DWAF and assuming a dual role as DWAF's Sanitation Co-ordination Directorate and the NSTT's executive arm, is up in the air, pending the outcome of the sanitation policy review. Section 4.4 on 'constraints to alignment', as well as the programme profile of DFID (Appendix 7), discuss the effect that weak local support for sanitation has had on donors.

Section 2.2 (point 3) has already outlined the challenge faced by the department, in terms of the levels of unserved. Four main vehicles have been applied to this challenge:

- ◆ **A Presidential Lead Programme** (also known as RDP 1), launched in 1995, comprising 12 high profile projects in communities country-wide, serving nearly 900,000 people at a cost of approximately R430 million;
- ◆ **A series of RDP Projects**, known as RDPs 2- 5, were begun in 1996. In June 2000 DWAF's Minister reported that these projects had served over 5.6 million people with water (2.6 million at the RDP service standard) at a cost of R3.6 billion (figures include the amounts in the Presidential Lead Programme). Sanitation accomplishments are less impressive, with 4,600 toilets having been constructed and 36,000 people having received water and sanitation-related health and hygiene education;
- ◆ **ODA Capital Projects** have been supported by the EU, JICA and Portugal, with the EU share accounting for more than 90% of the total capital investment through its projects in Eastern Cape and Northern Province;
- ◆ **The Mvula Trust programme**, funding about 170 water services projects in small rural communities from 1994, bringing improved water supplies to roughly 950,000 people.

A speech given in December 1999 by Dr. Mokeyane, in his former capacity as Deputy Director General, DWAF, cited a figure of 1,025 projects as having been undertaken by the government since 1995 (Mokeyane:1999:4). Recent figures from the Project Support Directorate show that 205 of these are now complete, with the total population served with water under the programme standing at 4,998,193. The average per capita cost of providing water is R675. Approximately 310,000 jobs have been created through these projects.

In 1998, major budget cuts introduced by the Medium Term Expenditure Framework had the effect of severely curtailing capital spending. Funds for sanitation development dwindled to a bare minimum. Dr. Mokeyane points to the difficulties posed by this development:

'We are now looking at R530 million per annum [for capital projects] for the next three years. According to our monitoring and evaluation statistics, we still have about seven million rural dwellers in South Africa without access to water and about 25 million without access to sanitation. The budget has gone down and the capacity to spend has been built. The capacity to sustain [existing] schemes is very limited. In effective terms, we are worse off now than we were in 1996.' (Mokeyane, p.6).

Revisions in allocations ultimately resulted in R609 million being available for capital projects in 2000-01. However, statistics obtained by the study team in May 2000 are showing that substantially more people than previously believed remained unserved with basic water services. The new figures stand at 17,935,231 still needing adequate water supplies and 21,704,362 sanitation (Strategic and Planning Support Directorate, DWAF, May 2000). The precise reasons for this phenomenal escalation are unclear, although an inaccurate earlier count and the inclusion of peri-urban populations in the new count appear to be key factors. Low sustainability of 'new' schemes may also be a factor.

2.4 IMPLICATIONS OF THE CONTEXT FOR ODA

2.4.1 'Starting at the beginning spells opportunity'

'Most donors arrived in South Africa at a time when international aid was under intense scrutiny, in their own countries and in the international community generally. People were questioning the effectiveness of aid, especially since it uses public money that could be put to so many uses at home. No one wants to think resources are being poured into a bottomless pit somewhere. South Africa was a new chance to prove that aid could make a difference, in a country the whole world had been watching and wanted to see do well. Risks were lower, too, because of the infrastructure already here. We could have gone elsewhere... everyone knows that poverty is much worse in other African countries... but the opportunities here were very attractive.' (off-the-record comment of a donor official)

This comment relates not only to the water and sanitation sector, of course, but to an overall view of South Africa on the part of much of the international donor community. It represents a different interest than the one normally pointed to by aid critics, i.e. ODA as a mechanism to penetrate markets and gain political influence. As interesting as this perspective is, however, its opportunistic element is somewhat undermined by the fact that many countries had been committing support to SA in the years prior to 1994.

Opportunity also has been reflected in the 'wide open field' for donor interventions, albeit within a well-defined policy framework, over this period.

With so many needs and limited national resources, it was not hard for donors to find a niche for their respective comparative advantage and preferences. The perception that risks seemed manageable brought further appeal. So, too, did the initial chance to make one's mark without tripping over a volley of other donors. This was short-lived, however, with the rapid increase of donors to DWAF and the country as a whole.

2.4.2 'Riding the seas of change'

The major implication of the relentless transformation and development of the sector was that DWAF placed a high premium on 'flexibility'. Less critical in 'once off' initiatives, such as the 'Water Law Review', the value of an adaptive approach was demonstrated in larger and longer-term programmes, e.g. those of DFID and Danida in the regions, where new frontiers were being pushed. DWAF's entreaties to donors to define their projects as broadly as possible served both donor and government each time the big picture shifted slightly.

A prime example was Danida's ability to redirect some of its energies from the community structures it had envisaged capacitating, to the third sphere of government. Another has been DFID's niche support strategy, which has allowed it to respond quickly and creatively to emerging needs and to gaps produced by cutbacks.

Flexibility has been important not only in cases where the policy picture changed, but also when projects did not go exactly as planned. A case in point was the Japanese decision to add an 'aftercare' component, aimed at improving sustainability, to its capital projects in three rural communities in North West Province.

Situations in which the government failed to deliver agreed-upon counterpart inputs, either financial or in-kind, provided another scenario in which donors adapted to changes. DFID, for example, siphoned off funding from one project to another to make up for shortfalls in local contributions or AusAid, as another, shifting its expectations and the focus of its project in KwaZulu-Natal. While it is fortunate that donors were prepared to fill in unexpected gaps, failure to honour commitments is a practice that should be strictly avoided by the Government of South Africa.

Donors considered 'inflexible' tended to be less appreciated by DWAF, although a number of them, such as the EU, made substantial contributions and, in some cases, adapted their approaches progressively to meet South African needs.

2.4.3 'Coming to terms with a new paradigm for rural water services'

As a middle-income country, South Africa has developed a water services model that is distinct from the dominant model of third world economies. Weak central structures and dire shortages of capital in very poor countries have led to an approach that places rural communities at the center of their own development. They own and manage local water supply and sanitation systems

(normally simple technologies), drawing on local resources and ingenuity and, in theory, depending minimally on external support.

A key tenet of the 'demand responsive approach' (DRA) is that community members co-operate to ensure maintenance and cost recovery, with women frequently playing a central role in this regard. DRA is basically a survival strategy for the poor to get water, although it has acquired ideological baggage along the way as a model for 'privatisation' favoured by the large international finance institutions.

This is the approach that emerged from the rich practical experience of the United Nations Decade and beyond, evolving from early ideas about the need for community participation and gradually incorporating the multiple lessons learned about sustainability.

DRA in its variable forms continues to evolve and be debated, but it is widely considered by proponents of rural development to be 'best practice' when it comes to building sustainable water supply and sanitation systems. It is this approach that tends to form the main basis of donor experience in the sector over the last fifteen years. In South Africa, too, it is an approach commonly taken by NGOs working in the sector.

Although much of South Africa remains poor and rural, the overall context just considered (Sections 2.3.1–2.3.5) shows a demonstrable departure from the DRA model, in favour of a municipal services approach, also market-oriented.

For a country that embodies both the 'first' and 'third world', the local government model of services provision at once makes sense *and* poses formidable challenges that are new for donor agencies as well as for South Africa. Enthusiasm for the existing legislation has been accompanied by wariness and confusion, as donors and even national institutions regard the highly uneven capacity of local authorities, only recently reconstituted into permanent structures with clear lines of jurisdiction.

The situation is complicated by the assertion of many local authorities that they are a 'dumping ground' for a hundred and one responsibilities they cannot meet. Many see the need for an interim strategy which 'phases in' transfer, allowing a progressive development of capacity for assuming the multiple functions local government is to perform. Part of this vision is the need for community structures to continue playing a critical role in their own development, in a context of strong, participatory local governance.

DFID has taken a major plunge into the government's new paradigm, establishing Water Sector Support Units within local government associations in two provinces (and looking at a third). A completed Danida project helped to lay the groundwork for transfer in North West Province, although considerable challenges remain. A project supported by the Netherlands involving DWAF and DPALG and a modest Local Government Training Programme conceived by Danida are other initiatives that show the greater move in the directions established by South Africa's legal and policy framework. These projects will lead to the generation of valuable lessons and the development of a model that is already attracting considerable international interest.

'Pushing water up a hill'

'I am appalled by the priorities of the South African government. While we're pulling out stops to help implement policy in a basic needs sector, the government is putting scarce resources into building the armed forces.' (a donor)

'Many poorer countries have allocated as much as four percent of their budgets to water, but here, we have one percent of the national budget to do our job... it's no wonder that there are still so many unserved...' (an individual in the Project Support Directorate, DWAF)

These comments arise mostly from the selective fiscal austerity imposed by the government, especially since the emergence of the 1998 budget and the three-year rolling expenditure framework. Expressions like 'pushing water up a hill' and 'a drop in the bucket' have taken on new meaning for committed individuals and institutions, including some donors, who, alongside others, are frustrated with the sense that they must somehow 'get water from a stone'. The need to prioritise scarce resources, including ODA, at about 7% of funds available to the sector, becomes even more critical in the current climate of fiscal restraint.

2.5 CURRENT TRENDS AND PREOCCUPATIONS

The water and sanitation sector continues to be a dynamic area, in terms of policy review, development and implementation. Debates persist, fueled especially by disappointment in the numbers of South Africans who still lack basic services. Key issues and trends include:

- ◆ the growing pressure for water services schemes, functions and personnel to be transferred to the third sphere (DWAF is still operating 279 major schemes and about 3,000 small schemes, according to the DWAF Strategic Plan, 2000-01, May 2000: 18);
- ◆ the commencement of a challenging new stage of local governance, with the completion of the demarcation process and the subsequent need to reconstitute local government structures in accordance with their revised areas of jurisdiction;
- ◆ the revisiting of projects implemented over the last five years, in view of mounting evidence that many require additional inputs or new approaches in order to be sustainable;
- ◆ high-level policy discussions around the most effective way to deliver and sustain services to the poor, with emphasis on options for levels of service, cost recovery and service provision models, among other key issues;
- ◆ the gradual move towards a catchment management approach to water resources, in line with the National Water Act and international trends;
- ◆ the increased linking of water services and water resources as two pieces of the same puzzle;
- ◆ a growing focus on regional co-operation and management of water resources;
- ◆ a heightened advocacy and intermediary role for South Africa in relation to ODA support of other countries in the region, in recognition of the long-term

benefits of a more even spread of capacity. This trend is seen by the strong message received by donors from South Africa at the last international 'Water Sector Pledging Conference', December 1998, in Lesotho.

3 CHARACTER OF ODA

3.1 INTRODUCTION: THE DATA CHALLENGE

The team's objectives in drawing a picture of the character of ODA to South Africa and, in particular, a picture of ODA to the water and sanitation sector, were to report on the following:

- ◆ total grant ODA in monetary terms compared with national budget estimates for the main areas of spending;
- ◆ ODA commitments per sector and why the water and sanitation sector attracted substantial assistance;
- ◆ water and sanitation ODA in monetary terms compared with Department of Water Affairs budget estimates for its main areas of spending;
- ◆ the demographic distribution of ODA to the water sector;
- ◆ the value of ODA from different donors to the water and sanitation sector; and
- ◆ the uses to which ODA has been put in the water and sanitation sector.

Non-ODA budget estimates and expenditures have been abstracted from the 2000 budget review, the 2000 budget national expenditure survey and DWAF annual reports. Multi-sector ODA information has been obtained almost exclusively from the DCR 2 data team.

With respect to the water and sanitation sector ODA, the sector team started by examining the 1999 quarterly International Co-operation Programme Reports produced by the Department of Water Affairs and Forestry. With these reports as a foundation, we added information obtained during interviews with donors and project implementation managers. Finally, we cross-checked our information with the data obtained by the DCR 2 data team and managed to fill some information gaps in this way. Appendix 4 contains a summary of project information derived from these various sources.

Despite this reasonably rigorous approach with respect to ODA to the sector, there are still gaps in our information, especially with respect to donors committing smaller amounts. These gaps are apparent from Table 3.2.3. Other situations causing uncertainty are as follows:

- ◆ DWAF documents and interviewees were not always clear as to whether they were reporting on commitments or disbursements.
- ◆ Most of the data we received from the DCR 2 data team included loan finance as well as grants.
- ◆ Some of the DCR 2 data also appears to include donor declarations of commitments for which there is no signed agreement of acceptance by the South African Government.

- ◆ With respect to the water and sanitation sector, it has been possible to give an estimate of the main split between ODA invested in soft issues and in infrastructural projects, but it has not been possible to make any further meaningful breakdown of these investments.

This uncertainty with respect to commitments and disbursements has meant that, where we quote figures relating to a single year, the single year's figures are estimates based on averaging figures over a two to four year period, as appropriate.

Where charts relate to ODA to the water and sanitation sector exclusively, only cash grant disbursements are included (i.e. loans and equipment grants are excluded). Again, only estimated cash grant disbursements have been included in figure 3.2.1. The ODA commitments per sector, figures 3.2.2 and 3.2.3, however, only use gross figures obtained from the DCR 2 data team, as it was not possible for us to distinguish between commitments and disbursements, and, sometimes, even between loans and grants. By including loans and all commitments, consistency is at least maintained across sectors in these two figures.

3.2 FINDINGS

Broad quantitative findings are presented in the following bar charts and pie charts. General perspectives on spending by the GSA and donors across sectors are offered up front, as a tool for locating water and sanitation allocations within a wider context.

3.2.1 Total grant ODA

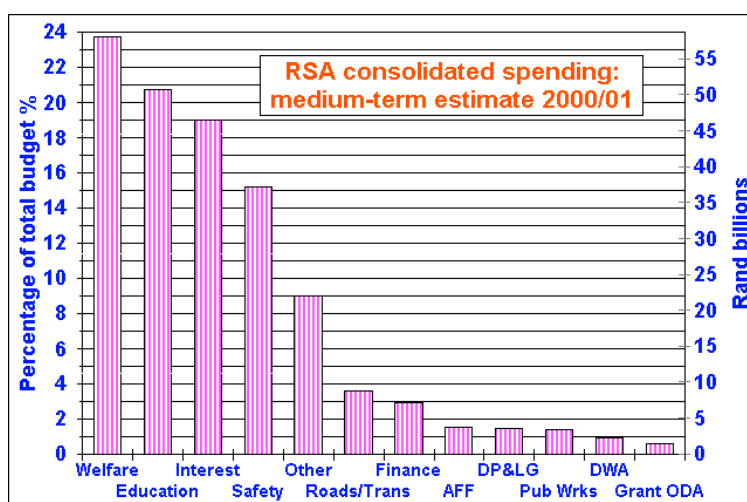


Figure 3.2.1:
Consolidated national and provincial spending by function: medium-term estimate 2000/01 (2000 Budget review p. 140, National expenditure survey p. vi and data team information)

Figure 3.2.1 gives an overview of consolidated national, provincial and local government spending in South Africa from monies received from the national budget. Some functions include more than one department as following:

- ◆ Welfare includes social welfare, health, housing and community development;
- ◆ Safety includes Defence, police, prisons, justice and intelligence;

- ◆ AFF includes agriculture, fishing and forestry
- ◆ DPL&G includes equitable share disbursements to local government as well as the cost of running the Department of Provincial and Local Government
- ◆ DWA includes all expenditure incurred by DWAF as detailed in Figure 3.2.4 (It excludes forestry and ODA)

The consolidated spending depicted in Figure 3.2.1 totals R 244,8bn. The figure indicates:

- ◆ the high priority given to broad social services: health and welfare at R 58,1bn (23,7%), and education at R 50,7bn (20,7%);
- ◆ the high cost of financing loans at R 46,5bn (19,0%);
- ◆ in contrast to the broad social services spending, the surprisingly low priority given to water services at R 2,3bn (0,95%);
- ◆ and finally, the relatively low figure for total ODA grant finance to South Africa at R 1,4bn (0,56%).

In view of the above, it is not surprising that a report of the Financial and Fiscal Commission on *Public Expenditure on Basic Social Services in South Africa*, published in 1998, generally discourages the allocation of additional resources to the education and welfare functions (FFC 1998 p. iii). It also recommended additional spending on water and sanitation (FFC 1998 p. v).

As motivated by the report: 'The co-ordination of health care with water and sanitation ... will result in improved health outcomes. These services which are preventative in nature ... have benefits which far outweigh their costs and should consequently be expanded' (FFC 1998 p. iv). So, on the one hand, the report stresses the urgent need for South Africa 'to develop the capacity to deliver all basic social services more efficiently, especially to the poor' (FFC 1998 p. vi). The same report recommends that the emphasis of ODA should be 'on support to government to improve the efficiency of expenditure' (FFC 1998 p. vii.)

3.2.2 ODA commitments per sector

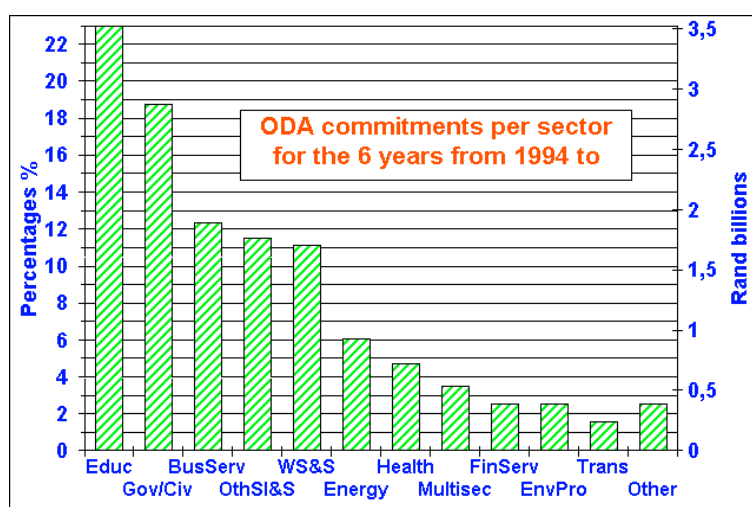
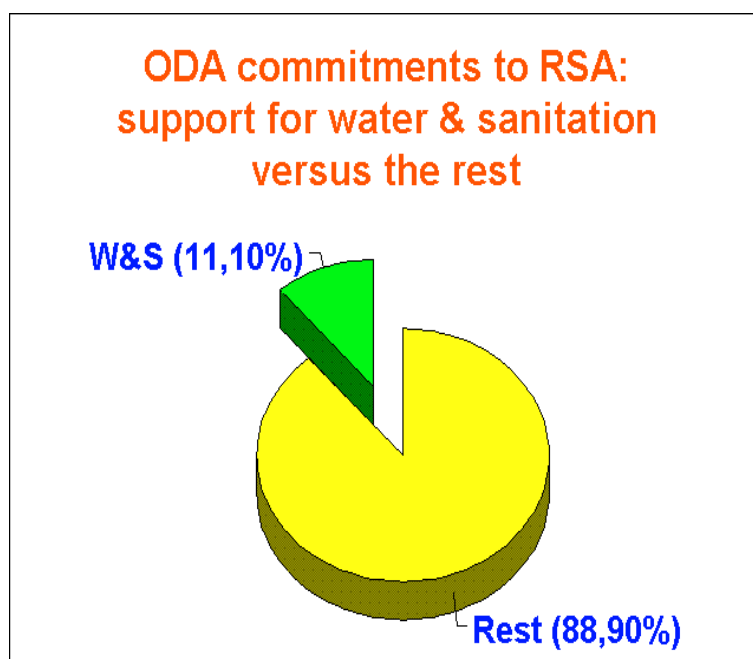


Figure 3.2.2: Loan and grant ODA commitments per sector for the six years from 1994 to 1999
(Data team information)

Figure 3.2.2 gives an overview of total ODA commitments to South Africa per sector for the six years from 1994 to 1999. A fuller description of each sector specified follows:

- ◆ Educe: education
- ◆ Gov/Civ: government and civil society
- ◆ BusServ: Business and other services
- ◆ OthSI&S: other social infrastructure and services
- ◆ WS&S: water supply and sanitation
- ◆ Energy: energy generation and supply
- ◆ Multisec: other multi-sector
- ◆ FinServ: banking and financial services
- ◆ EnvPro: general environmental protection
- ◆ Trans: transport and storage

Other: includes all the remaining sectors for which data was gathered listed by rank: unspecified or unallocated; agriculture, forestry and fishing; population policies, programmes and reproductive health; industry, mining and construction; communications; women in development; and finally trade and tourism.



**Figure 3.2.3: ODA:
support for W&S
versus the rest** (Data
team information)

Figure 3.2.2 presents a contrast to Figure 3.2.1, the national spending profile. Although education also scores high in Figure 3.2.2, at 23,0% (R 3,5bn) of total ODA, water and sanitation is shown to capture 11,1% (R 1,7bn) of donor funds. The water and sanitation share of ODA is shown more graphically by the pie chart in Figure 3.2.3.

There are a number of reasons that the water and sanitation sector attracted substantial assistance, including:

- ◆ the presence of a charismatic Minister with strong international connections and a vision that involved marketing the department overseas;
- ◆ the emergence of a policy framework as early as 1994 that donors could tap into;
- ◆ the appeal of water supply as a basic human need;
- ◆ the high capacity of DWAF to absorb and manage funds relative to most other national departments;
- ◆ the confidence bestowed in DWAF by the DoF (and the RDP Office before that), resulting in the steady direction of donors to the department;
- ◆ the efforts made by a small core of DWAF staff, mainly in the Chief Directorate Water Services, to understand donor policies and to target donors accordingly.

3.2.3 Water and sanitation ODA and the DWAF budget

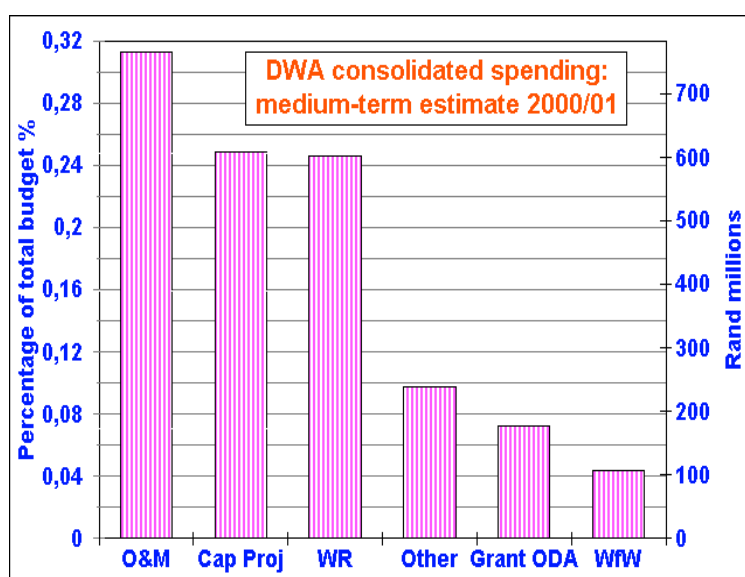


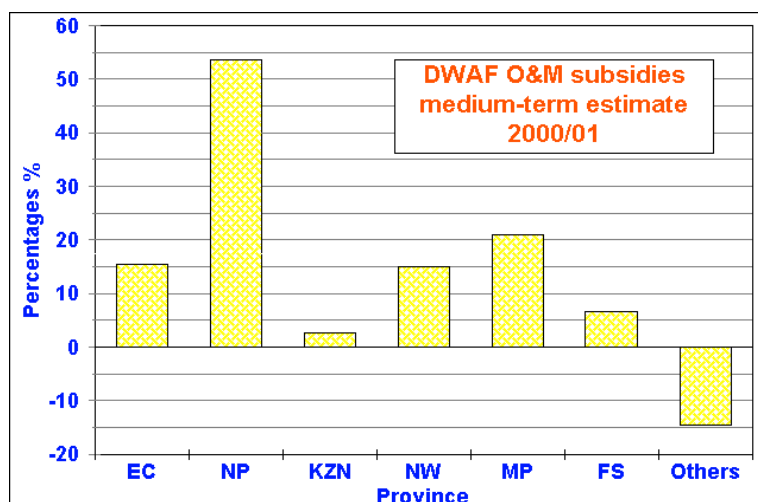
Figure 3.2.4: Department of Water Affairs spending per major cost centre, medium-term estimate 2000/01 (2000 national expenditure survey chapter 34, DWAF quarterly International Co-operation Reports, data team information and interviews)

Water and sanitation ODA in monetary terms compared with Department of Water Affairs budget estimates for its main areas of spending Figure 3.2.4 gives an overview of Department of Water Affairs spending in South Africa. A fuller description of the cost centres specified following:

- ◆ O&M: indicates the total net water trading account subsidy required to operate and maintain water supply schemes owned by DWAF. This O&M subsidy does not include any portion of the Equitable Share payments from national revenue that local government may be using to subsidise the O&M of basic water services to the very poor. NP accounts for nearly 50% of the deficit whilst the Gauteng account shows a surplus (refer figure 3.2.5). The deficit is made up of subsidies for irrigation supplies to large commercial farms, potable water supplies to some towns in the ex-homelands and basic potable water supplies to poor rural areas. The division of the subsidy between these three classes of beneficiary is unknown.
- ◆ Cap Proj: is mainly used for grant finance for the construction, up-grading and refurbishment of basic minimum water and sanitation services to poor communities. It is occasionally used in the refurbishment of higher levels of service to less poor communities where the O&M water trading account

shows a substantial deficit. Besides hardware, the Cap Proj estimate includes all spending on issues such as capacity building and skills training. On the hardware side, it includes groundwater development, bulk water treatment and transmission services and retail distribution services, but generally excludes large water resource development such as dam building.

Figure 3.2.5: Estimated DWAF current O&M subsidies by province
(DWAF annual reports)



- ◆ WR: includes all costs associated with water resources including integrated management, assessment, planning and development. Water resources development includes the construction of dams and non-potable water supply schemes falling outside the developmental duties of local government as specified in section 156(1)(a) and (b) of the Constitution (GSA 1996).
- ◆ Other: includes general departmental administration, policy development, water services information systems and M&E, and an additional amount for poverty relief projects outside the Working for Water programme.
- ◆ WfW: indicates money allocated to the water-resource-management/poverty-relief Working for Water programme.

The consolidated spending depicted in Figure 3.2.4 totals R 2,5bn. The largest allocation R 766m for O&M does not reflect DWAF's own ranking of priorities, but rather a central challenge to DWAF, DP&LG and donors to ensure that this subsidy declines through cost control and the application of equitable tariffs.

Thus, this report encourages partnerships between donors and South Africa to face this challenge through empowering communities, local government and small firms in the private sector to increase self-reliance in the poorer areas (so that donors have a just and strong democratic South Africa as a trading partner).

The water sector, and the majority of its customers, do not favour the take-over of water supplies by foreign-controlled companies through PPPs in the name of beneficial globalisation. These kinds of short-term gains are at times promoted by donors and even some sections of the South African Departments of Finance and Provincial & Local Government.

The financial subsidy only indicates a portion of the challenge because, despite the large subsidy (or perhaps because of it), in a great many areas the current O&M systems are ineffective resulting in:

- ◆ frequent prolonged interruptions in supply, due to equipment breakdowns;
- ◆ inadequate delivery of water to customers away from the source, due to water wastage and excessive use by consumers 'enjoying' free services at the expense of others;
- ◆ unacceptably high water losses from poorly maintained infrastructure; and
- ◆ water source failures due a lack of monitoring and water demand management.

As seen in Figure 3.2.4, the Cap Proj money available for the construction of basic minimum water and sanitation services to poor communities is R 609m.

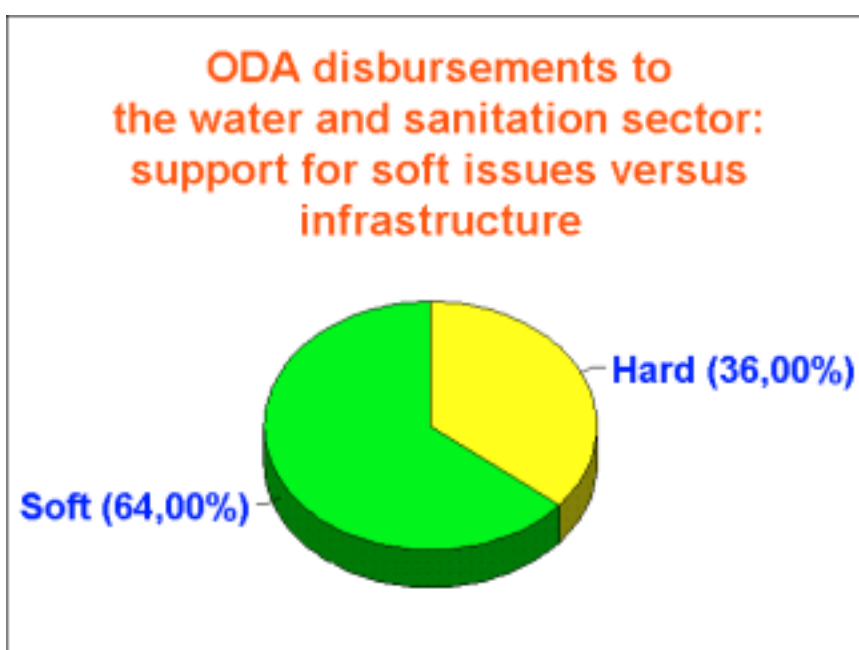


Figure 3.2.6: ODA disbursements to the W&S sector: Support for soft issues versus infrastructure
(Estimated from various sources)

This represents 0,25% of the consolidated national, provincial and local government disbursements from the national budget (while poor households are expected to pay between 3 and 5% of their income on maintaining these same services). Only 10% of this R 609m is allocated to sanitation. A further 10% is allocated to refurbishment and 5% to sub-programme management, leaving only R 457m available for community water supply projects.

The MTEF allows for a 15% increase in basic water and sanitation capital projects budget for each of the next two years, but is this nearly enough? It does not appear so. Apart from the report of the Financial and Fiscal Commission quoted in section 3.2.1, the majority of donors and other interviewees, as well as sector commentators (eg RDSN 1999), believe these amounts show that government priorities have gone seriously wrong, especially with regard to sanitation, health and hygiene education.

With strong support from DWAF, an estimated 80 to 85% of donor funding to the sector is currently supporting this area with the emphasis on improving

sustainability and the efficiency of DWAF expenditure, rather than on direct infrastructure construction (refer Figure 3.2.6). Donor implementation staff, in particular, expressed frustration at a lack of reciprocal commitment from the South African Government and even from DWAF itself with respect to the allocation of staff to the Chief Directorate Water Services.

Again referring to Figure 3.2.4, the next largest slice of DWAF funding is allocated to different programmes associated with water resource (WR) issues. There was a general consensus that this allocation was satisfactory in absolute terms. A few minor comments were passed on the lack of easily accessible information on how this money is spent with respect to geographical distribution and the targeting of the poor. (Not all water resource expenditure is targeted to basic water services and it actually supports effective water supply delivery to the entire South African community.)

Although not large in monetary terms, donors have played a significant role in supporting this area of DWAF spending. Areas supported include water resource and quality management, demand management, Southern Africa water security, water management co-operation and environmental impact assessments, and water law and water policy reviews, and water policy development in support of the National Water Act. An important aspect of the National Water Act is the establishment of water catchment management agencies.

It is hoped that donors will continue to play a significant role in water resource issues through supporting the establishment of these agencies and ensuring that through the agencies the weak are equitably catered for.

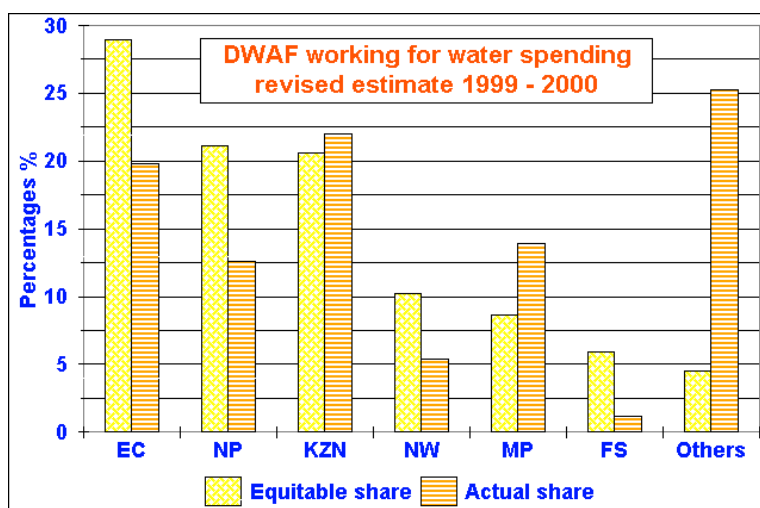


Figure 3.2.7: Working for Water programme spending per province
(2000 national expenditure survey, chapter 34, p. 295)

The last slice of DWA consolidated spending shown in Figure 3.2.4 is spending on the Working for Water (WfW) programme. The implementation of this programme has been exemplary in terms of focused poverty alleviation, gender sensitivity and emergent consultant empowerment.

In addition in July 1999 (MwAF press release) 3 of the 300 projects were closed down with immediate effect after careful consultations failed to resolve problems related to low levels of productivity and other matters. Six donors have taken a keen interest in this programme, and supplied an additional 20%

of funding to the programme (equivalent to 3,5% of total ODA to the water and sanitation sector). Their support has greatly enhanced the programmes effectiveness. However, Figure 3.2.7 shows that there is still a weakness in the programme, namely the high proportion of expenditure in the Western Cape. This is so, despite the figure excluding an additional R 16m allocated for the nationwide management of the programme from the Western Cape. (The derivation of the equitable share, shown in the figure, is given in section 3.2.4.) In terms of alien vegetation requiring removal the expenditure split is most likely sound. Therefore, rather than interfering with the smooth running of this programme, government and donors should consider setting up an additional imaginative programme for the rehabilitation of overgrazed grasslands and poorly managed cultivated land. Currently, these lands experience rapid run-off, which in turn causes the denuding of top soil, the deepening of dongas and the silting of dams. A programme to arrest and turn round such land degradation would assist in the eradication of poverty (not just its alleviation) whilst also benefiting the water sector.

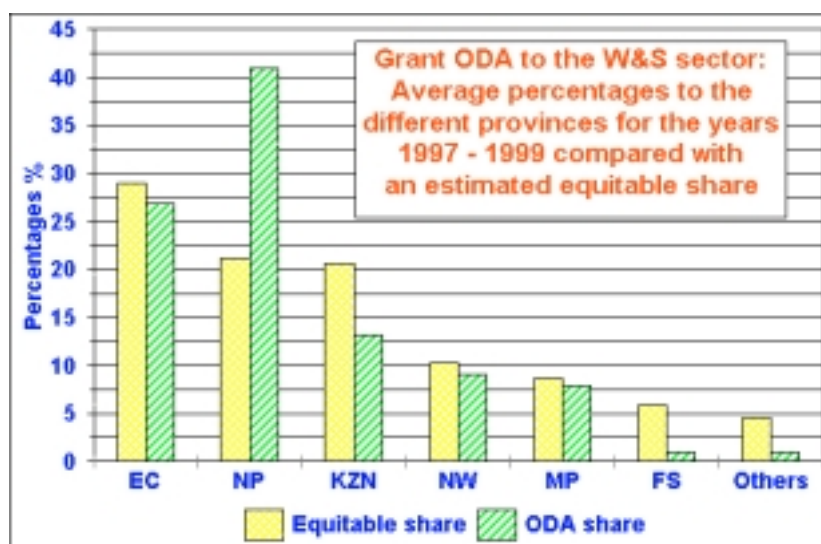


Figure 3.2.8: Grant ODA to the water and sanitation sector, 1997 to 1999, by province compared with an estimated equitable share (DWAf quarterly International Co-operation Reports, data team information, interviews and Table 3.2.1)

3.2.3 The demographic distribution of ODA to the water sector

One of the terms of reference, from the Department of Finance, in carrying out this evaluation of ODA to the sector was to analyse how equitable the distribution had been.

Table 3.2.1 sets out the key indicators used by the evaluating team for estimating such an equitable distribution. A number of indicators were used to reduce dependency on the accuracy of any one indicator and to give a more balanced definition the needs of each province.

(At the request of workshop attendees, the DWAf Directorate of Macro Planning and Information Support was approached to provide their very latest figures in respect of the number of people with inadequate water and sanitation. These new figures have changed the ranking of the 2nd and 3rd provinces in most need, but it has had little effect on the overall percentages.)

Figure 3.2.8 indicates the results of analysing the demographic distribution of ODA to the sector. Whilst the figure shows a significant over-allocation to Northern Province and under-allocation to KwaZulu-Natal, this has been due to the assistance provided by a single donor, the European Union (EU). Currently the EU is only assisting the Eastern Cape and Northern Province.

The Delegation of the European Commission has already recommended to Brussels that this assistance be expanded to KwaZulu-Natal and it is expected that Brussels will accept this recommendation. Thereafter the demographic distribution of ODA to each of the five provinces most in need should be satisfactorily.

In addition, Figure 3.2.9 indicates that the allocation of DWAF funds to Northern Province and the Eastern Cape balanced out some of the unevenness in ODA (while introducing a new unevenness between North West Province and Mpumalanga).

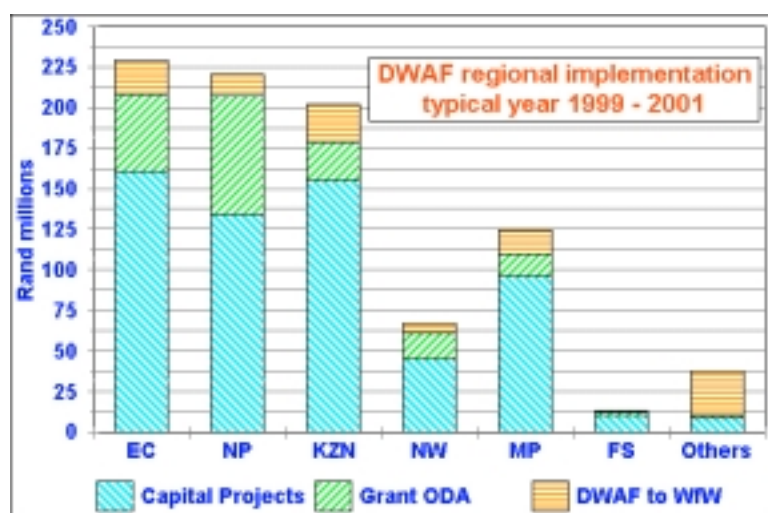


Figure 3.2.9:
Implementation of community focused projects by province (2000 national expenditure survey chapter 34, DWAF quarterly International Co-operation Reports, data team information and interviews)

Supplementing some of the comments made in section 3.2.3, Figure 3.2.9 confirms the significance of ODA to community focused projects. In the five provinces of most need ODA provides approximately 20% of funding.

The distribution of ODA to particular provinces is in itself not a guarantee of equitable distribution, since within provinces different districts may have very different levels of need.

As an example, Table 3.2.2 illustrates the situation in the Eastern Cape. In that province, there are six districts but the three districts with the greatest level of need should get about 80% of any assistance delivered, while the high population Western District, with a need of just over 5%, should be able to care for those in need through cross subsidisation.

However, time and resources did not allow any trial checking of the distribution of ODA at district level within provinces.

Table 3.2.3: An estimation for the equitable distribution of ODA funds in the Eastern Cape

District	Population surveyed ¹	People with inadequate water ¹	People with inadequate sanitation ¹	Estimated equitable % distribution ²
Wild Coast	1 858 691	1 568 323	1 856 175	28,45
Kei	1 716 788	1 458 800	1 679 880	26,08
Amatola	2 338 538	1 268 538	1 610 902	23,92
Stormberg	751 806	615 264	705 232	10,97
Western	1 563 705	270 445	368 374	5,31
Drakensberg	355 685	297 254	336 901	5,27
Total	8 585 213	5 478 624	6 557 464	100,00

- Notes: 1. Figures obtained from DWAF Directorate Macro Planning and Information Support, 2 May 2000.
 2. Calculated by taking the need in each district as a percentage of the total people with inadequate water or sanitation

3.2.4 The value of ODA from different donors

Table 3.2.3 lists the known donors to the water and sanitation sector for the period 1994 to 1999 inclusive, as well as the approximate value of ODA disbursements, when these are known. The table clearly shows that the value of assistance from a number of donors was not captured. If the value of this assistance had been captured, it is estimated that the total value of assistance could increase by up to 10%.

From the table it can also be seen that the European Union contributed 58% of the quantifiable assistance.

Table 3.2.4: List of donors to the water and sanitation sector from 1994 to 1999 inclusive, and the approximate value of known grant disbursements excluding loans and grants for equipment

(DWAF 1999 quarterly International Co-operation Reports, data team information and interviews)

Donor	Rm	Donor	Rm	Donor	Rm
AUSAID	34,25	India	???	UNDP	15,00
Belgium	???	Irish Aid	14,00	UNESCO	???
CIDA/IDRC	2,90	JICA	30,00	FAO	???
Danced	13,55	Netherlands	13,23	UNFPRA	1,00
Danida	49,90	Norad	6,00	UNICEF	8,25
DFID	33,90	Portugal	3,70	USAID	6,00
EU	360,33	SIDA	???	WHO	???
Finnida	29,26	Taiwan	???	WMO	???
GEF	???	UNCHS	???	World Bank	???
Total	621,27	To DWAF	493,17	To NGOs	128,10

3.2.5 The uses to which ODA has been put in the sector

Section 3.2.3 already gives some details of how ODA has been used in the sector and also gives some indication of future needs. Further information on ODA uses to date can be found in Appendix 4.

Initially, ODA was mostly used at the national level to inform policy development. A bit later, ODA moved out into the provinces and became more concerned with improving sustainability of DWAF projects and the efficiency of DWAF expenditure.

Generally, ODA programmes were of short duration, one to three years, and in the case of some of the provincial initiatives, the short duration is likely to affect sustainability. Generally, ODA use successfully focused on targeting the rural poor or people within institutions working in areas beneficial to the rural poor. Three donors (JICA, Portugal and especially the EU) made direct investments in hardware which, as indicated in Figure 3.2.6, comprised 36% of all ODA still leaving 64% being spent on soft issues. Soft issues and themes supported by donors included:

- ◆ water law and other policy reviews;
- ◆ policy development in support of the National Water Act;
- ◆ environmental impact assessments and policy development including solid waste management;
- ◆ sanitation policy development;
- ◆ water resource demand and quality management;
- ◆ Southern Africa water resource management co-operation;
- ◆ institutional capacity building of:
 - DWAF at the national and regional levels,
 - Water Boards,
 - community structures
 - the National Community Water and Sanitation Training Institute:
- ◆ sponsoring the chair of hydrology and water resources at the University of the Western Cape;
- ◆ skills training of staff associated with DWAF at provincial level, local government, community structures, and private sector social consultants;
- ◆ awareness creation including community health and hygiene education at community level and in schools, and gender sensitivity;
- ◆ the use of solar pumping systems;
- ◆ information systems and monitoring and evaluation;
- ◆ cost recovery, tariffs, illegal connections and economic sustainability;
- ◆ support for workshops and conferences:
- ◆ funding South Africans to attend conferences and courses locally and abroad.

3.3 REFERENCES

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- RDSN (1999). *Beyond BoTT?: Policy perspectives in water delivery*. Rural Development Services Network, Johannesburg, pp.48

Table 3.2.1 Key indicators for estimating the equitable distribution of ODA funds for water and sanitation in South Africa

Prov	People with inadequate water ¹		People with inadequate sanitation ¹		Rural population ²		Rural areas poverty gap ³		Estimated equitable %distribution ⁴	Prov
	Number	% of total	Number	% of total	Number	% of total	Rm/year	% of total		
EC	5 478 624	30,55	6 557 464	30,21	3 998 147	21,26	3 244	33,87	28,97	EC
NP	3 293 112	18,36	4 053 061	18,67	4 388 067	23,34	2 311	24,13	21,12	NP
KZN	4 292 763	23,93	3 709 513	17,09	4 788 753	25,47	1 515	15,82	20,58	KZN
NW	1 541 846	8,60	2 082 983	9,60	2 183 091	11,61	1 071	11,18	10,25	NW
MP	1 451 610	8,09	1 982 161	9,13	1 706 424	9,08	782	8,15	8,62	MP
FS	563 320	3,14	2 046 959	9,43	826 853	4,40	651	6,80	5,94	FS
Other	1 313 966	7,33	1 272 221	5,87	910 429	4,84	5	0,05	4,52	Other
Total	17 935 241	100,00	21 704 362	100,00	18 801 764	100,00	9 579	100,00	100,00	Total
GP	700 000	3,90	700 000	3,23	218 146	1,16	0	0,00	2,07	GP
WC	425 746	2,38	402 651	1,86	440 868	2,34	0	0,00	1,64	WC
NC	188 220	1,05	169 570	0,78	251 415	1,34	5	0,05	0,81	NC
Total	17 935 241	100,00	21 704 362	100,00	18 801 764	100,00	9 579	100,00	100,00	Total

Sources: 1 Gauteng - DWAF, *Strategic planning study*, 1996; all other provinces - figures obtained from DWAF Directorate Macro Planning and Information Support, 2 May 2000.

2 Stats SA 1996 *Census*

3 LAPC *Persistence of poverty in rural South Africa*, 1994

Note: 4 Calculated by taking the average of the percentages of the four previous key indicators

4 ALIGNMENT AND CONTROL

4.1 INTRODUCTION AND MAIN FINDINGS

Above any other issue, the terms of reference for the DCR2 stressed the need for improved alignment of ODA to the articulated needs and priorities of the South African government. Strong ownership and control of the ODA process at the national level were set out as vital pre-conditions for the attainment of good alignment. These emphases in the overall study reveal that there are very real concerns within the Department of Finance that ODA is not sufficiently directed by the interests of the South African government. While the findings of other DCR sector studies substantiate these concerns, the water and sanitation study has found a more mixed picture, namely that:

- ◆ national DWAF has exerted a high degree of control over the conception and implementation of ODA projects, showing an especially firm hand at the negotiations stage;
- ◆ full ownership by the government has been hindered by the lack of local resources made available to direct and 'run with' ODA initiatives, which tend to compete with internal activities already drawing on scarce human resources;
- ◆ ownership by partners and recipients other than national DWAF is uneven and at times, decidedly weak;
- ◆ alignment between donor programmes and national objectives for the sector has been good to outstanding, with donors playing a relatively responsive role to the articulation of priorities set for the sector by DWAF, South African political leaders and legislators;
- ◆ misalignment of the government with some of its *own* policies has led to missed opportunities for ODA;
- ◆ answers on issues of ownership, control and alignment do not lead neatly to answers on the efficacy of ODA in alleviating poverty.

DWAF's comparatively good track record in the area of alignment and control can be explained by a number of factors:

- ◆ the existence since 1994 of a clear policy framework which illuminated principles and priorities and served to guide interventions;
- ◆ the presence of strong and politically astute leadership in the sector, including DWAF senior management that had previous experience with donors;
- ◆ the early establishment of (unwritten) guidelines around the use of foreign versus local goods and services;
- ◆ the institution of processes at different levels to 'check' alignment and articulate needs and priorities, including high-level meetings between the Minister, DWAF's management and heads of missions;
- ◆ the attractiveness of the sector and department to many donors, resulting in a 'culture of confidence' and the steady accumulation of local experience with ODA.

Discussions on the issues of alignment and control occur throughout the report. They are explicitly addressed in the individual donor reports, as well as in parts of Section 5 on 'Institutional Arrangements' (see especially discussions on 'past systems' for managing ODA and current arrangements for 'project identification').

4.2 OWNERSHIP AND CONTROL

4.2.1 A national perspective

DWAF personnel have very clear views on the questions of ownership and control, shared below in the grouping of quotes. The overwhelming conclusion is that DWAF has been able to maintain good control, although there is acknowledgement that donor interests and preferences need also be accommodated or reckoned with.

'Donors exert a lot of influence, but they are definitely *not* driving the process.'

'DWAF's priorities have shifted over the last five years as learning takes place and donors have followed these changes.'

'Most donors are keen to please, but there are exceptions: an academic institution from the UK wanted to do a demand management project with us, but they had their own ideas... we told them where to go.'

'Donors have been very proactive in understanding South African policies... the donors we've dealt with have funded our top priorities.'

'Government and NGOs must continue being careful about where ODA comes from... to date, sector vigilance has prevented undue influence.'

'A more important problem than donor alignment with government is the misalignment between DWAF and its *own* policies in some areas.' (Sources: DWAF:Project Support Directorate, LIDS, Water Use and Conservation, the WAF Ministry and the Mvula Trust).

And from a donor: 'DWAF always exerted a lot of control at the front end of projects... once things were underway, they were less controlling. It would not have been easy to impose your own agenda... donors who tried just got marginalised or shown the door.'

Despite this positive picture of local ownership, there is no doubt that compromises and power struggles occur:

'Donors have to get something out of their investment too... of course they have their own agendas... the main thing is that they are transparent enough for us to see.'

'Issues of control always come up when there's any 'tied aid'... certain donors are known for this, but you'd be surprised at some of the proposals... and some donors are quite hard to read.'

'Where we need more control is in negotiating the terms of loans... we got caught in the beginning because we didn't understand all the hidden costs, but things are different now.'

'We're going through some very tough negotiations with the Netherlands right now...they want a big part in defining content... to specify outputs and even influence policy... we're having to hold our ground.'

'We have to be flexible... we can't just apply the same rules in every situation.'
(Sources: CD: Water Use and Conservation, D:International Liaison, D:Project Support Unit, D: LIDS)

Beyond the tussles around the specific terms of agreements, it is widely accepted by different actors in the sector that, despite its altruistic element, ODA is sometimes the 'forerunner' for other interests. These could be access to South African markets, political influence or even the promotion of ideologies underlying certain economic systems. An example given at a senior level of DWAF was the tireless promotion of Public Private Partnerships by mission representatives keen to enhance participation by the South African private sector. This 'pushing of a political paradigm' (which happens to be a component of GEAR as well) is not well viewed by DWAF's senior management.

More direct attempts to create opportunities for one's own country, i.e. investing in a large-scale infrastructure study in the hope that DWAF will accept loan finance for its implementation, are seen as being open and fair, especially since there is little or no risk to the department. What is of greater concern to some is the 'edge' on economic opportunities that is quietly being developed through the goodwill produced by ODA. It is interesting in this context that a distinction is often made by South Africans between the perceived motives of the 'developmentally-focused donor programme manager' and the more 'market focused' mission that he or she represents.

The head of an NGO volunteered this view: 'The vast majority of ODA personnel here have no hidden agenda. But the goodwill generated by ODA can remove our guard against the hidden agendas of governments or foreign companies of the same country. These can include dumping unsuitable products in South Africa, building opportunities to export goods that might be good quality but which threaten local initiatives or, worst of all, inching their way towards concession contracts... We must be more aware of the dangers of these foreign concessionaires operating at a loss for years, killing local development while making themselves popular... in the end, concessions are likely to be highly profitable...'

Another 'control' issue that needs to form part of strategic planning by the government is the vulnerability of ODA recipients to the shifting priorities or politics of the donor country (more on this in 'Alignment').

4.2.2 Ownership by players other than national DWAF

Water is a national competency and DWAF has taken the lead in managing the transition that has affected every aspect of the sector. Donor programmes have been conceived and, for the most part, developed at the national level, including

those which have focused on provinces. Regional directors have played a variable role in defining ODA support to their respective regions, with stronger participation being shown in the two provinces hosting Chief Directorates (Eastern Cape and Northern Province), rather than Directorates. Signs of independence have been discouraged by the national office, which has wanted to avoid duplication and ensure alignment with national systems and goals. Donors report that national players have put this message across very forcefully.

While the strong leadership shown by national DWAF has been appropriate in many ways, there have been costs to this approach as well. These include:

- ◆ Weaker buy-in by the recipients of ODA projects that they have not played any role in developing, e.g. local and tribal authorities, communities, etc. This problem is exacerbated where there is resistance to the basic goal of the project, e.g. getting people to pay for water, especially if the aim is felt to reflect a national agenda;
- ◆ The implementation of projects that are not sufficiently 'in touch' with issues on the ground, e.g. local political conflicts and aspirations, resource constraints, past experiences with projects, etc., resulting in initiatives that do not necessarily address the concerns or top priorities of stakeholders;
- ◆ Insufficient participation and/or support from other national departments and their provincial offices, resulting in policy messages and activities that sometimes work at cross purposes with the donor project.

Examples of these situations *are* not hard to find. Some of the situations encountered during the study research included:

- ◆ AusAid's project in KwaZulu-Natal: Regional Councils exhibited strong resistance to the project's major aim, the establishment of an additional water board in the province. The primary complaint was that DWAF had made important decisions prior to consulting the councils, whose representatives wanted more say in defining the type of institution actually needed. The project produced a model that paved the way for further negotiations and development, but it might have achieved more had it been conceived and introduced to the province differently;
- ◆ JICA's project in North West Province: the Magalies Water Board felt from the beginning that it was not the most appropriate target for the project. Ultimately, it re-did the work (a master water plan) paid for by JICA, commenting that the first plan had not met all of its needs. This is not to say that there were no benefits, but that results were far from optimal because of low ownership by the main partner;
- ◆ Danida's project in North West Province: Support to the decentralisation process, driven by DWAF, ran into the ambivalence of local authorities that were receiving negative messages from their own national department. In another Danida example, weak (and late) buy-in by the Department of Education to a school-based groundwater awareness programme faced similar obstacles, as the project's methodologies and outputs showed incompatibility with the Education department's own programme;
- ◆ DFID's Water Services Support Project: This project is beautifully aligned to the Water Services Act, but has suffered from slow progress because of

poor buy-in by DPLG and local authorities, who, despite constitutional realities, see the initiative as fulfilling a DWAF mandate.

These examples should not detract from the contributions made by ODA, but they should alert policy makers and planners to the pitfalls of an approach that is overly top-down or perhaps not sufficiently strategic. Although no water resources projects were considered in any depth, it is suspected that issues of local ownership do not have the same bearing on project conceptualisation that is seen in water services projects.

4.3 ALIGNMENT

A select review of country strategy papers and equivalent documents produced by donors reveals an explicit acknowledgement of South Africa's broad macro-economic and development goals. Although the MTEF is not mentioned specifically, its objectives and priorities are partly reflected through alignment with the GEAR and the RDP, upon which the MTEF was partially based.

Some strategies, such as that of Danida, explain their programmes almost exclusively in terms of South African development goals and commitments. Others, like DFID, employ a frame that locates South African challenges in the context of United Kingdom and international development goals, e.g. to 'halve the proportion of people living in extreme poverty by the year 2015.'

All strategy and most project-level documents make some reference to improving the situations of the poor through provision of basic services, job creation and the redistribution of wealth, in alignment with South Africa's own goals. In DFID's case, a domestic political culture that favours poverty alleviation has been extended to its foreign policy. Similar reflections of domestic values are noted in the policies of other foreign agencies. Table 3.2.1 in the previous section has shown that the distribution of donor funds to the provinces is well aligned with the poverty levels demonstrated by different regions (although it does not tell us anything about the distribution *within* provinces).

Donors believe it is up to government to ensure that its funding requests are aligned to national policy objectives. However, all claimed to be familiar with these aims, with one even commenting that 'we seem to know the policies better than some of the government officials we deal with.'

Country strategies and log frames are among the donor-driven mechanisms for promoting alignment. Means of 'checking' continued alignment are provided through a number of processes:

- ◆ annual consultations with the DoF and the D:IL,
- ◆ project negotiations,
- ◆ meetings with DWAF's DG,
- ◆ attendance at the yearly WAF Minister's meeting and
- ◆ through pronouncements made by political figures, which serve to reinforce existing directions or signal emerging needs (although in the latter case, donors report that the wish to respond to political pronouncements

occasionally hits a dead end, when departments admit that they are not in a position to absorb the support called for by politicians).

A key principle of DWAF's interim ODA policy is that all donor projects be aligned with the MTEF and the RDP. The policy assigns responsibility for ODA's 'alignment with government priorities' to the Department of Finance (DoF). Perhaps for this reason, procedures for ensuring alignment are not included among the other institutional processes outlined by the policy.

Although unspecified, the expectation is that DWAF will manage alignment within the narrower realm of sector policy and legislation, through the negotiations and meetings mentioned in the previous paragraph. Projects that do not originate in either the DoF or at the executive level of DWAF are said to be 'checked' at these levels before final approval. Finally, a directive from the DoF to DWAF's brand new project selection committee stipulates that precedence be accorded projects targeting the rural poor.

What is apparent from this listing of mechanisms is that alignment is happening at different levels and that it follows a somewhat variable course each time. The result, according to donors and DWAF recipients, is that ODA is responding to the 'articulated needs of the government', wherever there is an intersection of those needs with donor interests and their comparative advantages. The problem, in the minds of critics, is *not* that ODA to the sector contradicts national frameworks, then, but that:

- ◆ its formulation has drawn insufficiently from a wider base of experience and need (e.g. NGOs, other national departments, other spheres of government and even, due to time and staff limitations, from the inputs of relevant DWAF personnel);
- ◆ it has taken place in a relatively *ad hoc* manner, rather than in response to a careful internal ranking of priorities in a context of limited resources;
- ◆ it is not sufficiently strategic; and that
- ◆ in any case, alignment with 'articulated needs' and national policy frameworks does not necessarily make a discernable dent in poverty, as the increasing gap between rich and poor suggests.

The statements of different WAF Ministry officials support these conclusions: 'There is currently no clear strategy for the use of ODA funds... we are taking a 'cheque book approach', but what we need to do is plan ahead more... we need a deliberate prioritisation process and we do not have it now... What we should be doing is sorting out our needs and then saying 'here are donor X's interests: where do our needs and priorities fit into this framework?' ... Then we should be targeting accordingly, rather than having different Chief Directorates competing for funds. Donors should be filling the gaps that are left over *after* national funds have been allocated, so that they are part of the overall programme... we must not use ODA on a project by project basis or as a parallel system...' (E. Mokeyane, interview, March 2000)

'Donor support should go to 'urgently needed transitional programmes' for which there is no money in the fiscus... for example local government preparation for transfer.' (J. Love, interview, March 2000)

'Without this approach, there is no more hiding away from reality. What will be revealed by the press and other critics of the Department will make all of us appear that we are not really committed to the issues of rural dwellers and the reduction of poverty.' (E. Mokeyane, 1999, p.9)

4.3.1 Alignment to national instruments

GEAR

GEAR is described by the government as 'one of the principle instruments for the realisation of the policy objectives contained in the RDP.' ODA support to the Water Services sector is aligned with GEAR's broad goal to improve service provision for all South Africans.

The projects of the European Union (EU), in particular, support some of the objectives of GEAR's fiscal and public investment policies, namely the development of infrastructure, although communities and not businesses *per se* are the EU target. EU support of the BoTT programme in Northern Province reflects GEAR's promotion of public private partnerships.

The reduction in expenditure on social services is another aspect of the GEAR's fiscal policy and one which serves to heighten the importance of ODA to the sector, while simultaneously limiting the government's ability to make counterpart contributions. GEAR's emphasis on the need for cost recovery pricing has been mirrored within DWAF and picked up by a number of donors, including the World Bank, Danida and others.

GEAR's encouragement of small enterprise and particularly black business has been a reasonably strong theme in the programmes of a few donors, with Danida, for one, coming to mind in its support of capacity building for the South African Black Technical and Allied Careers Organisation (SABTACO). A number, too, have contributed to DWAF's Working for Water Programme which includes a strong job creation element. In terms of social and sectoral policies, DFID has offered substantial support to the GEAR-led process of establishing a National Qualifications Framework. Finally, through its support of the National Community Water Supply Training Institute, donors such as Ireland Aid have shown alignment to GEAR's aim of improving technical training (see Section 9.4 on Ireland Aid).

MTEF

South Africa's budgeting process is intended to give practical expression to the policies and programmes set out by strategic frameworks such as the RDP and GEAR. The MTEF is a 3-year budgeting instrument, introduced in 1998, which works in a context of competing resources to marry the expenditure implications of policy commitments with available resources.

Decisions reflected in the MTEF are the result of an interactive process between different parts of government. Its fundamental affect on line departments such as DWAF is that it imposes fiscal constraints and creates the

need for a longer lead time in planning. It does not impose a specific programme.

The figures provided by the MTEF are not easy to reconcile with the variety of figures produced by DWAF and other national budget statements. Attempts to work through these discrepancies with a number of individuals have all produced different conclusions. What is clear in the MTEF are the government's plans to incrementally increase DWAF's small share of the national budget.

Despite these increases, DWAF personnel repeatedly made reference to the budget cuts to which their individual programmes had been subject. The fact that the implementation of government-funded capital projects has slowed to a near standstill in the last year and a half is generally blamed on 'budget cuts' and an 'insufficient budget'. However, the phenomenal costs of operating and maintaining water schemes that are running at a deficit surely plays a significant role in the diversion of funds from developmental investment projects.

A consideration of donor programmes in relation to the broad goals of the MTEF does not reveal any contradictions in alignment, although it is not possible to provide any kind of measurement in terms of the 'degree' of congruity. Among the highest priorities of the MTEF are 'meeting the basic needs of the people', 'accelerating infrastructure development,' and promoting 'human resource development', all aims that are fundamentally connected to the water and sanitation sector.

Donor projects with DWAF's Water Services Chief Directorate are essentially concerned with improving the access of the poor to basic services, either directly, through capital projects, or indirectly, through the strengthening of the various institutions in the services delivery chain. Capital projects, comprising over half of ODA funds to DWAF, also address the MTEF goal of 'accelerating infrastructure development'.

Multiple capacity building interventions include human resource development activities, with DFID alone committing over R5million directly to HRD policy development, restructuring and staff support. Other aims of the MTEF, such as job creation, have been addressed in construction projects and initiatives like 'Working for Water', where targeting of women received special mention in the government's 1998 Budget Review.

'Transformation of government', also a priority, has been an outcome of a range of ODA capacity building and restructuring initiatives, especially at national and provincial levels, but also in other institutions. For example, two of Danida pilots with water boards improved management systems and reduced the need for national subsidies. These achievements tie in directly to the MTEF 'transformation' goal of 'eliminating wasteful and expensive internal procedures.'

One of central impacts of the MTEF for donors was the reduced availability of counterpart funds, leading to the cancellation or scaling down of certain initiatives. The following section considers these impacts further, among other constraints to effective alignment and control.

4.4 LOCALLY-DERIVED CONSTRAINTS TO ALIGNMENT AND CONTROL

The areas in which DWAF has shown poor alignment with its *own* policies have been sanitation and gender, held back by a feeble flow of internal resources to their development. DFID and Ireland Aid, in particular, have expressed disappointment with the department's weak commitment to sanitation, prompting DFID to comment in a November 1999 statement to the Minister:

'We have been working on the preparation of a follow-on phase of support [for sanitation], but during that time we have seen DWAF / NaSCO's resources reduced dramatically, leaving no-one with whom to engage at an operational decision-making level. We are currently considering recommending a *gearing down of our support*, while institutional and human resources issues are resolved on the National Sanitation Programme.' (DFID, in DWAF, *Minutes*, Nov. 1999)

DWAF's delay in raising the profile of (and resources available to) sanitation, in line with its stated intentions, *has* resulted in the suspension of a formal programme of support from DFID, although the donor has found a way of continuing to provide some 'lifeline' funds to the sub-directorate. Ireland, too, reported the cancellation of a sanitation support programme at about the same time, because of 'lack of progress from the department.' These situations expose the advocacy role occasionally played by donors in relation to DWAF's stated priorities. They also display donor reluctance to continue investment in areas that are not receiving active support from the government.

Interviews revealed similar concerns around the inadequate commitment of human resources to some ODA processes, where, it was observed that 'the donor sometimes takes ownership by default, because line managers don't have the time to properly comment or feed back at different points in time.' (P.Smith, DFID, March 2000). These sentiments were expressed especially about national DWAF's Water Services staff, which one donor felt should have been fortified more by the recent restructuring process.

Danida had a similar experience with the overwhelmed DWAF staff in KwaZulu-Natal, where it was compelled to engage an outside consultant to manage its pilot projects. In line with this picture, DFID recently commented that 'some of our support lacks identifiable counterpart staff for capacity building and that our projects do not have any designated project managers within DWAF.' These cases show how strong governmental ownership in the early stages of a project can be eroded by capacity limitations at the operational level.

The few donors who have lent support to gender issues have found that the commitment of a small number of individuals could not create a sustained impact in the face of Gender's 'homelessness' within DWAF. This was precisely the experience of Canada's IDRC, which funded a gender, water and sanitation study following a request from an advisor to the Minister in 1994. At the crux of these comments lies a fundamental debate: how far should donors go in promoting the host country's *own agenda* when local commitment to certain areas is decidedly weak?

Donors' own policies and awareness of international best practice create additional pressure to ensure that the linkages needed to produce optimal results are made.

Apart from a potential waste of resources, donors are ever aware of the political risks (in their own countries) of failed initiatives, where opposition parties and the press maintain a continual interest, especially during periods when public commitment to 'foreign aid' shows signs of waning. 'ODA and Gender' is discussed at greater length in the section on gender.

Finally, it is believed that ODA programmes and government would do well to seek a broader definition of alignment: one that incorporates the vision, experience and goals of civil society.

5 MONITORING, EVALUATION AND LEARNING

5.1 TRACKING ODA

Two aspects of monitoring and evaluation (M&E) are important in the context of ODA. The first relates to the need to actively 'track' the overall flows and levels of ODA, in order that: specific uses can be discerned, trends detected, gaps identified and alignment with national objectives verified. The cumulative information gathered through accurate tracking can be usefully applied to a range of activities, including planning future interventions, marketing or strategic targeting of donors, among other possibilities.

At DWAF, tracking ODA is the responsibility of the D:IL, which is in the process of setting up a data base on existing projects. To this end, project managers are required by the new interim policy to send copies of all progress reports, financial reports and financial audits to the D:IL. Project managers are not, in general, complying with this new directive, but, as the Director: IL commented: 'I have neither the time, space nor staff to deal with this volume of documentation anyway.'

For the time being, the six-monthly International Co-operation Programme Reports constitute the only mechanism for tracking. Instituted by the previous donor co-ordinator, these reports provide basic information on each project: the donor, the objective, budget, rate of expenditure, DWAF manager and status in terms of implementation. Donors have commented that the system is considerably more developed than the tracking approach of most other departments. DWAF feels that the status reports stimulate donor interest and confidence in the department.

A weakness in the current tracking approach is the lack of a project classification system, an oversight that undermines any attempt to produce disaggregated data on the specific allocation of funds, i.e. to different types of activities. This possibility is further thwarted by the fact that the reports generally list a lump sum, e.g. R27 million, for a project that embodies a number of discrete components, which may or may not be detailed. The figure listed for completed projects reflects the commitment made by the donor, rather than

actual disbursement. Other factors that limit the usefulness of existing data have already been alluded to in Section 3.1, dealing with 'the data challenge.'

External reports, such as the one recently commissioned by CIDA (Overview of Official Development Co-operation Programs in South Africa, Nov. 1999) contribute in a more general way to the process of tracking ODA.

5.2 DONOR APPROACH TO MONITORING AND EVALUATION

All of the donors surveyed have their own requirements for M&E. With one notable exception, these are not integrated with the generic (DWAF) M&E system developed for water services projects. Water resources personnel report that there is 'no special process for the M&E of donor projects' in this functional area.

Although the interim policy document on donor co-ordination calls on the D:IL to 'monitor progress on all donor-funded projects', the directorate has neither the time nor the skills to perform this role, which seems to have been thrown into its terms of reference without much thought.

Typically, monitoring is carried out by the donor in several ways:

- ◆ regular progress reports prepared by the project implementer, copied to the donor and DWAF;
- ◆ Project Steering Committee meetings which discuss progress, problems and possible action;
- ◆ occasional site visits by the donor or donor representative;
- ◆ Annual Review processes, involving an independent consultant;
- ◆ Strategy Review processes (done mainly by donors in for 'long haul').

In general, progress reports measure developments against the specific milestones established by the donor's log frame or equivalent framework. Baseline studies are rarely conducted and 'indicators and means of verification' appear to be used with varying degrees of rigour. Outside of the need to meet the donor requirement for a certain level of information, project managers and direct stakeholders do not seem to have a strong interest in using monitoring results for their own purposes. It is probably fair to say that M&E is carried out more as a condition of the donor's presence in South Africa than as a response to any local needs.

Formal evaluations are rare and, in any case, are defined inconsistently ('evaluations', 'assessments', 'reviews', etc). Of the donors given special attention by the study, two (European Union and JICA), reported conducting 'evaluations' of its work in the sector, JICA of its project in the Magalies area of North West Province and EU of the first phase of its Northern Province project. Both the EU and Ireland Aid also undertook evaluations of their broader programmes in South Africa, the Irish agency looking at its overall country programme and the EU its broad implementation strategies. Danida commissioned independent reviews of both its major water support projects, as well as of several pilot projects. An analytical Project Completion Report was produced for its NWP project.

The findings and recommendations of different review processes appear to exert a reasonable influence on donor decisions to reorient or introduce new elements into their approaches, an example being Danida's decision to develop a dissemination strategy to promote learning. DFID's move to revise its log frame and to focus more on local government, following a recommendation of an annual review process, shows a similar compunction to use monitoring and evaluation processes dynamically.

Project-level reviews are less likely to produce any kind of re-alignment, as most are carried out near project completion, with the expectation that 'lessons' will influence the design and implementation of other projects. This tends to be an optimistic assessment of the value of uncontextualised written lessons for other, potential users.

5.3 DWAF M&E SYSTEM

A comprehensive in-house M&E system developed by DWAF has been in operation since February 1998. Additional M&E functions set out by the Water Services Act have yet to be addressed formally. DWAF's current system, commonly referred to as Version 4, has been designed for the M&E of water services infrastructure projects, starting at the point at which the community makes a request, through to long-term (post project) operation, maintenance and cost recovery.

The system requires an approved feasibility study and business plan before the commencement of project implementation. Only an appointed social consultant may report on soft issues flagged by the design. As is, the system can be used for once-off post-project evaluation studies (e.g. to assess project-related capacity building components or system sustainability in infrastructure projects). It is not intended for the M&E of stand-alone soft projects, such as institutional assessments or capacity building and has been shown to possess significant limitations for use with sanitation projects.

The model incorporates a standardised reporting system that includes a set of relatively flexible key performance indicators. DFID has supported the development of sanitation indicators, to be used integrally with the system.

Use of the system is very uneven across provinces, with nearly full implementation only occurring in the Eastern Cape, followed by Northern Province. M&E units have been established in both these provinces as well as national DWAF, with active support from the European Union, including financial assistance, skills training and capacity building for the DWAF staff who run the units.

Actual collection of data and reporting is carried out by project implementing agents and contractors, where milestones relating to the time, cost and quality aspects of implementation appear to receive the most emphasis. Warning signs, such as poor involvement by local authorities, do not generally produce any remedial action or special follow-up monitoring of the problem area.

Little, if any, post-implementation M&E is being carried out, although both the framework and its proponents recognise the need for this type of extension.

This is in part a consequence of national DWAF not yet performing its regulatory responsibilities in water services (it has begun to play this role in water quality / pollution monitoring). However, growing revelations about the difficulties in sustaining the full benefits of completed water services projects add to the pressures to persist with monitoring during the post-completion stage.

Last year, DWAF commissioned the Mvula Trust to undertake a study of M&E in water services projects in four provinces. Five key concerns were voiced by stakeholders in relation to DWAF M&E system ('Version 4'):

- ◆ the programme has been imposed on project agents as an add-on to their original TOR;
- ◆ its use leads to duplication with the financial and project management systems already in place;
- ◆ it has a technical and financial bias and does not deal well with social and institutional issues;
- ◆ it is centered on the collection of data to be used by politicians rather than direct stakeholders and, in this sense, constitutes a 'one-way' flow of information;
- ◆ it is complicated and time consuming to use. (Mvula Trust, May 1999: 31-32)

The report concluded that 'Version 4' is not well understood and that it should be judged more as a reporting system than the project management tool for which many see the need.

Following on what was learned through the field research, Mvula Trust has developed a comprehensive check-list system now being piloted in its regional offices. The emphasis is on promoting sustainability through participatory evaluation, training rural people to collect, analyse and even act on their own information.

The initiative has been complemented by an AusAid-supported evaluation of 50 Mvula projects, which found that only 15-20 were functioning sustainably. Twelve of these plus one DWAF project have been selected for intensive remediation and subsequent hand-over to local authorities. Attention to the others is to follow. A detailed assessment of the Mvula Trust system by the DCR II study team was not possible, but would have been instructive in determining its complementarity with DWAF's M&E approach.

5.4 DONOR-SUPPORTED M&E PROJECTS

The EU has provided considerable support to DWAF in establishing M&E units in its central, Eastern Cape and Northern Province offices. The units are staffed by DWAF personnel making use of the Version 4 M&E framework. In addition to its support of the DWAF system, the EU fulfils the monitoring and reporting requirements of its own organisation, a task made easier by the availability of data and systems generated through the application of 'Version 4'.

The unique interest shown by the EU in the M&E system is not surprising, in light of the roughly R456 million it has spent over the last five years on capital

projects. According to a number of sources within DWAF, however, the department's level of commitment has been slow in matching that of the EU, causing frustrations for the individuals committed to getting the system on track.

It is possible that DWAF 'ownership' of the M&E initiative has been weakened by the uncomfortable relationship between rapid delivery and evaluation, especially as regards issues of sustainability. In this context, the implementation of external evaluations offers a valuable counterpoint to the M&E being done as part of DWAF's own system (in which DWAF is in some ways both 'referee' and 'player').

As part of the Danida project in KZN, a local firm developed a monitoring and evaluation manual for use by Community Development Officers and Community Liaison Officers in the province. The primary aim of the KZN M&E system is to assist with the establishment of a coherent regional database of water projects, enabling Water Services Authorities to carry out evaluations, from which they can more effectively plan services development.

The manual's focus is on tools that can be used by Water Services Authorities to evaluate the sustainability of projects at local level. It incorporates the phases of Project Setup (including the creation of appropriate community and institutional structures), Implementation and Operation and Maintenance (ongoing community management of the water supply scheme. The model has been developed in close co-ordination with the EU-supported M&E unit of central DWAF and is apparently complementary in every regard. However, the emphasis is on the ISD aspects of projects, which can be used to determine whether or not a community has the capacity to manage and sustain a completed scheme.

The manual is an exhaustive piece of work that appears to deal with every last detail relating to the long-term effectiveness of water services projects. An important exception to this statement is the inadequate treatment of gender issues, dealt with only marginally and in a token fashion. On the assumption that this unfortunate oversight is remedied, it is recommended that the manual be adapted as a national tool to be used by donors in conjunction with DWAF's generic M&E system and relevant tools from the Mvula system now being piloted. At the same time, it is vitally important that a comprehensive assessment be done of existing tools in order that they do not lead to the unproductive duplication of efforts.

Tools are still needed to assist local authorities with the Water Services Act requirement that Services Authorities monitor the performance of Water Services Providers, Water Services Intermediaries and, ultimately, Water Catchment Management Agencies. This is an area where donor resources may be well placed to help.

A third initiative, also in KwaZulu-Natal, involved an AusAid-supported workshop on possible M&E approaches to community sanitation projects. Participants learned how to apply a 'hands on' method for assessing project sustainability. Further support was given to the regional DWAF in developing a more general 'monitoring and auditing' tool for use in assessing the ISD approach of local government and community structures.

5.5 LEARNING LESSONS

'If you are very clever, you learn from other people's mistakes. If you are normal, you learn from your own.' (Mike Muller, DG, DWAF, April 2000)

'Despite all the lessons learnt, and as learned as we are, we have continued to go our own way. The question is: why? Did we have to confirm what had already been done elsewhere by others? Did we have to go through such a repetitive learning process? (Dr. Eugene Mokeyane, WAF Ministry, Dec. 1999)

This section is *not* dedicated to a 'listing of lessons from ODA projects'. Lessons have been captured within the contexts of specific donor programmes, discussed in Appendices 5 - 9. Lessons are also embodied in the recommendations that appear at the beginning of the report. This brief section has been included to allow the sharing of some critical perspectives on learning and lessons in relation to ODA.

Since the United Nations Water and Sanitation Decade, the idea of generating and sharing 'lessons' has taken on increasing popularity. Many of the donors operating in South Africa appear keen to capture their own lessons and use these for the wider benefit of the local sector. Attempts have been made, with varying degrees of success, to document key lessons (primarily from Water Services projects) and to disseminate reports, tools and studies emanating from donor-funded projects. Prime examples are the comprehensive ISD package and the 'Annotated Guide to Key Sector Documents', both funded by Danida.

Unfortunately, the impact of these and other dissemination efforts is largely unknown. Danida has decided to augment these actions by implementing a Local Government Training Programme in two provinces, which will draw on the lessons culled from its completed projects in KwaZulu-Natal and North West Province. DFID will no doubt apply lessons learned in its work to the initiatives planned for North West Province. DFID and the EU have already taken steps to ensure that recommendations from the present report are taken into account in their new programmes of support to the sector.

During the course of the study research, donors and non-donors alike expressed concerns that the wealth of lessons being learned within South Africa, both through ODA and non-ODA projects, are not being well internalised or optimally applied by DWAF and other actors. The basis of this concern lies chiefly in:

- ◆ the absence of a central system or clearinghouse to which lessons can be channeled for processing and then fed back into policy and planning processes (although this has occurred to some extent informally);
- ◆ the fact that DWAF appears to lack a 'learning culture', its people far too busy dealing with brass tacks to find the time to learn;
- ◆ the observation that pilot projects, a major vehicle for the testing of policy and strategies in small-scale situations, are not selected, implemented or watched in a strategic enough manner, limiting their usefulness in producing lessons for wide-scale application;

- ◆ the tendency for lessons that are documented and disseminated to be of limited use, in the absence of a process to 'contextualise' or 'bring them to life' for potential users.

One regional director mused that 'it's such a good idea to document lessons, but I just don't have a chance to read them.' Another remarked that he finds it useful to use the same consultants regularly because 'at least they are carrying lessons from the last project in their heads.' This point is important, because of its acknowledgement that a lot of lessons are, indeed, internalised without a formal process of learning. The question is: can this system be improved?

DWAF has a directorate that performs communications functions, but it does not deal with 'learning'. Neither does the Monitoring and Evaluation Unit place emphasis on the production and sharing of 'lessons' per se, busy as it is collecting information. A communications office within Water Services is singly staffed and lacks resources for the reproduction of reports or any kind of dissemination. It has depended heavily on support from DFID for its operation, with promises for core funding from DWAF never materialising. In this environment, it is contingent on donors to capture and share lessons on their own steam and in relative isolation from any of the internal functions just mentioned.

NGOs such as the Mvula Trust appear to have taken a moderately more dynamic approach to learning, drawing in participants at the community level all the way up to the top to evaluate its approaches. The comments of the former Director illustrate that donors have been very helpful in this regard:

'We have found that our donors' attitudes allow us to be open... we don't have to hide our mistakes. AusAid has been the best about encouraging us to evaluate every project after completion and to learn everything we can from each initiative... They don't stop us from publishing the negative side and are supportive of us learning from our mistakes rather than punishing us for them.'

Another dimension of 'learning from lessons' relates to the use of international lessons in the South African sector. There appear to be two schools of thought here, one, articulated by DWAF's DG, which questions the relevance of many of the international water supply lessons for South Africa, given their roots in the rural communities of 'purely third world countries'. This view, supported by the former head of the Mvula Trust, is wary of donors trying to transplant 'the wrong lessons' to South Africa's unique social and political landscape, with its inherent emphasis on the role of local government.

At the same time, there is an openness from both of these influential individuals to learning from countries, north or south, that can offer lessons with direct relevance to South Africa's challenges. The usefulness of a number of 'North'-North visits facilitated by donors (especially a recent one to Scotland) was mentioned in this context, with a comment that DWAF needs to be clear about what kinds of lessons it is interested in. In this way, international experiences can be brought to bear *in response to a demand* from South African institutions, rather than as an automatic add-on of ODA.

While donors would no doubt see the wisdom of this approach, a number feel that South Africa does not benefit sufficiently from international experience and lessons, with at least two agencies adding that poor advantage is taken of the expertise offered by foreign assistance programmes ('they just want the money').

There is no doubt that South Africa has lagged behind a number of countries in some critical areas, for example, in making the linkages between water, sanitation, hygiene awareness and the environment, a fact that has constrained the health and economic benefits of providing potable water. Neglect of gender issues is another glaring example. The quote from Dr. Mokeyane, at the beginning of the section and the following one, from DWAF's former donor co-ordination unit, provide food for thought: 'DWAF is like a frog in a well. We know what we need and we have not paid much attention to international lessons.' While this obviously reflects strong ownership and innovation, it may also signal something of a missed opportunity.

6 IMPACT

6.1 INTRODUCTION

Recent years have seen a growing body of research on evaluation methodologies, especially those methodologies that purport to measure impact. A major finding of this research has been that most impact analyses are fundamentally flawed by their inability to account for the convergence of factors that combine with any development intervention to create a specific impact. In other words, it is nearly impossible to isolate the impact of a particular project from all the other forces that have made a contribution to a final result. This point was brought home particularly forcefully in the early 1980s by Cairncross' work on the health impact of potable water supply. The same conclusion has been reached, however, in other sectors affected by development.

Even if the present study was to discard the idea that other influences interfere with impact analysis, it is still left with some serious problems in determining 'impact'. There are no agreed-upon indicators in the sector against which 'progress' or 'impacts' can be measured. Next, there is a remarkable dearth of ODA impact studies and evaluations in the sector, with the few that exist being of noticeably variable quality. Among these, 'outcomes' and 'activities' tend to be confused with 'impacts' in a way that is unhelpful. The establishment of a water board, for example, is an *outcome* of a project; determining the *impact* of its founding is a huge and complex task that is way beyond the scope of the present study. Similarly, the supply of water to a community is a project result, but it does not tell us about the array of 'impacts' of new arrangements for water on the particular community or if the supply was even sustainable.

There is no doubt that ODA to South Africa has contributed to a process of change and development in the water and sanitation sector over this highly transitional period and, furthermore, that specific projects, in combination with other influences, have produced 'impacts' of a positive (or even negative) nature. Given the limitations just discussed, however, the best that can be done

is to identify some of the major outcomes of ODA over the five-year period under study and to include specific examples of these outcomes. The lists that follow are not comprehensive, as the team did not closely consider the activities of every donor project.

'Impacts' and outcomes are also discussed in each of the donor programmes profiled by the study (see Appendices 5- 9).

6.2 SUMMARY OF OVERALL 'IMPACTS' ON THE SECTOR

At the broadest level, the 'impact' of ODA has been to support the government in moving towards the realisation of its vision for the sustainable and equitable management and distribution of water resources, including water services. Experience since 1995, however, shows that this is going to be a long and relatively complex process of development, both due to the shortage of investment capital and the challenges posed by ensuring sustainability. Consequently, most donors would be hard pressed at this stage to conclude that their projects have had a widespread effect in 'alleviating poverty' (although in cases where sustainable services have been delivered, this may be true).

At a level of abstraction, some of the other key 'impacts' of ODA have been generated by donor roles in:

- ◆ providing moral, intellectual and strategic support and encouragement to DWAF and other players;
- ◆ deflecting the 'heat' somewhat by standing in the first line of fire in introducing sensitive issues (see Appendix 5: Danida case study);
- ◆ helping to bring the SA sector back into the international arena;
- ◆ advocating multidisciplinary, inter-governmental approaches to the sector;
- ◆ allowing DWAF to fill critical gaps not planned for and not covered by the national budget, especially as regards the testing and implementation of new policy and legislation;
- ◆ modeling a work ethic (this is admittedly a controversial point, however it was made on several occasions by senior people at DWAF, who felt that international programme managers had made exceptional contributions through their unusual commitment to work and their flair for creative problem solving);
- ◆ creating expectations that could not always be filled, especially at district and village levels.

Some of the more concrete 'impacts' produced by ODA are as follows. Donors have:

- ◆ *facilitated and improved alignment and communication between different role players* (cited as the major impact of Danida's NWP project and a major focus of a DANCED Water Resource Management project), i.e. bringing actors together in a variety of processes to forge strategies aimed at meeting common goals (national line departments, provincial / regional line departments or offices, the private sector, local authorities, water boards, community structures, etc.);

- ◆ *delivered water services* (mainly water supplies) by constructing and rehabilitating infrastructure, i.e. major projects in Eastern Cape and Northern Province, small project in North West Province. Only one of the three North West Province pilot projects has proven sustainable, with local political conflicts, technical problems, weak institutions and poor cost recovery limiting the continuation of project benefits. In October 1998, the Eastern Cape projects were reported to have only a small chance of sustainability without improved commitment at a high level to community empowerment and local government capacity building (Carl Bro/SRK: 154-8);
- ◆ *tested and advanced the implementation of new policies and legislation through pioneering initiatives and pilots*, e.g. local government capacity building, gender, sanitation, health and hygiene, appropriate technologies, decentralisation, cost recovery;
- ◆ *advanced the introduction of social issues and the integration of social and engineering issues*, e.g. audit of training and capacity building resources, training and funding of DWAF Community Development Officers, support to structuring of relationships between different types of consultants, training and capacity building of social consultants;
- ◆ *facilitated institutional strengthening and restructuring*, especially within national and provincial DWAF and water boards, e.g. redrawing of water board boundaries in NWP, major restructuring within DWAF national and regional, establishment of CWSS Directorates, staff support and training, etc.
- ◆ *assisted with the establishment of new institutions, directorates and other bodies*: two water boards (and laid the groundwork for a third), sub-regional office of DWAF in KZN, National ISD and LIDS directorates, NaSCO, National Community Water and Sanitation Training Institute;
- ◆ *improved institutional capacity through the funding of line positions and long-term contracts* (strategic technical assistance) in DWAF national and regional offices;
- ◆ *heightened human resource capacity* by building both competence and confidence at national and other levels, e.g. reconceptualising roles, international study tours and training programmes, countless training and team building workshops (e.g. DWAF, local authorities, water board members, etc.), village water committee training;
- ◆ *supported policy and legislative development*, e.g. sanitation policy development, DWAF's Gender Policy, the Water Law Review, background work leading up to the National Water Act, policy work on roles and responsibilities in context of Water Services Act;
- ◆ *increased awareness, created a demand for services and sometimes generated disappointment at community level*: e.g. roadshows which informed people of their rights and responsibilities in terms of new policies and legislation, development of community trainers, implementation of pilots that frequently had no follow up and few lasting benefits;

- ◆ *informed, empowered and drew on scarce resources of local authorities* through orientation and briefing sessions and dissemination of information on the implications of new legislation for local government, participation in study tours and courses, sponsoring of policy workshops and summits on strategic issues (cost recovery, transfer, etc.), support to development of water services development plans, development of an institutional framework for Water Services Authorities, etc.;
- ◆ *helped to put sanitation on the map (especially DFID)*, e.g. funding of line positions in the national sanitation office, sanitation 'start-up programme', pilots to test appropriate technologies, pilots on hygiene and health education, support to provincial sanitation co-ordinators, sanitation workshops, evaluations of NGO sanitation programme, etc.;
- ◆ *helped to develop and introduce new tools and systems or add to existing systems*, e.g. ISD package, 'conceptual framework for effecting transfer', 'annotated guide to key sector documents', monitoring and evaluation frameworks for use by DWAF and for water services authorities, asset management study (KZN), financial management, subsidy reduction and revenue collection systems for water boards, CWSS implementation procedures, etc.;
- ◆ *deepened understanding of critical areas by supporting policy research*, e.g. studies on rural cost recovery, unauthorised connections, social, economic and economic impacts of 'Working for Water' programme, etc.;
- ◆ *helped to build information and knowledge base on natural resources*, groundwater, settlement patterns, etc.;
- ◆ *developed (and still developing) strategies for management of water quality and waste management and environmental management*.

6.3 IMPACT ON DONORS

Donors were generally hard-pressed to come up with a view on the impact of their South African experiences in the sector on their *own* institutions and ways of doing things. Danida reported that there had not been any special impact, although, as a matter of course, all project experiences (from all over the world) are fed back to Danida's policy and planning processes for distillation.

JICA representatives commented that they have learnt a lot about the benefits of taking a multidisciplinary approach to water supply projects and, in particular, about the need for a consultative process that engages all stakeholders. DWAF reports that JICA's overall approach has changed considerably since its early days in South Africa, with the major shift being the greater preparedness to relinquish some control and to soften its stance on linking grant aid to the use of Japanese goods and services.

According to DWAF, the European Union (EU), too, has shown increasing flexibility with regard to the design and implementation of projects. An impact of South Africa's relatively well-developed management capacity has resulted in the EU operating with a very small staff and taking a fairly arms-length

approach, unusual for the amount of money being disbursed. Donors like DFID and Danida have pushed their ability to exercise flexibility to the outer limits, in response to the highly fluid and unpredictable dynamics of the South African water and sanitation sector.

7 CROSS-SECTORAL ISSUES

7.1 INTRODUCTION

Four cross-cutting issues were flagged as important for the DCR 2 studies: Gender, the Environment, Capacity Building and Governance & Democracy. Each of these theme areas has been the subject of a distinct DCR 2 report, as part of the same process that saw the commissioning of the DRC Water and Sanitation study. Only 'gender' has been given a substantial section of its own by the current report, as both 'capacity building' and 'governance and democracy' have been dealt with as integral themes in the work. 'Environment' is considered separately below, but does not receive much emphasis, reflecting the fact that interviewees had little to offer on this subject. All of the cross-cutting areas have been included in the individual donor profiles, with varying degrees of emphasis, depending on their relevance to the projects in question.

7.2 CAPACITY BUILDING

The study team found that 'capacity building' is a 'catch-all' phrase used to describe almost anything and everything undertaken by donors. The term is thus fairly useless in the absence of a clear definition or context. The present study defines 'capacity building' in relation to ODA to water and sanitation as having four main strands:

- ◆ the creation of an enabling environment, with appropriate policy and legal frameworks;
- ◆ institutional development, including the establishment of new structures, restructuring and rationalisation;
- ◆ organisational development: the elaboration of management structures, processes and procedures within organisations, as well as the management of relationships between different organisations and sectors;
- ◆ human resources development: the process of equipping individuals with the understanding, skills and access to information, knowledge and training that enables them to perform their designated roles effectively.

All of these areas have received attention from donors, with the 'creation of an enabling environment' and 'institutional development' taking top billing in the early years, particularly at the national level. A major emphasis also fell on the intense need to build DWAF's capacity for addressing the enormous services backlog that helps to maintain the gap between South Africa's 'haves' and 'have-nots'.

A substantial investment in organisational and human resource development has been made over the last few years. Capacity building support has been

offered at every level of government, as well as to non-governmental actors such as water boards, communities, NGOs and the private sector. Although there is still a need to 'create', much of the capacity building work now involves consolidation and the extension of systems and processes already in place.

A growing emphasis on strengthening the local government sector over the last year to two years reflects donor support for the legal role assigned this sphere of government in development and services provision. Donors need to consider very carefully how they can best assist local authorities in this 'post demarcation' era, when some lack even offices, computers and other basic equipment, let alone the personnel to focus on particular sectors.

Part of the increased emphasis on local government has been the diminished focus on community structures, a trend that has generated concern by those who see local government's capacitation as a long-term process. The same trend has affected NGOs, whose overseas funding has declined since 1994, with the establishment of a democratic government in South Africa.

Notwithstanding the high profile and accomplishments of the Mvula Trust, the diminished financial capacity of the NGO sector is a negative development, in light of the niche it has filled in community development and the valuable civic voice it can provide.

The list of 'impacts' offered in the previous section provides a more concrete glimpse into the range of capacity building activities supported by donors. The reports on individual programmes contextualise these all the more.

7.3 GOVERNANCE AND DEMOCRACY

The current report does not expect to make a major contribution to any discourse on 'governance' and 'democracy' in the water and sanitation sector, especially without first defining these very broad terms. However, there are a number of ways in which donor support to the sector has served to promote and support existing trends to greater democratisation and good governance. These can be shown by making the links between some generic concepts on governance and democracy and their concrete expression in the water and sanitation sector.

7.3.1 Legal and policy frameworks for democratic governance

The linkage here stems from ODA support to policy and legal processes surrounding water and sanitation, including the setting out of roles and responsibilities and the human rights associated with the sector. The wide consultation that characterised these processes forms an integral part of democratic policy and law making. Another dimension is donors' willingness to align their programmes and projects to these largely representative frameworks (the exception is the GEAR, which did not undergo a process of wide consultation).

7.3.2 Delivery of public goods key to sound governance

Most ODA to the sector has revolved around the imperative of improving the distribution of public goods (water services) to South Africa's population. Water resources support has focused on the preservation and management of national resources *for* the public good. ODA has helped to facilitate not only the physical delivery of goods, but to explore and evaluate the different models of delivery, encouraging transparency along the way.

7.3.3 Decentralisation is a tenet of good governance

This concept has special resonance in the water and sanitation sector, where years of international lessons have demonstrated the benefits of devolving responsibility for water services down to the lowest appropriate level. In South Africa, ODA has begun to address the challenge of empowering local government to assume its constitutional responsibility for ensuring services provision. At the same time, some assistance has been lent processes that allow for a strong community role, either in local management or as official service providers.

7.3.4 Citizens' rights and responsibilities in a democracy

A number of donor projects have aimed to inform communities of their rights to water services under the emergent legislation, in some cases creating or shaping a demand for improvements. At the same time, the responsibilities of communities and individual households in the operation, maintenance and cost recovery of new systems have been promoted in a variety of projects, in conjunction with local authorities and other actors bearing an interest in satisfying rights and encouraging responsibility.

7.3.5 Widening the base of participation

This happens to be another basic assumption in the water and sanitation sector (even if it not always applied): successful development depends on the active participation of a whole range of interdependent role players, including different levels and sectors of government, the private sector and civil society.

At the level of the rural community, participation is necessary not only because it is a right of those affected by development, but because it is a necessity in an environment in which government cannot do everything. Some donor projects have allowed for participation in a meaningful way, although many have gone the 'easy route' of working with a narrow base of decision makers drawn from one national department.

Broadening and improving the quality of participation of all stakeholders in development is a challenge to which the government must rise and to which donors must rally. A special challenge continues to be the need for greater participation in the sector by women. Another is the need for a stronger civic voice to be heard in the policy discussions and debates affecting the sector.

7.4 ENVIRONMENT

Water forms an inseparable part of the natural environment. Environmental resources provide a critical base from which the needs of all living things for water, in their endless manifestations, can be satisfied.

Because water is a fragile and scarce resource, however, it needs to be protected, managed and used judiciously in order to preserve its integrity and sustainability. Sanitation, including the disposal of wastewater, human and solid waste, exerts a major impact upon the environment and also needs to be subject to careful practice and regulation.

South Africa faces serious challenges in meeting basic human needs for both water supply and sanitation, but these must be balanced against a wide range of environmental considerations and the reality that resource management transcends national boundaries.

In a sense, almost all ODA to the sector is 'environmental' in character, a notion that led the DCR 2 Environment Study to calculate that fully 54% of all 'environmental ODA' is going to DWAF. This sweeping approach is easier to conceptualise in relation to water resources, given that water services in South Africa have been fundamentally about satisfying human need as quickly as possible. For the purposes of the present report, ODA support to the environment is treated within a much narrower frame. There are several dimensions to consider:

- ◆ the undertaking by donors of projects with an environmental focus, implicit or explicit;
- ◆ the environmental 'rules' or procedures to which ODA activities in the sector are subject;
- ◆ the extent to which environmental considerations are being mainstreamed in interventions that do not have an explicit environmental component.

7.4.1 Projects

The environment forms an implicit part of all water resources projects, including ODA initiatives concentrated on the various aspects of water resources management and water quality management. Projects concentrating on water resources, water quality and the environment have included:

- ◆ **DFID:** Strategic Environmental Assessment for stream flow activities; Groundwater management in drought-prone areas; Extensive support to community sanitation at national and provincial level.
- ◆ **EU:** Assistance to the formulation of the Environmental Conservation Act, i.e. development of an environmental assessment for CWSS projects, improve co-operation with WRM component in the region, support to the Afforestation Review Panel, general assistance on environments and water management; Training of Environmental Health Officers on water-related issues (EC); Support to the M&E of the environmental dimensions of DWAF's Version 4.

- ◆ **Danida:** Environmental Impact Assessment of the Inkomati River Basin; Sanitation pilot projects: KZN and NWP; Groundwater Awareness in schools, NWP.
- ◆ **NORAD:** Sustainable development of groundwater.
- ◆ **AusAid:** Groundwater Mapping / Geological Survey.
- ◆ **IDRC:** SADC (regional) water resources management; Demand Management.
- ◆ **CIDA:** Tree Seed Centre Network.
- ◆ **Netherlands:** Development of a national groundwater information system.
- ◆ **DANCED:** Integrated water resource management strategies; Implementation of water quality management strategy for dense settlements; Development of a national waste management strategy and action plan.
- ◆ **FINNIDA:** Water quality management plan for specific catchment area; Water resources management (basin study, system analysis for matching supply and demand) – also for a specific river catchment.
- ◆ **WHO:** Support to water quality standards, health and hygiene aspects of water and sanitation, healthy cities programme (programme channeled through Dept of Health).
- ◆ **FINNIDA, NORAD, Netherlands, IDRC:** Working for Water (clearing of alien vegetation to facilitate water conservation).

7.4.2 Rules and procedures

All capital projects, ODA and non-ODA, are supposed to conform to procedures aimed at protecting the environment. Capital projects must be preceded by an Environmental Impact Assessment (EIA) and the satisfaction of environmental requirements must be clearly spelled out in the project's Business Plan.

Donors must also incorporate the requirement that Water Services Authorities must receive an authorisation permit from the Department of Environmental Affairs and Tourism (DEAT) before construction occurs. An environmental checklist is used in the Eastern Cape, following its development by a consultant brought on by the EU. Studies do not appear to be commonly undertaken in relation to the construction of community sanitation facilities.

7.4.3 Mainstreaming of the environment in ODA projects

Apart from the requirement for an EIA prior to undertaking any capital project, the study team found very little evidence of the integration of environmental issues in the Water Services projects it examined. The problem is partly due to the practical and conceptual separations that are conventionally made between water supply and water resources management. This is beginning to change, although the 'trickle down' process to the regions has been slow.

It would be helpful if the amendments made in the Environmental Conservation Act in late 1997 were more widely publicised. It would also be a good idea for the EU-developed environmental checklists to be made available and even workshopped to assist water authorities and their agents to apply for the necessary authorisation permits. Moreover, appropriate officials, e.g. local

government environmental health officers, should monitor for compliance with the environmental dimensions of permits.

A final constraint to the effective integration of environmental issues into the water services sector is the continued tendency to treat water supply and sanitation separately, despite their obvious connections and risks posed to water supply and health by the inadequate linking of the two. In this regard, there is a need to pay much more attention to health and hygiene education, which is fundamentally about human interaction with the environment, and to ensure that such education embodies a strong environmental awareness component.

7.5 GENDER

7.5.1 Context for donor support to gender

Policy and legislative framework

The Department of Water Affairs (DWA) has had a Gender Policy since 1997. The policy deals with both *internal* matters, i.e. DWA's responsibility to increase the representation and affirm the value of women its employ, and *external* matters, i.e. its responsibility to the community at large to promote gender equality in all of its activities. In addition, gender is dealt with by a wide range of national policies (sector and non-sector specific) and international conventions, all forming the broad policy and legal context in which DWA and its partners operate.¹ The most important of these is the White Paper on Water and Sanitation which states unequivocally that 'any policy or project not ensuring women's full participation is bound to fail or achieve partial success.' Ironically, then, South Africa's two most important pieces of legislation pertaining to water, the Water Services Act and the National Water Act, do not mention gender at all.

The 'external' aspect of DWA's Gender Policy has more relevance for donor programmes. It focuses on overcoming gender discrimination and on relieving poor women of the burden associated with collecting water from sources that are far, inconvenient, unreliable and of poor quality. The policy stresses the importance of ensuring adequate participation of women in different project activities. However, the policy draws its primary rationale from the 'right of women to take their full part in society', rather than on the value added by facilitating more active input from South Africa's primary rural water users and managers: women. Redressing inequality has a special resonance in South Africa but, for strategic and practical reasons, it tends to be matched in *donor*

Probably the most well-publicised aspect of the White Paper on Water and Sanitation Policy, the water sector. The same quota was upheld by the White Paper on Sanitation, 1996. The imposition of quotas tends to spark controversy, stemming either from resistance to women's formal involvement or from fears of tokenism and its effects. In some countries, quotas have been productive measures for improving projects while in others they have been shown to be unworkable in the context of existing social and cultural norms.

gender policies by a recognition of gender sensitivity as pivotal to effective and sustainable development.

The Gender Policy was workshopped throughout the country for most of 1998, where, reportedly, it was met with considerable resistance from both men and women, who perceived it as a challenge to traditional cultural roles for the sexes.

Institutional framework

Gender finds its formal home within the Transformation Directorate, part of the Human Resources Chief Directorate, within the Water Policy and Resources Branch. Established in 1998, the Transformation Directorate is charged with promoting change by improving the opportunities within the water and sanitation sector for historically marginalised groups: black people, women, youth, those with HIV/AIDS and the disabled. Prior to the existence of the Transformation Directorate (D:T), gender issues were addressed as part of the brief of DWAF's Employment Equity office, set up in 1996 to deal with internal matters of recruitment and promotion of department personnel.

It is reported that the back seat assigned 'gender' in relation to 'race' since these early days has shifted very little, both in relation to 'internal' and 'external' matters. In fact, it is the view of the D:T that there is profound resistance to dealing with gender issues at almost every level and in every dimension of the department's work.

In this sense, the decision to situate 'gender', physically and conceptually, and without its own resources, in the Transformation Directorate, raises some questions. Similarly, political pressure and limited resources, along with the tendency to 'tidy one's own house first', has meant that the internal dimensions of the Gender Policy have taken precedence over the comparatively more complicated external ones. And as one of the most disenfranchised groups in the country, poor rural women are not generating the degree of political heat coming from other sources.

The D:T is thinly staffed, including a Director, three support staff, a personnel practitioner and a Deputy Director (DD), appointed last year. The Gender Policy's intention to establish separate sub-directorates for internal and external transformation has not come to pass. The hope that the DD would be in a position to give more attention to gender has been compromised by frequent distractions posed by the other issues falling within the D:T's brief. The D:T finds itself drawn into many inter-sectoral and public relations activities related to the issues it covers, resulting in its small staff having limited time for programme and strategic work. In addition, the politically charged nature of its work requires the directorate to spend time collecting statistics and reporting on headway on affirmative action.

An internal gender committee formed to work on the Gender policy was not transformed into a departmental advisory body, as envisaged by the policy, but instead disbanded in 1998. There are no other dedicated gender resources throughout DWAF, although there are a few individuals in the Water Services Chief Directorate who champion gender issues informally.

Strategy

A strategic plan for the implementation of the Gender Policy is under preparation and is expected to be complete by August 2000, almost three years after the policy's promulgation by the government.

A national gender workshop to launch the strategic plan is planned. Apart from the workshopping of the Gender Policy in 1998, there have not been any specific initiatives to 'gender sensitise' DWAF staff or to equip them with concrete implementation tools. Nor have systems emerged – formal or informal – to allow the D:T to act in an advisory or resource capacity in relation to any external programmes or the forging of water and sanitation policies. The lack of human resources in the D:T would in any case limit this function severely. Implementation of the gender policy in the field (i.e. its external requirements) is not monitored and, outside of its participation in a UNDP assessment project, DWAF has not undertaken any evaluations that focus on gender.

The D:T's position is that all relevant stakeholders had access to information workshops in 1998, have a copy of the policy and are bound to implement it. At the same time, it is conceded that commitment is low and that, in all likelihood, the policy is being applied unevenly by DWAF and its partners. In effect, gender remains seriously marginalised within the department.

7.5.2 Donor support to gender issues

International donors in South Africa find themselves in a national environment in which gender issues have been accorded a relatively strong profile at the policy level and low priority at the practical level, while being ignored entirely by legislation on water.

Most donors live with the imperative of implementing their *own* gender policies and honouring their own country's commitments to international conventions and treaties relating to the elimination of discrimination. Most, too, have had exposure to international experience that shows the substantial value produced by the mainstreaming of gender issues in water resources and water services development.

This is not to say that there is an even commitment to gender issues among donor agencies and their staff, as seen by the range of projects reviewed by the present study. Nonetheless, it is generally contingent upon funders to raise and integrate gender issues themselves. This is not an uncommon scenario in many of the countries in which donors operate, although South Africa's formal commitment to gender issues in the sector poses an opportunity that should not be missed.

There are two main ways in which donors can promote the implementation of their own gender policies and those of the South African government. The first involves the direct provision of support to the Transformation Directorate and its gender-specific initiatives. The second, and perhaps more important approach, has been to ensure that gender issues are mainstreamed throughout programmes and projects, including, as appropriate, specific initiatives aimed at

‘putting gender on the map’. Neither approach appears to have been given strong support by international agencies, with a few exceptions.

Support to the Transformation Directorate

There have been two international donor initiatives involving support to the D:T, as follows.

Commonwealth Secretariat

The Commonwealth Secretariat (CS) provided support to the gender policy formulation process, which took place over the better part of 1997, costing 30,000 British pounds. The urgent need for a gender policy was identified in a one-day workshop on gender the previous year. Support in the drafting of a letter requesting funds from the CS was sent by the Secretariat’s own Gender Desk. Subsequent assistance from the Gender Desk involved the identification and management of consultants who undertook the preparation of DWAF’s gender policy in conjunction with an internal committee, formed specifically to work on the policy.

The consultants, a Zambian and a Brit, received high marks from the committee for their skilled facilitation of the process, their highly consultative approach and for delivery of a top quality product. Significantly, participants in the process describe being empowered through the knowledge and skills transfer that occurred during the project. The donor, too, was commended for its patience and extra supportive stance.

Disappointingly, project constraints related mainly to DWAF managers’ unwillingness to release their personnel for gender committee meetings. This resulted in frustration and slow progress. It also highlighted the difficulties created when vesting of responsibility for gender at low levels of authority (the highest ranking individual on the committee was a Deputy Director and she was the only one at this level). To add to the committee’s marginal status, almost all committee members were women, which reinforced the perception of gender as a ‘women’s issue’ and ‘an affirmative action issue’ rather than as an imperative component of successful development programmes in the sector.

UNDP / World Bank

The second project directly involving DWAF’s Transformation Directorate (D:T) was UNDP / World Bank Water and Sanitation Programme initiative, taken in co-ordination with the Collaborative Council on Gender and the International Research Center (the Hague).

The project was part of a multi-country programme called the Participatory Learning Initiative aimed at improving the capacity of sector agencies to respond to users’ demands for water and sanitation services by using gender and poverty-sensitive participatory approaches. South Africa’s participation in the project stemmed from its hosting of a UNDP-World Bank regional gender workshop on water and sanitation in 1998 and its subsequent expression of interest in being one of seven countries in which gender assessments of specific projects would occur.

Two assessments were undertaken in Northern Province with the specific aims of determining:

- ◆ the extent to which participatory and gender-sensitive approaches had an impact on sustainability
- ◆ the factors that facilitated or limited the implementation of participatory gender sensitive approaches in planning and execution
- ◆ the extent to which projects based on principles of demand responsiveness were participatory, gender sensitive and had a poverty focus
- ◆ whether projects/programmes had different impacts on men and women, rich and poor in context of the benefits and burdens implied in operating and maintaining water services at household or community level.

The project produced two detailed reports with the results of the assessments. They have not been widely circulated and, in any case, lack a base from which their lessons can be operationalised.

Paradoxically, given the nature of the project, the Directorate: Transformation experienced a high level of discomfort with the way in which the project was executed. The reasons given were that the 'United Nations came with their own tools and their own agenda', which were neither conceptually accessible to the D:T 'nor appropriate to the South African context'. The D:T felt, in addition, that it did not make sense to 'test gender in projects that had never had an explicit gender focus', suggesting that the project's objectives may not have been well understood by the DWAF personnel most closely linked to the initiative.

A completely contrary perspective on the project was offered by the Water Services personnel who participated in the project. These individuals were fully behind the methodology and its relevance to South Africa and felt that any tensions had sprung from the D:T's unfulfilled wish to engage the same consultants used for gender policy development project. This small group expressed concerns that the gender function is 'getting lost' in the D:T and that, in any case, it needs dedicated resources in each Branch or Chief Directorate in order to be properly addressed. This seems to be without question.

IDRC (Canada)

This IDRC project was not undertaken in partnership with the Transformation Directorate, but in response to a request from an adviser to the Minister. IDRC's funding of a Gender, Water and Sanitation study in 1995 has been alluded to already, in Section 4.4, on locally-derived constraints (to alignment and control). This early study examined broad issues and made recommendations, but it had virtually no impact because of the absence of any policy or institutional framework for gender at that time.

7.5.3 Integration of gender issues into donor projects

The majority of people interviewed by the study team acknowledged that gender issues are not raised as a matter of course in discussions with donors. The following list provides examples of ODA initiatives in which gender has been included or pursued as the major activity. These examples have been drawn

only from the experiences of the donor programmes highlighted by the study and do not represent a complete list of gender-related activities.

- ◆ EU training and capacity building for a range of actors in two provinces (regional DWAF, consultants, environmental health officers, project steering committees and village water committees) reportedly integrated gender issues routinely into its programme;
- ◆ Danida's KwaZulu-Natal project included four pilots that focused explicitly on gender issues in relation to rural water and sanitation development in general, communications and health and hygiene education (see Section 9.1: Danida);
- ◆ Both Danida and DFID have provided modest funding and training for Community Development Officers, active in DWAF's regional offices, and in general, responsible for spearheading participation by women in projects at the village level;
- ◆ A Danida 'Study of Cost Recovery in Ten Rural Communities' examined gender issues in community management and cost recovery as a key variable of the research;
- ◆ An IDRC assessment of the socio-economic impacts of the Working for Water programme includes a gender component.

8 APPENDIX 1: STUDY TERMS OF REFERENCE

DEVELOPMENT CO-OPERATION REPORT TERMS OF REFERENCE FOR AN EVALUATION MISSION ODA TO KEY SECTORS: WATER AND SANITATION SECTOR

1 BACKGROUND

The Department of Finance (DoF), together with the support of the United Nations Development Programme (UNDP) and other donors, is in the process of developing a Development Co-operation Report (DCR) to evaluate donor assistance in South Africa in the period 1994-99.

A key objective of the DCR is to offer a guideline for the alignment of future overseas development assistance (ODA) to the development priorities of the South African government. The DoF's Medium Term Expenditure Framework (MTEF) published in November 1998, outlines the reconstruction and development priorities of the South African government and is a key document to be used in compiling the DCR.

Phase I of the DCR was conducted by a team of local consultants with the assistance of an international expert and the support of UNDP. The Department of Finance, in consultation with the UNDP and other donors, has decided to extend this exercise to include an assessment of ODA on certain sectors, thematic areas and regions. More specifically, evaluations are required for the other sectors of health, education and SMME development. Key thematic areas that will also be assessed are democracy and governance, gender, environment and capacity development.

Since the DCR will serve as a document that will inform, guide and align development assistance to the changing needs and priorities of the new democracy, Phase II will necessitate the more active participation of the donor community in South Africa. This is particularly important in a context in which the donor community is developing new proposals and strategies for co-operation in the post-transitional period.

The overall objectives of the DCR are:

- ◆ To conduct an evaluation ODA to South Africa in the period 1994-99,
- ◆ To offer recommendations as to how present and future ODA should be co-ordinated and aligned to the articulated needs and priorities of the South African government as reflected in the MTEF and
- ◆ To develop appropriate systems, mechanisms and tools to be used to conduct evaluations of ODA expenditure in South Africa on a regular basis

It is with this background that this terms of reference for the Water and Sanitation sector assessment has been developed.

2 OBJECTIVES

The objective of this mission is to evaluate ODA in the Water and Sanitation sector in the period 1994-99, with a view to exploring how ODA in this sector

should contribute towards stated government policies, as outlined in the Medium Term Expenditure Framework, in the next phase of ODA.

3. OUTPUTS

The outputs of the evaluation mission are:

- ◆ **An Inception Note** with proposed itinerary and methodology of the mission, to be delivered to DoF before the start of the mission proper.
- ◆ **A Review Report** that will serve as a chapter in the overall DCR
- ◆ **A Debriefing Note** (summary of the Review report) of the main findings

4. PROCESS

- 4.1 Review relevant literature
- 4.2 Meet with stakeholders
- 4.3 Overview of the sector policies, strategies and plan of actions of both recipients and donors.
- 4.4 Analyse the complementarity and co-ordination of donor support within the sector
- 4.5 Identify problem areas in terms of ODA to this sector, including the identification of ODA support gaps.
- 4.6 Assess the extent to which ODA support to the sector is aligned to government priorities as described in the RDP, GEAR and the more recent MTEF, particularly in terms of poverty alleviation and job creation, where appropriate.
- 4.7 Assess the donor strategy, if any, adopted by DWAF, with a view to taking forward lessons learnt (both to DWAF as well as to other government departments).
- 4.8 Assess the sustainability of ODA to the sector in terms of government's absorptive capacity as well as the capacity being built by ODA
- 4.9 Outline a way forward for ODA to the sector in terms of strategic direction, post – 1999.

5. ACTIVITIES

The scope of work for the assignment will include, but not necessarily be limited to the following general tasks:

- 5.1 Meetings with all key stakeholders in the sector, including the various donors active in the sector, implementing agencies, project beneficiaries, affected government authorities and other interested parties. In particular:
 - 5.1.1 National Department of Water Affairs and Forestry (DWAF)
 - 5.1.2 Selected provincial Departments of Water Affairs and Forestry
 - 5.1.3 Key NGOs involved in the provision of Water and Sanitation
 - 5.1.4 Key donors in this sector
- 5.2 An analysis of all ODA in this sector with specific emphasis on the following:

- 5.2.1 **Review** – of relevant existing literature on ODA in this sector, including the MTEF, donor strategies and donor program evaluations.
- 5.2.2 **Assess** - the type and extent of the impact of ODA on water and sanitation services, developing tools to assist with this should none exist.
- 5.2.3 **Output Reporting** - an analysis of ODA priority areas in the water and sanitation sector and its coherence and complementarity to the government's priorities and strategies. A comparison of actual and planned Water and Sanitation program outputs. The report should also analyse any unintended outcomes achieved and how these outcomes positively supported ODA in the sector.
- 5.2.4 **Sustainability Assessment** – an analysis of the extent to which ODA in this sector delivers continued benefits to the target groups. Assess the strategy, role and priorities of the DWAF in ODA programs and how the DWAF foresees future ODA.
- 5.2.5 **Lessons Learnt** – from ODA to this sector in the period 1994-99, with conclusions for forward-looking strategies to be followed. Also, an analysis of experiences of general interest that may not have been described in the sections above.
- 5.2.6 **Conclusions and Recommendations** – conclusions on evaluation findings and recommendations regarding future ODA to this sector.

In addition to 5.2 above:

- 5.3 Analyse the provincial distribution and impact of ODA to water and sanitation in selected provinces e.g. Eastern Cape, Northern Cape, Mpumalanga and Northern Province, with a view to assessing the following:
 - 5.3.1 equitable distribution of ODA
 - 5.3.2 donor expertise matching provincial needs
 - 5.3.3 the extent to which donor assistance successfully fits into provincial water and sanitation objectives.
- 5.4 Co-ordinate with task teams that may have been set up by the donor agencies in this sector and/or by the DWAF to incorporate their findings.
- 5.5 Co-ordinate with, assess and incorporate evaluations of donor assistance conducted by national departments, provincial and local government.
- 5.6 Evaluate to what extent capacity development, gender and environmental concerns have been successfully integrated into all projects and programs in this sector, with a discussion of the lessons learnt and recommendations for future projects/programs. This will be done as a collaborative effort with the capacity development, gender and environmental DCR teams.
- 5.7 Evaluate the efficacy of ODA in this sector.

6. STAFFING

- ◆ Team Leader who will co-ordinate all the sector studies and who shall be responsible for developing a final DCR
- ◆ Sector Consultant who will contribute a report based on this TOR, to be incorporated into the DCR. The sector consultant will:
 - Be familiar with South Africa's water and sanitation priorities and debates.
 - Have a strong background in, organisational development and management
 - Have an adequate understanding of donor program procedures and requirements
 - Have strong analytical ability

7. TIMING, DURATION AND KEY MILESTONES

This evaluation mission is scheduled for up to 45 working days.

- ◆ Up to a maximum of 4 working days after issuing of contract, an initial inception report detailing methodology and workplan will be expected from the consultants
- ◆ Consultants will be expected to attend the DCR Programme planning workshop involving all sector / thematic consultancy teams, to define common methodological approach, reporting formats and logistical arrangements.
- ◆ After five working weeks the Consultants are expected to present a Mid-consultancy report to DCR project team
- ◆ Towards the end of the assignment the consultants will present a Draft final report presented to principal stakeholders in sector for 'reality testing'.
- ◆ At the end of nine working weeks the consultants will present a Revised final report

8. REPORTING

Progress Reports will be submitted to the DoF on a weekly basis, no later than 09h00 on a Friday.

The Final Report will be submitted to the DoF no later than one week after the completion of the evaluation mission.

All documents shall be delivered in ten (10) copies to the DoF. Two (2) MS Word document files on DOS formatted disks will also be submitted. The DoF will send copies to the other involved donors.

9. INPUTS

The Department of Finance will appoint the mission team members and will provide them with the necessary background documents.

10. ATTACHMENTS

Format for an Inception Note and Debriefing Note

9 APPENDIX 2: LIST OF INTERVIEWS

List of Stakeholder Meetings

1. INTERNATIONAL DONORS AND REPRESENTATIVES

1. Ms. Malene Hedlund, Danida, Royal Embassy of Denmark
2. Mr. Knud Johansen, Minister Counsellor, Royal Embassy of Denmark
3. Ms. Yoko Doi, Special Assistant for Development, Embassy of Japan
4. Mr. Nakamura, JICA (Japan)
5. Mr. David Urquart, First Secretary, Development, Australian High Commission
6. Ms. Amanda Gillett, Senior Programme Officer, AusAid
7. Mr. Peter Smith, Programme Manager, DFID (UK)
8. Ms. Lisa Tong, Intern, DFID
9. Mr. Mark Harvey, Engineering Advisor, DFID
10. Mr. Eric Buhl Nielsen, (former) Project Manager, Danida
11. Ms. Refilwe Pitso, (former) Deputy Project Manager, Danida
12. Ms. Sefora Masia, (former) Local Government Specialist for Danida
13. Ms. Theresa McDonald, Director, Irish Aid
14. Mr. Wout Soer, Programme Manager, EU
15. Dr. Charles Reeves, DWAF, EU
16. Mr. M. Van Ameringen, Regional Director for Southern Africa, IDRC (Canada)
17. Mr. Wardi Leppan, Senior Programme Officer, IDRC
18. Dr. Gloria Kodza, UNICEF
19. Dr. M. Shasha, Director, World Health Organisation (phone call only)

2. NATIONAL ROLE PLAYERS

2.1 Ministry of Water Affairs and Forestry

1. Ms. Janet Love, Special Advisor to the Minister, DWAF
2. Dr. M. Eugene Mokeyane, Special Adviser to the Minister, National Department of Water Affairs and Forestry
3. Mr. Mike Muller, Director General, DWAF.
4. Mr. Kalinga Pelpola, Director, Project Development Support Directorate, Water Services Chief Directorate (CD)
5. Mr. Fawcett Ngoatje, Director, International Liaison Directorate, International Projects Chief Directorate
6. Mr. Leo van den Berg, Senior Specialist Engineer, International Liaison Directorate
7. Mr. Alan Davies, Project Development Support Directorate.
8. Ms. Lindi Molefe, Deputy Director, Development Support, Project Development Support Unit
9. Mr. Amelius Muller, Chief Director, Regions (phone interview)
10. Ms. Malebo Kotu Ramopo, Director, Local Institutional Development Services (LIDS), Water Services Chief Directorate
11. Mr. Patrick Nsibe, Local Institutional Development Services Directorate
12. Ms. Barbie Schreiner, Chief Director, Water Use and Conservation
13. Ms. M. Letlhape, Chief Director, Human Resources
14. Ms. Kerry Harris, Deputy Director, Programme Support, Communications, Water Services CD
15. Ms. Dikeledi Moema, Director, Transformation, Human Resources CD
16. Mr. Mafanele, Director, Human Resource Management, Human Resources CD

17. Ms. Kathy Eales, Consultant for Water Services & Sanitation, NASCO
18. Ms. Jenny Evans, Deputy Director, Training and Capacity Building, LIDS Directorate
19. Ms. Martha Makgetha, Project Manager, NASCO
20. Ms. Priscilla Mapila, Monitoring & Evaluation, NASCO
21. Ms. Thulia Khambule, Operations and Maintenance Directorate (phone interview)
22. Mr. Mabala, Acting Chief Director, Finance and Administration Department of Provincial Affairs and Local Government and SALGA
23. Mr. Herz Makobe, Director, Policy and Development Unit, SALGA
24. Mr. Elroy Africa, Director, Municipal Planning and Policy Directorate
25. Mr. Seth Mohape, Director, Municipal Capacity Building and Co-ordination Directorate
26. Mr. Silas Mbedzi, Local Government Transformation Programme, Manager, SALGA

2.3 Implementing Agents: Private Sector and NGOs

1. Mr. Tim Hart, Managing Director, Resource Development Consultants
2. Mr. Lefa Mallane, Acting Executive Director, Mvula Trust
3. Mr. Horsht Kleinschmidt, former Executive Director, Mvula Trust
4. Mr. Martin Rall, Head, Policy Unit, Mvula Trust
5. Mr. Bethuel Netshisinzhe, M&E Manager, Mvula Trust
6. Ms. Ilse Wilson, Training Manager, Mvula Trust
7. Ms. Nomfundo Mqadi, Policy Unit (Gender Projects), Mvula Trust

2.4 Parastatals / Government Agencies

1. Mr. Barry Jackson, Development Bank of South Africa
2. Dr. Abus Shaker, Director, National Community Water and Sanitation Training Institute, Northern Province

2.5 Academic institutions

1. Professor Patrick Bond, Wits University, Johannesburg (phone call only)

3. PROVINCIAL AND REGIONAL MEETINGS

3.1 Eastern Cape

Department of Water Affairs and Forestry

1. Mr. Trevor Balzer, Chief Director, King Williams Town
2. Mr. Gezani Mabunda, Acting Director, Implementation, Planning and Development, Umtata Water Boards
3. Mr. Simphwe Kondlo, Director, Planning and Development, Amatola Water, East London

Implementing Agents: Private Sector and NGOs

4. Mr. Pierre Mukhiber, Infrastructure Support Unit Manager, Rural Support Services, East London
5. Mr. Uli Glatz, Manager, EU Eastern Cape Water and Sanitation Projects, Ninham Shand King Williams Town
6. Mr. Kne Jeenes, Regional Co-ordinator, Mvula Trust, East London
7. Ms. Siphokazi Mpahla, Project Development Facilitator, Mvula Trust, East London
8. Mr. Andrew Macdonell, Regional Engineer, Mvula Trust, East London
9. Mr. Richard Pote, Senior Regional Engineer, Mvula Trust, Kokstad
10. Mr. Tacson Kondlo, Community Facilitator, Flagstaff

11. Ms. Cindy Illing, Director, Mattcomm Social Consultants, Matatiele

Local Government – provincial and local levels

12. Mr. Johnny Douglas, Chief Environmental Health and Planning Officer, Stormberg District Council
13. Mr. Nico Yonker, Director, Engineering Services, Amatola District Council
14. Ms. Mickey Mama, Strategic Planning Manager, Amatola District Council
15. Mr. Craig Thompson, Deputy Director, Engineering Services, Amatola District Council
16. Mr. Henk Steyn, Director, Engineering Services, Drakensburg District Council
17. Mr. Reynard Britnell, Deputy Director, Water & Sanitation, Drakensburg District Council
18. Mr. Wilson Wogane, Exco Member and Chair, Roads & Planning Steering Committee, Western District Council
19. Mr. Henderson Bisiwe, Assistant Director, Dept of Works, Western District Council
20. Ms. Toko Xasa, Exco Chari, ex-officio member of all Exco steering committees
21. Mr. M. Kango, Acting Director, Technical Services and Deputy Director, Roads and Transport, Kei District Council, Umtata
22. Mr. Gordon Mpumza, CEO, Wild Coast District Council
23. Mr. Ernst Zellhuber, Deputy Director, Water & Sanitation, Wild Coast District Council

3.2 North West Province

Department of Water Affairs and Forestry

1. Mr. Fanie Vogel, Director
2. Mr. Placid Fernandes, Deputy Director
3. Ms. Meisie Maleke, Co-ordinator, Community Development

Local Government – provincial and local levels

4. Mr. Simon Sathekge, Director, Department of Developmental Local Government & Housing (DPALG)
5. Mr. Ben Mtwane, Deputy Director, DPALG
6. Mr. Yul Mojanaga, Head, Technical Services, Central District Council
7. Mr. John Mohele, Head, Water and Sanitation, Central District Council
8. Mr. John Cunnif, CEO, Rustenburg District Council
9. Ms. Lesego Khutsoani, Masakhane Co-ordinator, Rustenburg District Council
10. Ms. Voulka Laurila, International Liaison, Rustenburg District Council
11. Mr. Ghert van Niekerk, Town Secretary, Lichtenburg Local Council
12. Mr. Ghert de Beer, Head, Community Health Services, Lichtenburg Local Council

Implementing Agents

13. Mr. Paul Masimong, Acting CEO, North West Housing Corporation
14. Mr. David Ceruti, Transformation Consultants
15. Water Boards or other Water Services Providers
16. Mr. Steve Naraghi, Manager, Technical Services, North West Water Supply Authority
17. Mr. Malcolm Bailey, Chief Financial Officer, NWWSA
18. Mr. Simon Gaborone, Senior Accountant, NWWSA
19. Mr. Roelf Strydom, Chief Engineer, Technical Services, Magalies Water Board

3.3 KwaZulu-Natal

DWAF

1. Mr. Thys Badenhorst, Regional Director, Water Services
2. Mr. Dumisani Mhlongo, Deputy Director, Water Services
3. Mr. Dave James – Co-ordinator, Sanitation Task Team (SANTAG)

Implementing Agents: Private Sector and NGOs

4. Mr. Rob Dyer, National Programme Manager, Mvula Trust
5. Mr. Roger Davis, Director, Isikhungusethu Environmental Services (formerly of Integrated Planning Services)
6. Ms. Sue Tilly, Director, Regional Consultative Forum
7. Ms. Shirin Motala, Regional Consultative Forum (phone interview)

Local Government

8. Mr. Casi Rautenbach, CEO, uThukela Local Council, Ladysmith
9. Mr. Rolf Kieck, Director, Regional Water Services (uMzinayathi & uThukela)

Academic Institutions

10. Ms. Mary Galvin, School of Development Studies, University of Natal (formerly head of the Regional Consultative Forum, NGO dealing with W&S projects, KwaZulu-Natal)

3. 4 Northern Province

Department of Water Affairs and Forestry

1. Mr. Alson Matukane, Chief Director
2. Mr. Simon Mpamonyane, Assistant Director, Capacity Building
3. Mr. Jabulani Mathebula, Sanitation Co-ordinator
4. Dr. Ignatius Maghahlela, Head, Monitoring & Evaluation Unit
5. Mr. Raymond Ndhmabi, Planning
6. Mr. Stephen Musethu, Director, LIDS and EU Programme
7. Mr. Romano Masibigiri, Deputy Director, LIDS
8. Mr. Masroor Shaker, Director of Operational Maintenance

Local Government – provincial and local levels, NPLGA

9. Mr. Nkaro Mateta, Director for Institutional Development, provincial DPALG
10. Mr. Ben Mhlongo, Chief Executive Officer, NPLGA
11. Ms. Florence Nyathi, Human Resource Officer, NPLGA

Donor Agency

12. Dr. Changelo Hoohlo, EU / BoTT Programme Manager

Implementing Agents: Private Sector, NGOs, parastatals

13. Mr. Ronal Eb, METSICO, BoTT PIA Team Leader
14. Ms. Valentine Mkoana, Project Development Facilitator
15. Ms. Dudu Mnisi, Project Development Facilitator
16. Mr. Moses Makhweyane, Project Development Facilitator

3. 5 Mpumalanga

DWAF

1. Mr. Johan van Aswegen, Regional Director
2. Mr. Sam Mazibuku, Deputy Regional Director

Local Government – provincial and local levels

3. Mr. Osborne Nzimande, Project Manager for DFID

DFID Water Sector Support Unit

4. Mr. Kassie Roussou, Co-ordinator

NUMBER OF PEOPLE INTERVIEWED: 126

10 APPENDIX 3: REFERENCES

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11 APPENDIX 4: LIST OF ODA PROJECTS TO DWAF

SUMMARISED ODA PROJECT INFORMATION (DWAF 1999 Quarterly International Co-operation Reports)

Donor	Cost	Prov	SA Proj Leader	Themes	Comments
Danida		NW	Kalinga Pelpola	Capacity building: Provincial level Capacity building: Water Boards Cost recovery and illegal connections: communities Awareness building: schools	Complete September 1995
Danida	R11,0M	NW	Fanie Vogel	Capacity building: Provincial level: Regulatory role Capacity building: Provincial level: Sanitation co-ordination Capacity building: Water Boards: Rationalisation of functions Capacity building: DC and LC level 25 pilot projects? 4 sanitation, 3 cost recovery Cost recovery: Provincial level: subsidy reduction Cost recovery: Skills training: Community level Study tour to Denmark: Prov, Water Board & LG Training: WSA at WB & LG level	Project complete March 1999 Projected completed in 1998
Danida	R0,9M	Nat/ Int	Leo van den Berg	Inkomati River Basin Study Regional socio-economic development opportunities Cumulative environmental impact assessment	2 x consultants to be appointed shortly
Danida	R27,5M	Nat	Barbara Schreiner Dhesigen Naidoo	Integrated Water Resource Management (IWRM) Strategies	Proposal finalised
Danced	Budget R11M Spent 1998/99 R2,29M Spent to date 1999/00 R7M	Nat	Leon Bredenhann	Develop a National Solid Waste Management Strategy Baseline community studies	Implementation by DEAT & DWAF. To be complete by Sept 1999
Danced	Budget R12,3M Spent 1998/99 R1,25M	Nat	Manda Hinsch	Develop a National Strategy to manage water quality effects from densely populated settlements (Phase 2 ?!) One pilot study per province. Revise phase 1 strategy as necessary.	Programme 36 mths from Jan 99 Operational

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Donor	Cost	Prov	SA Proj Leader	Themes	Comments
	Spent to date 1999/00 R1,3M			Develop implementation training material	
Danida	R7,0M	KZN	T Badenhorst	Soft issues awareness creation: health, gender Photovoltaic pumping system Cost recovery Sanitation information dissemination Integrated water and sanitation programme Conference attendance: DWAF & LG staff	Complete end 1998?
DFID	R4,6M R3,7M R5,1M R0,8M R0,8M	Nat N MP KZN EC	Moeketsi Tedile/ Miss Marie Brisley	Capacity building and support: ISD in Nat, N & MP Capacity building: creation of Water Boards Training and support: Project Management personnel Support for managing BoTT programme Cost recovery and illegal connections National capacity building data-base Cost recovery: prepayment meters study Water Law Review Overview groundwater drought management Overview of SA water research systems Overview Bushbuckridge proj: Water Man, Imp & WB Inst	Complete mid 1998
DFID	R2,2M R0,4M R0,4M Spent 1998/99 R3,764M Spent to date 1999/00 R2,3M	Nat N MP		Sanitation: Capacity building: DWAF HO Staff Sanitation: Capacity building: provincial implementation Sanitation: Capacity building: LG mostly implementation Sanitation: Capacity building: Nat M&E KPI s for EU proj Sanitation: Capacity building: farm workers advocacy Sanitation: Guidelines developed	Almost complete. 2nd phase being planned for 2000/02
DFID	R5M Spent 1998/99 R0,2M Spent to date 1999/00 R0,92M	Nat	Mrs M Sekati Dir HRD	HRD DWAF Nat: Policy development & staff support	
DFID	R0,1M	Nat		Skills training: ISD & legal	
DFID	R36,0M R7,0M	Nat N	Peter Smith	Policy development: responsibilities of different role players Training: Evaluate and support course development	Role players: DWAF, DCD & SALGA

Donor	Cost	Prov	SA Proj Leader	Themes	Comments
	R7,0M Spent 1998/99 R6M Spent to date 1999/00 R4,5M	MP		Guidelines development and dissemination Review of policy dev 1994-9 being prepared Parliamentary scrutiny of WS Regulations	Project begun June 1998
DFID	R2,0M R3,0M Spent 1998/99 R0,7M Spent to date 1999/00 R0,6M	Nat MP	Mike Warren CI le Roux	Strategic Environmental Assessment: Afforestation stream flow reducing activity	Komati basin pilot study Started in 1996
Ireland	R1,8M R2,2M	Nat N?	Abbas Shaker	Training: Support to Nat Community Water and San Training Inst Training: Support for International Training Network Conference Water Supply Projects: 5 off	Commitment for 3 years from Jan 1997
Ireland	Preliminary budget R2 - R3M	N?	Shahindran Moonieya	Pilot sanitation projects	Not finalised yet
JICA	R30,0M	NW	Kalinga Pelpola	Water (and sanitation) master plan Train: DWAF provincial and Water Board	Work completed in December 1997
JICA		Nat	Kalinga Pelpola	Expansion of NCWSTI	Proposal submitted to Japanese Embassy April 1999
JICA		FS		Capacity building in Bloem Water area (Botshabelo and ThabaNchu)	Proposal submitted to Japanese Embassy March 1999
JICA		NW		Expansion of Magalies Water - Develop implementation plan	Proposal submitted to Japanese Embassy March 1999
OECF Japan	Soft loan R288,8M Spent 1998/99 R16,14M Spent to date 1999/00 R8,5M	MP	Johan van Aswegen Des & Const L de Villiers EJ Viljoen	Bulk Water supply implementation Kwandebele Capacity building: level not clear	Kwa-Ndebele (Kwa-Mhlanga) scheme. Construction started by Kadar Asmal 10 December 1996 opened by Thabo Mbeki 16 Jan 1999
OECF Japan	Soft loan R300,0M Soft loan R190,0M	N ?		Water supply implementation: dam building Luvuvhu River - Mutoti Dam Mvoti River Dam	State of applications unknown

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Donor	Cost	Prov	SA Proj Leader	Themes	Comments
	Soft loan R250,0M	?		Magalakwena River Dam	
OECF Japan	Soft loan R65,0M Soft loan R82,0M Soft loan R120,0M	NW NW MP		Water supply implementation: Northern Mankwe Water Supply Scheme Klipvoor Water Supply Scheme Moretele II Water Supply Scheme	Application to be withdrawn - no feasibility reports available
European Union	Budget R100M Spent to date 1999/00 R15,74M	EC	Trevor Balzer & R Jack	1. Programme management and staff support 2. Planning M&E: mostly DWAF Provincial Capacity building: M&E unit DWAF provincial Training: DWAF Provincial M&E staff 3. Capacity building: DWAF Prov & Dist, W board Amatola water viability study Training? Community level 4. 32 water supply projects Sanitation education & awareness programme 5. Water & forestation integrated Monitoring aftercare for <i>Working for Water</i> programme Note: Check existence of quarterly and annual reports. Also training and M&E manuals.	NSI/GKW Consortium CSIR/HR Wallingford Cons SRK/Carlbro Variety of consultants (& contractors?) Foreign Pta based expert did work Started after July 1996 Completion extended to May 2000
European Union	Budget R247M Spent 1998/99 R105M Spent to date 1999/00 R33M	N	Alson Matukane	Concept document prepared	Work commenced 1998 To be complete 2001
UNICEF		Nat	Bonniface Aleobua	W&S mission dispatched 1994 - reports Support for sanitation policy development Makumu Ubisi attended Washington May 1998 Rural W&S Conf	
UNESCO		Nat WC		Sponsoring hydrology and water resources chair at UWC Conf on drought organised Receiving antennae? Water science education manual 2 short-term Adult basic education projects	
UNCHS Cen Human Settlmnts		Nat		Urban water conference: CT declaration & action plan?!!!!	

Evaluation of ODA for the WATER AND SANITATION sector

Donor	Cost	Prov	SA Proj Leader	Themes	Comments
				Training: Local Government management & delivery	
WHO		NW N MP		Health aspects of water resources management Water quality standards Health & hygiene education O&M monitoring Healthy cities programme	Are these initiatives alive?
UNDP (Dev Progr)	R15,0M	Nat		UNDP/RDP workshop with DWAF participation Programme strategy note for SA prepared	Progress?!!!!!!
WMO World Metrol Org		Nat NW/F S		1994 links restored Mr Gerhard Schulze Weather Bureau appointed SA s WMO Rep. & Mr S van Biljon as hydrological advisor Monitoring: 20 contiguous field stations part of World Hydrological Cycle Observing System	Any go-ahead for implementation?
FAO		Nat		Water Law Review: Workshop June 1997 Water Law: expert advice on implementation	
UNFPA	R0,4M R0,3M R0,3M	EC WC FS	Karoline Hanks	Using Working for Water programme for counselling, gender issues etc	Programme 3yrs 1998-2000
World Bank		Nat		Cost recovery: VAPS? Tariff structure & irrigation water pricing Water law: preview Budget: reprioritisation Hydrological services: strengths & weakness report	Jan/Feb & Jul 1996
GEF Global Environmental Facility	Budget	MP & Int	Niel van Wyk	Maputo basin study with Mozambique & Swaziland	Term of reference to formally apply for funding not finalised
USAID	Budget R25,2M Spent 1998/99 R0,4M Spent to date 1999/00 R2,8M	N		Capacity building: Bushbuckridge water	Started +- Apr 96 Originally a 3 year programme but now ongoing
AUSAID	R10,0M	KZN	Gary Swart Contact uTRgCncl Mr Siya Nkehli Dir	Capacity building: DC level Thukela Water Authority Infrastructure database incl economic significance Community relations planning: prov & DC level	Report May 1998 Workshop report Jul 98?

Evaluation of ODA for the WATER AND SANITATION sector

Donor	Cost	Prov	SA Proj Leader	Themes	Comments
			Corp Services	Training: contract management Sanitation M&E: Prov level Project Review Report	Project completed during 1998
AUSAID	Budget R0,05M Spent 1998/99 R0,02M Spent to date 1999/00 R0,01M	Nat	Geohydrology Bill Orpen	Training: Groundwater Mapping 1:500 000: maps every 6mths	T Mocke & B de Beer trained Project 50% complete
India ITEC/SCAAP		Nat		Training: International Management Geneva	Ms S Vanderveer?
Netherlands/UNESCO	Budget R0,5M	Nat	Eberhard Braune/ Albert Mafanele	Training: 4 students 1996/97 IHE Delft Negotiations to start a Waternet in South Africa have started	Completed 1998
Netherlands	R3M R3M Spent 1998/99 R2M Spending 1999/00 R2M	KZN MP	Karoline A Hanks	Working for Water Programme: Lake St Lucia Working for Water Programme: Kruger National Park Community dam building: Mpumalanga	Mention of NW and N Provs To be complete 1999/00
Netherlands	Budget R3M Spent 1998/99 R0,1M Spent to date 1999/00 R0,5M	Nat	Dir: Geohydrology Bill Orpen	Nat Groundwater IS/Working for Water Programme:	Adapting REGIS
CIDA/IDRC	R2,5M	Nat	Karoline Hanks	Water law review Review of CWSS programme against gender, capacity building, local democracy and sustainability Water resources and demand management: regional water security Working for Water Programme: Social, Econ and Rehab benefits?	
FINNIDA	Budget R2,2M	NW?	Sakie van der Westhuizen Manda Hinsch	Apies/Pienaars River - Water Resources Management: Quality and quantity	Project to be initiated
FINNIDA	R2,7M	N	Beyer Havenga	Water Resources Management: Quality and quantity	
FINNIDA	R5,0M	Nat	Mr B Rowiston	Water Law Review	
FINNIDA	R12,0M Spent 1998/99 R4M	N MP	KA Hanks	Working for Water Programme: predicted added yield Working for Water Programme: Social benefits	To be complete 1999/00

Evaluation of ODA for the WATER AND SANITATION sector

Donor	Cost	Prov	SA Proj Leader	Themes	Comments
Spent to date 1999/00 R4M Marco Laine, Finnish Embassy					
NEW ZEALAND		Nat	Albert Mafanele	HRD: DWAF staff rationalisation and restructuring	
FRANCE		Nat N KZN		Training: technical training in France, 3 DWAF HO, 1 DWAF N & 1 Umgeni Water	
KUWAIT				Soft loans: Refer identical applications to Japan OECF?!!!!!!!!!!	
NORAD R30,0M over 5yrs		Nat	Eberhard Braune	Water Resources: groundwater sustainable development	Starting end 1999
NORAD R2,6M Spent 1998/99 R1,24M Spending 1999/00 R1,24M		WC	KA Hanks	Working for water programme: Social, hydrological and ecological monitoring	Top level delegation from Norway expected May 99 To be complete 1999/00
NORAD Budget +-R75M no agreement yet.		FS	Bloem Water	Grant/Loan finance for Botshabelo CWSS programme Prelim discuss held between Minister (Asmal?) and the Norwegian Ambassador (early 1999?). Meeting reqd between Norwegian Embassy/Bloem Water/DWAF	
PORTUGAL R3,7M		MP	Johan van Aswegen	Water treatment plant up-grading	Completion Aug 99
People's Rep of China		MP N NW	Kalinga Pelpola	Materials for provision of water services to the poorest communities in MP, N & NW	Materials ready. Awaiting draft agreement from People's Rep of China
SIDA		Nat	Eberhard Braune	Training in urban Geohydrology (3 weeks advanced course)	2 applications made
???????????		Nat	Kalinga Pelpola	Study tour of SA by Palestinian delegation Study tour of Sri Lanka & India. Invitation from Sri Lanka & UNDP/World bank programme. DFID to co-fund	March April 1999 March April 1999

13 APPENDIX 5: DANIDA PROGRAMME PROFILE

PROGRAMME PROFILE:

**DANIDA COMMUNITY WATER SUPPLY AND
SANITATION SUPPORT PROGRAMME**

Produced for IOD-SA by: Hilary Syme

May 2000

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Table 2: Budget Summary: Danida KwaZulu-Natal Project

ACRONYMS

AD	Assistant Director
BBP	Business to Business Programme
BoTT	Build operate Train and Transfer
CDO	Community Development Officer
CMA	Catchment Management Agency
CWSS	Community Water Supply and Sanitation
DD	Deputy Director
DDF	Draw Down Facility
DI	Development Objective
DWAF	Department of Water Affairs and Forestry
GEAR	Growth
HRD	Human Resource Development
IA	Implementing Agent
IO	Immediate Objective
IPS	Integrated Planning Services
ISD	Institutional and Social Development
LG	Local Government
LGTP	Local Government Training Programme (Danida)
LGSETA	Local Government Sector Education Training Authority
M&E	Monitoring and Evaluation
MTEF	Medium Term Expenditure Framework
NaSCO	National Sanitation Co-ordination Office
NGO	Non-Governmental Organisation
NWP	North West Province
NWWSA	North West Water Supply Authority
PSC	Project Steering Committee
RCF	Regional Consultative Forum
RDP	Reconstruction and Development Programme
SABTACO	South African Black Technical and Allied Careers Organisation
STCs	Short Term Consultancies
TA	Technical Assistance
W&S	Water and Sanitation
WATSAN	Water and Sanitation (Committee)
WAF	Water and Forestry
WSA	Water Services Authority
WSDP	Water Services Development Plan
WSSP	Water Sector Support Project
WSSU	Water Sector Support Unit

DANIDA (DENMARK)

1 GENERAL HISTORY OF SUPPORT

Between 1965 and 1993, Denmark contributed a total of DKK 975 million in humanitarian and educational aid to South African communities and individuals disadvantaged by apartheid. The bulk of these funds was channeled through the non-governmental and civil society sector.

In keeping with the political changes in the country, Danida support was refocused in January 1994 into a Transitional Assistance Programme directed to the government. The overall objectives of the new programme were to contribute to the consolidation and development of democracy and to support reforms aimed at alleviating poverty and unemployment among black people. Four areas were to receive focus: democracy and prevention of violence, education, rural development (including land reform) and support for promotion of small and medium-sized black-owned businesses. Water and sanitation was not originally earmarked as a priority sector for Danish assistance.

As a 'transitional' programme, it has always been clear that assistance from Denmark to South Africa would be of limited duration. Despite the unique challenge of building democracy, South Africa was seen as possessing comparatively good technical, administrative and financial capacity, holding it in reasonable stead for future growth and development. As such, a five-year support programme starting in 1994 was set out. In 1998, the programme was extended for an additional three years, with the aim of furthering assistance to the private, education and local government sectors.

In general, the Danish programme has emphasised innovative, policy-generating interventions and pilot projects with a demonstration effect. Project aid has been the dominant type of support, alongside a relatively low degree of technical assistance. ODA has been channeled through two main donor agencies, Danida and DANCED. This report deals with the Danida programme only.

2 SUPPORT TO THE WATER AND SANITATION SECTOR

2.1 INTRODUCTION

Although 'water and sanitation' was not included in Danida's original line-up of sectors, a direct request from the government of South Africa in 1995 produced an agreement on the provision of Danish support to the Department of Water Affairs and Forestry (DWAF). Two major projects resulted: Support to Community Water Supply and Sanitation in North West Province (NWP), comprising two distinct phases, and a project of the same name in KwaZulu-Natal (KZN). The North West Province project ultimately included support to a number of national pilot projects as well, on the understanding that they would have an impact on activities in the provinces.

Insofar as the projects in both NWP and KZN shared similar objectives and overall strategies, they are described in the text that follows as a single sector programme up to the point at which they become distinct.

3 STRATEGIC APPROACH

Danida selected a strategic approach characterised by the following elements:

- ◆ Clear alignment with national policy objectives and development priorities, as articulated by the RDP and sector-specific instruments;
- ◆ Flexible project designs and funding mechanisms, to allow for buoyancy in a highly fluid policy and institutional environment;
- ◆ A largely responsive approach to the priorities identified by national DWAF;
- ◆ The promotion of South African control, through joint financing and the integration of project management with DWAF management systems and procedures;
- ◆ An emphasis on 'gap filling', i.e. support to areas that DWAF could not fill, because of low competency, political sensitivity, financial or time limitations, etc.;
- ◆ An emphasis on the practical application of policy, with the use of pilot projects as a key mechanism for testing and documenting different approaches;
- ◆ A creative approach to the recruitment and application of human resources: Danida tapped the skills and experience of NGOs, government, emerging consultants, 'big' private sector and international consultants based in South Africa, frequently depending on 'blended' teams to develop unconventional strategies and richer results.

This list is drawn not only from the official strategies laid out by Danida project documents, but from analyses of the two projects covered by the study.

3.1 OWNERSHIP AND CONTROL

The Danida water and sanitation programme is described by major role players as having been wholly 'untied', from formal and informal standpoints. A basic philosophy on the need for 'host country' ownership was reinforced by the tight time frame related to the transitional character of Danida's programme in South Africa, i.e. there would be no time for a 'hand over'.

Although its project managers participated on project steering committees, Danida chose a 'hands off' stance in relation to much of its work in the sector. 'Absolute control at the top levels of government' was the way in which the initiatives in both provinces were characterised by the Danida NWP project manager. To paraphrase, 'It was very clear from the beginning that if you wanted to do anything in the sector, you had to work through the national department [DWAF]. Anyone who tried to interact too directly with the provinces was marginalised. In any case, water was a national competency and there was good leadership there ... we thought it appropriate to go with the priorities set out by national... we had to trust that they knew best... so we took a leap of faith and then built in ways of testing their assumptions... it seemed to work...'

South African control was further facilitated by:

- ◆ the existence of relatively well-defined policy frameworks for the sector;
- ◆ strong leadership and vision at senior levels of DWAF;
- ◆ DWAF's guidelines around the use of local goods and services;
- ◆ the channeling of project funds through DWAF;
- ◆ Danida's insistence that DWAF or other stakeholders co-finance pilot projects and contribute 'in kind' to most of its broader initiatives.

The flip side of 'strong national control' needs to be mentioned. Despite good consensus that Danida addressed the most critical *issues* in the sector, there is disagreement on the usefulness of the *strategies* employed to achieve specific aims, e.g. its approach to improving cost recovery, its targeting of particular communities, etc.

Provincial stakeholders, mainly in NWP, tend to see any weaknesses as stemming from Danida being driven by national DWAF, thought in some cases to have a 'poor understanding of what was really happening on the ground.' Some of the independent project reviews lend credence to this view. Not surprisingly, national players tend to blame provincial dynamics for poor results. This is an example of the need for provincial ODA structures that can balance the vision, interests and needs of all parties.

3.2 ALIGNMENT WITH NATIONAL PRIORITIES

In general, Danida responded very directly to government development plans and priorities by targeting key areas of support within the emerging policy and institutional framework. This was achieved through the adoption of a highly responsive approach to the articulation of priorities by the national DWAF. Danida occasionally assumed a pro-active stance, although its emphasis on demand management restricted the extent to which it would 'run with a process' if government interest was not reciprocal. Indeed, a few of the NWP pilot initiatives were simply permitted to atrophy in the early stages when stakeholders did not assume sufficient ownership (19 of 25 pilots went ahead). Danida had a way of seeing these experiences as 'useful tests' and 'learning opportunities', rather than as failures. Relatively low budgets for pilots probably helped to make this attitude possible.

Alignment with the government's wish to target the poor was reflected by Danida's focus on KZN and NWP, the country's second and fourth poorest provinces respectively. At the project level, most initiatives were directly tied to the enunciation of principles or objectives in national instruments, e.g. pilot projects to improve cost recovery responding to the 'user pays' / 'economic value of water' principles in the 1994 White Paper. Although Danida's development goals focused on 'improving the lives of the poor', its programmes centered on institutional strengthening, as the primary vehicle for achieving poverty goals.

The Danida projects were close to completion when the Medium Term Expenditure Framework (MTEF) emerged, limiting but not entirely curtailing the impact of this major budgeting instrument on the programme. The chief effect of

the MTEF was the need to scale down the pilot projects that were still in the pipeline, as DWAF could no longer meet its commitment to co-financing, a practice entrenched in earlier pilots. Another impact was the unusual decision to fund a line position in the DWAF-NWP regional office, in the interests of maintaining the momentum established by the province's small sanitation coordination unit. This was partly a case of trying to protect the investment that had been made up to that point. In KZN, budgetary cutbacks slowed the pace of RDP project implementation, straining the relationships between DWAF and regional councils and thereby presenting an extra challenge to the attainment of some Danida project goals.

A strong emphasis on building the black private sector (Danish-South African Development Co-operation Strategy) coincided well with the principles of the Growth Employment and Redistribution framework (GEAR). Several projects funded through the NWP initiative aimed to develop and strengthen black business and to make linkages between public and private institutions. One example is the SABTACO Capacity Building pilot, which involved the provision of marketing support and skills training to the South African Black Technical and Allied Careers Organisation. A component of the project was to improve SABTACO's leverage in accessing DWAF contracts, a controversial aim that has had a substantial influence, by all reports.

Three other projects involving support to water-related privatisation processes or emerging businesses in NWP were undertaken, some under the auspices of the Danish Embassy's Business to Business Programme (BBP). Two fell away before implementation and the third had mixed results, following a major investment by a small local businessman. The sense is that emerging businesses were not ready to assume the risks inherent in engaging a sector in flux. However, the constraint to success appeared to lie more with the Danish embassy. Its in matching Danish and South African private interests resulted in a partnership that subordinated community development goals to commercial ones. These goals were in fact unrealistic, given the limited resource base of the South African partner (Danida, Pilot Project Descriptions, 1999: 14, 36). In general, it appears to have been difficult to obtain the right 'fit' between local and foreign 'partners'.

The KZN project involved capacity building for the emerging consultants who were implementing pilot projects, although this was an unplanned activity undertaken in response to evident weaknesses in basic skill areas.

3.3 DONOR CO-ORDINATION

Co-ordination between donors was not cited as a high priority by Danida personnel, particularly in the water and sanitation sector, where their investment was seen as a 'drop in the bucket', relative to their support of other sectors. Moreover, Danida was the only foreign agency in the NWP water and sanitation sector. co-ordination is seen by Danida as being a function of national DWAF, which must ensure that gaps are filled and efforts not duplicated.

An important backdrop to the KZN project was the presence of an AusAid project involving foreign TA to DWAF-KZN. The AusAid project had been in

place for about six months when Danida arrived in the province. Early tensions and concern about possible overlap soon dissipated, when it became clear that the Danida project could furnish the missing local counterparts for the AusAid project. Despite this apparently good fit, interaction between the two projects ended up being minimal, due to the overwhelming demands on the local TA component and the revised focus of the Australian TA. The absence of co-ordination in this case appears to have stemmed largely from weak planning on the part of the department.

3.4 ANNUAL CONSULTATIONS

Danida representatives had few comments on the donor-IDC consultations process. In the past, meetings were largely operational in character; IDC has responded to a request for a more strategic approach by agreeing to bring NGOs into the consultations.

4 NORTH WEST PROVINCE PROJECT

4.1 INTRODUCTION

The NWP project was distinguished by being DWAF's first donor-supported project. Phase 1 ran from January to July 1995 and Phase 2 from September 1996 to March 1999, including a 3-month extension. In the interim period, DWAF negotiated an agreement with the Royal Danish Embassy, through which three pilot projects were undertaken in rural communities in NWP. The deal was that the embassy would finance the three *if* a second phase of support did not occur. Looking back, the Danes commend DWAF for its strategic means of keeping its foot in the Danish door.

Phase 1 consisted of two major components: the redrawing of the lines of jurisdiction between the five existing water boards in the province and the restructuring of DWAF's regional office to reflect the government's new priorities. With help from a team of Danish and local consultants, financial management systems were strengthened and a new community water supply and sanitation (CWSS) programme established.

What is most interesting about this period of support was the way national government used Danida to play an 'independent broker' role, engaging stakeholders in a highly charged political environment and, over a relatively short period of time, achieving compliance around the new boundaries and structures. The general perspective is that only a foreign force, with its attendant 'novelty' and 'authority', could have facilitated this prickly process. Significantly, the Danish individual who led this process (and went on to become the project manager for Phase 2) was held in high esteem by the range of stakeholders interviewed, including those considered to be 'difficult'. The personal element in breaking through local conflicts appears to have been very important in some instances.

The main objective of Phase 2 was to strengthen the capacity of the respective actors in community water and sanitation in implementing a demand-driven,

community-based water supply and sanitation service, in keeping with national policy objectives. Funds were made available through technical assistance, training, pilot projects and dissemination initiatives. Four thematic areas received emphasis: capacity building, cost recovery, devolution and a combined environmental theme: sanitation / groundwater awareness raising. Project activities were channeled through DWAF and encompassed all three spheres of government, as well as water boards, communities, NGOs and the private sector. Four of the twenty-seven pilot projects had a national character.

Table 1: Budget Summary – Danida NWP Project, Phase 2

	Actual	Budget	Variance
Total Income			
Grant Financing	8,673,872	9,270,005	596,133 (bal)
Expenditure			
Foreign Technical Assistance	Unknown	-----	-13,362
Local Technical Assistance	3,132,743	2,999,116	93,794
Training and workshops	1,427,841	1,521,635	302,172
Pilot Projects (19)	4,113,288	4,415,460	596,133
Total Project Expenditure	8,673,872	9,270,005	

4.2 PROJECT COMPONENTS

4.2.1 Capacity building

In effect, all project activities were centered on building capacity, through the strengthening and development of individuals, institutions, systems and tools at various levels.

At the national level, Danida facilitated evaluations of the CWSS and the Build Operate Train and Transfer (BoTT) programmes and commissioned an Annotated Guide to Key Documents in CWSS, South Africa. It also provided the major support for an ambitious ISD Directorate project, which produced a comprehensive set of contract management guidelines and tools for use by local authorities.

Another national project involved the empowerment of a black umbrella organisation seeking opportunities within DWAF (discussed in Section 2.4: Alignment). Finally, Danida and the Mvula Trust worked together to develop a local government support package comprising two tools: a model service provision contract (for situations in which councils delegate the service provision function to a village-level structure) and a model constitution for the community-based service provider.

At the provincial level, Danida focused its efforts in a few areas: strengthening and aligning DWAF's financial and management systems, trying to recruit new

staff for the office and assisting with building relationships between regional DWAF and other key stakeholders. Five ISD personnel and, much later, a regional sanitation co-ordinator, were engaged at Danida's expense. These individuals have made excellent inroads in integrating social and institutional issues with what was in the past a pure engineering approach. However, DWAF was not in a position to maintain the posts at the same salary level once Danida funding dried up, so only two of the original individuals remain (the most important two) and the others have not been replaced. This situation raises the question of sustainability: how can donors and their partners plan more explicitly and creatively to minimise the loss of human resources to the institution?

Water boards received considerable attention, with several projects aimed at improving financial management and reducing the dependence of these institutions on national subsidies. Training for board members of the newly restructured North West Water Supply Authority (NWWSA) and the introduction of an in-house billing and revenue collection system bolstered the capacity of the NWWSA to plan strategically and to make improvements in cost recovery and customer relations.

4.2.2 Cost recovery

Through the Danida project, all stakeholders were drawn into a major debate and campaign on improving consumer based cost recovery for water supplies. Provincial targets for cost recovery were set.

A consultant support team facilitated a series of provincial and district workshops on this subject and aided district councils to develop their own cost recovery strategies. They also attempted, with limited success, to monitor collection rates in different communities across the province.

The same team provided councils with training and orientation workshops on the new water and sanitation legislation, reportedly meeting a profound need at that time. One council was assisted with funds to carry out the first stage of a Water Services Development Plan.

Several pilot projects grew out the pre-occupation with cost recovery, as Danida invested in training for local water committees and the setting up and preparation of staff for community 'pay points'. These initiatives generated a lot of lessons, but did not meet their own objectives for a variety of reasons. These reasons included historical precedents on payment, the ambivalence of local authorities (tribal and elected), political conflicts at the local level and a poor understanding of the underlying issues around cost recovery at that time.

Danida subsequently commissioned two studies aimed at improving the understanding of the core issues in cost recovery.

The first examined the constraints to a Danida pilot in the Moretele region. It concluded that resistance to payment stemmed from two basic factors: first, the incongruity between residents' lifestyles and the quality or level of water service available to them and, second, the essentially 'top down' project process, which had left little scope for listening to consumers.

The second study, a detailed examination of cost recovery systems in ten rural communities in Northern and North West provinces, provided further valuable insights.

4.2.3 Devolution

Another key area of focus in Danida's NWP project was 'devolution': the process of transferring functions, staff and assets from water boards to the local authorities in whom this responsibility is constitutionally vested. Danida opted for a higher profile again here, as tensions tended to be sharp between chief role players. A multi-stakeholder task team was established, meeting about fourteen times over a period of sixteen months. The process spawned bilateral negotiations, finally resulting in the assumption of functions and some staff by three of the stronger local councils in the province. The Development Bank of South Africa was engaged to develop a conceptual framework based on the NWP decentralisation experience, for use in other provinces. The framework has been praised by the WAF Ministry.

Of all Danida's activities in the province, devolution has provoked the most mixed responses among stakeholders. These range from the view that 'it was a complete waste of time'... to the feeling that 'the process was right if only personalities hadn't interfered' ... to the more widely held perception that 'we have laid the first steps for decentralisation.' In retrospect, several participants have observed that progress was constrained by the 'lack of a clear policy framework for this experiment', and by the 'mixed messages' that local government was receiving from its own national department as compared to DWAF. Danida perceptions that 'powers at the top were reluctant to stick their necks out' add to this picture. In effect, it appears in some ways that Danida was asked to 'just run ahead and see what's going on – we'll follow later with reinforcements'!

As the pioneering attempt at implementing new national legislation, the project was watched closely by DWAF Pretoria. It has been instrumental in revealing the complexity and enormous scope of issues requiring resolution in the transfer process. The completed 'hand-overs', in particular, have illuminated a series of practical and legal problems which require urgent attention. In this sense, the project has been phenomenally useful.

Looking back, Danida acknowledges the gamut of downstream problems, pointing out with satisfaction that: 'the project pushed the devolution issue to a point of no return in NWP. Transfer had to happen... at least now the appropriate actors own the problems and will have to solve them.'

4.2.4 Sanitation

Sanitation was another theme featured by the NWP project. Limited national resources and low priority to this issue meant that Danida initiatives took place within a weak institutional framework. Activities included community-to-community training events, as well as workshops designed to share practical experiences in community sanitation. These events produced rave reviews by participants.

One pilot project challenged an engineering firm to work with locals in testing the costs, construction methods and suitability of a double ventilated pit latrine in a rural community. While the completed project showed some good technological innovation and cost-effectiveness, it also displayed a host of classic social and gender problems stemming from inadequate consultation with users and especially women. An independent project review, followed by a thorough evaluation by the implementing agent, produced good lessons that seem likely to be applied in future work. At the same time, critics point to projects such as these to illustrate the view that South Africa seems to be learning 'old lessons' unnecessarily, and at a cost to the poor (Syme, 1998,

4.3 INSTITUTIONAL ARRANGEMENTS

4.3.1 Project identification and management

As mentioned, the identification of project components was led by national DWAF. NWP's regional director explains that regional capacity was far too low at the time to take an active role in setting out priorities. Local responsibility for project management was shifted from national to regional DWAF in Phase 2. Regional managers believe that the project's design in general addressed the province's highest priorities, although both they and Danida concede that some of the pilots were not well enough conceived and should have been preceded by some form of pre-feasibility and greater input from the province. A staggered approach to the release of funds for new pilots allowed Danida to respond to needs as they were identified by DWAF.

A central characteristic of the management approach was to house both the project and its staff within DWAF, ensuring two-way access and maximising the project's integration into the mainstream of activities in the sector. The decision to position the part-time Danish project manager in DWAF's central office in Pretoria and the two local TA personnel in the Mmabatho office met strategic and practical needs. While the project manager, a Danish consultant, kept his finger on the national pulse, the locally-recruited Danida staff became indispensable to the regional office, 'championing new initiatives' and acting as 'the bridge between DWAF and other stakeholders.' The inevitable downside was the human resource gap left in Mmabatho at project completion, notwithstanding the fact that some important foundations had been laid. In the words of the regional director, 'we just did not have the capacity to sustain the momentum.'

The project was overseen by an active Project Steering Committee, composed of representatives from the technical assistance team, national and provincial DWAF, the provincial RDP office and Department of Local Government and Housing, district councils and water boards. Danida contracted local and locally-based international consultants for work on different projects, in a few cases circumventing DWAF's Consultants Committee by hiring directly, but, normally, working through DWAF channels for consultant selection. Likewise, all funds except those used to pay the foreign project manager were run directly through DWAF, paid in four installments over the project period. Adherence to internal

procedures posed major obstacles at times, with implementation and payments delayed by sluggish bureaucratic systems.

Nonetheless, the Danida project manager maintains that 'it would have defeated the purpose' to have run a parallel system: 'We saw DWAF as a competent client... there was nothing essentially wrong with their systems... it was the lesser of two evils and part of capacity building to use internal procedures...'

Management tools included regular progress reports, a 'mid-term' evaluation (conducted after the mid-term) and a evaluative project completion report, discussed again in Section 3.3.3: Monitoring and Evaluation.

4.3.2 Counterpart inputs

Local inputs included funds and human and administrative resources. National and provincial government provided ready access to high-level human resources, office space, equipment and administrative resources. Neither government nor any counterpart institution supplied a dedicated staff member to the project; human resource inputs were offered on an ad hoc basis, through participation in various project steering committees or discrete activities. A high degree of personal commitment on the part of DWAF's regional managers was observable.

In retrospect, the expectations of counterpart inputs outlined by early project documentation proved unrealistic. Although the project would have been enhanced by dedicated local counterparts, especially at the local government level, its robust design accommodated stakeholder limitations by downscaling some expectations and using the private sector for extra support.

5 MONITORING AND EVALUATION

Mechanisms for review, monitoring, reporting and evaluation were spelled out by the original Project Document (May 1995). These included the active review of progress by a PSC, 6-monthly progress reports and a project completion report. In addition, independent reviews of several pilot projects were conducted by two locally-based international consultants. Finally, Danida established 'indicators' and 'means of verification' as monitoring tools.

A review of the progress reports reveals that the time frames and precise actions set out by these tools were not taken very seriously, even though the project was meeting many of its goals. The progress reports, in general, lacked dynamism, tending to recycle information from previous reports in a manner that may have *under-reflected* actual progress. Danida personnel point out that the value of monitoring was limited by the absence of a baseline study, which would have been too expensive to conduct in relation to the value it might have offered.

A Danida requirement that the South African Ministry of Finance lead a final project audit of all funds channeled through official conduits was met.

5.1 IMPACT AND SUSTAINABILITY

Impact and sustainability are harder to measure in process-oriented projects than in conventional water supply and sanitation projects. The attainment of the development goal especially, which focuses on poverty alleviation through improved basic services, cannot be well assessed, given the absence of baseline data to form a 'before and after' picture. The Project Completion Report offers an interesting analysis of this common dilemma:

What is important is that a logical progression can be traced from the project's development objective (DI) to its immediate objective (IO) and, in turn, to the IO's outputs and activities. The seed for the DI came from national policy, which asserts that *lack of basic services such as water and sanitation is a key symptom of poverty and underdevelopment*, and moreover, that *sustainable CWSS development produces positive change for individuals, households, communities and national economies*. The policy ... then elaborates the principles and programmatic components of a poverty alleviation approach... The Danida project has respected these philosophical and practical frameworks and their linkages... [adapting to] policy revisions [as they emerged. In this sense,] the project has contributed to its development objective, which resides at the core of national policy. (Danida, Project Completion Report, 1999: 22)

With respect to the operational goal of building capacity, there is broad consensus that capacity building took place and that critical foundations were laid in new policy areas. Small accomplishments are too numerous to list, but major impacts cited include:

the improved alignment of and communication between the chief role players in the province;

the headway made on addressing and unpacking important strategic issues, e.g. transfer and cost recovery;

the restructuring of regional DWAF and the redrawing of water board boundaries;

the exceptional capacity built within certain individuals, including the young deputy project manager who continues to work in the sector;

the exposure of the private sector to new approaches in CWSS;

the improved financial efficiency and management systems of two water boards.

Overall, a donor-commissioned independent mid-term review found that: 'the project was successful in establishing a capacity building process within the Water Services sector in the NWP, [especially at the] local authority level... The changes being effected are significant and in most instances the first of their nature in South Africa... making it easier to deal with similar processes of restructuring in other parts of the country.' (NCG, June 1998: 2)

If there is disappointment, it centers to some extent around Danida's withdrawal after three years, a time frame now seen by provincial stakeholders as wholly

unrealistic for the attainment of a lasting impact. The regional director's reflection that 'we could not sustain the momentum' was echoed by other stakeholders, who wished that the intervention had been more drawn out and that Danida had maintained a higher profile.

With the budget cuts since 1998, the loss of the TA personnel and the difficulties attracting high calibre people to Mmabatho, regional DWAF continues to suffer from low capacity. This reality is acknowledged by the former NWP project manager who agrees, in retrospect, that lower intensity funding over a longer period might have been more effective. However, Danida defends its decision to push stakeholders onto center stage, with the comment that overly visible donors engender dependence and discourage local ownership.

For their part, provincial and district LG officials feel that the project might have had farther-reaching effects had it laid more emphasis on the third sphere, both in its activities and in terms of the channeling of funds. Notwithstanding the respectable level of attention paid to LG institutions by Phase 2, there is an argument to be made that a more strategic approach to empowering LG was needed.

Recognition of the multiple pressures and mandates of LG, which occur against a backdrop of limited resources, would have been at the heart of such a strategy. One possible course of action, strongly endorsed by regional DWAF management, would have been the funding of South African-sourced secondments to local authorities, aimed at addressing and integrating sector-specific issues into LG's overall brief. Needless to say, such arrangements would have to be accompanied by plans promoting sustainability.

Finally, proponents of more community-based approaches argue that the project did not do enough to listen from the ground up.

Danida's strategy for promoting sustainable benefits was two-fold. On the one hand, it pursued a 'dissemination programme' involving the wide distribution of key project documents and studies. On the other hand, it has developed a Local Government Training Programme for a total of eight local authorities in the two provinces where its projects occurred (NWP and KZN). The specific impact or usefulness of the dissemination approach is indeterminable. The training programme is intended to draw on the array of lessons generated by experiences in the completed projects. These lessons have been well documented along the way. The training project's implementation has been delayed by bureaucratic hitches within DWAF.

DWAF has reached an agreement in principle with DFID, for a NWP project that will pick up many of the same theme areas supported by Danida.

No specific impact could be cited by the donor, although it was mentioned that Danida's experiences in each country go back to Copenhagen, where lessons are analysed and sometimes carried on to other countries.

5.2 CROSS-SECTORAL ISSUES

The following two sub-sections deal with the questions of 'gender' and 'environment' respectively. 'Capacity building' has been addressed in Section

3.2.1, while issues of 'governance' have been dealt with integrally throughout the reports, particularly in respect of Danida's initiatives to strengthen the third sphere, local government.

5.2.1 Gender

Gender is featured as a key issue in the Strategy for Danish-South African Development Co-operation, where women's double discrimination and their new rights are highlighted. The strategy stresses the need for 'special targeted efforts to [bring about] the empowerment of women in rural areas.'

The NWP project did not address gender issues with any fervor, although its two local TA staff were women. An intention to develop a sector gender strategy for NWP was left hanging. However, gender and the role of women in community water supply management and cost recovery systems were included as a key variable in a Danida-commissioned study of cost recovery in ten rural communities (Syme & Snijder, 1999). Despite weak attention to gender issues by the project, the NWP project's recruitment and funding of five Community Development Officers had the practical effect of promoting women's participation in water committees and other activities on the ground. Unfortunately, documentation on the precise nature and outcome of these efforts is lacking.

What is apparent is that the pursuit and implementation of gender-sensitive projects seems to have depended on the compunction of individuals, allowing women and gender to 'slip through the cracks' where interest or expertise was in short supply.

5.2.2 Environment

Environment did not feature strongly in either the NWP or KZN projects, although a number of the pilot projects showed good initiative in making the environmental linkages in water supply and sanitation. A Groundwater Awareness pilot focusing on children demonstrated the causes of and risks associated with the use of contaminated groundwater. Another pilot aimed at building private sector interest and capacity in appropriate sanitation technology did not make explicit linkages between human interaction with the environment through water supply and sanitation practices.

5.3 CONSTRAINTS

All projects encounter challenges. The most important constraints to the realisation of a more optimal impact included:

- ◆ difficulties in recruiting and holding on to good individuals for DWAF's regional office and the attendant challenges (to the donor) of working with a partner who is perennially short-staffed;
- ◆ limited absorptive capacity of local government and regional DWAF, due in large part to the shortage of personnel to 'run with the project';

- ◆ the three year time frame set by the donor, despite the fact that a three months extension was granted;
- ◆ bureaucracy at national level (DWAF), especially in relation to the selection, approval and payment of consultants;
- ◆ non-existent or insufficient pre-consultation / pre-feasibility processes involving direct stakeholders, leading to needless errors or weak ownership at lower levels;
- ◆ budget cuts which curtailed certain activities and limited South African buy-in;
- ◆ the rapid state of change in the sector and a symptomatic lack of clarity around roles, responsibilities and procedures in relation to the implementation of new policies.

5.4 LESSONS LEARNED

Danida's Project Completion Report for NWP cited the following key lessons:

- ◆ Flexible, responsive approaches are essential in a country in a high state of transition.
- ◆ Support must be recipient driven and there must be a demand for it at all levels of engagement.
- ◆ Although there are merits in integrating project processes with the institutional arrangements of the host country, stumbling blocks need to be better foreseen and strategies developed to mitigate against potential obstacles.
- ◆ The internal stability of communities and the will of stakeholders to participate should be verified before pilot projects proceed.
- ◆ Strong counterpart commitment and ownership, including the existence of dedicated or partially dedicated personnel are important pre-conditions of project success and sustainability.

The present study endorses these lessons and has added to them slightly. One further lesson is suggested:

- ◆ Gender objectives are easily lost in a political climate that has other priorities. Donors wishing to honour the gender policies of their own country and their host's country may have to take a pro-active or advocacy approach to ensuring the effective integration of gender issues in development programmes.

6 KWAZULU-NATAL PROJECT

6.1 INTRODUCTION

The objectives of the KZN Danida project were almost identical to those of the NWP project. The immediate objective was *to strengthen the capacity of DWAF to implement an integrated, sustainable community water and sanitation programme*. The developmental aim was *to improve the quality of life for people*

in poor rural and peri-urban areas by facilitating an improvement in their access to water and sanitation services. In practical terms, the project sought to help DWAF address its most urgent operational priorities, while supporting a parallel process of learning and capacity building.

The KZN project was distinct from the NWP in several ways:

- ◆ even greater flexibility was built into the project design;
- ◆ the time frame was considerably more condensed, creating pressure for implementers;
- ◆ Danida was not the sole donor to DWAF-KZN, as an AusAid project had been underway for about six months when Danida arrived;
- ◆ the project's approach to TA produced greater integration with internal systems and procedures;
- ◆ the project emphasised the need for participatory approaches.

Support was divided into two phases, a Preparation Phase (March-Sept. 1997) and an Implementation Phase (Oct.1997–Dec.1998), for a total project span of 16 months. The first phase was designed to respond to immediate needs – filling TA slots within DWAF and commencing four pilot projects – and to develop a detailed implementation plan for the subsequent phase. Phase 2 dealt with a variety of issues through four delivery mechanisms: technical assistance, short-term consultancy support, pilot projects and financial assistance, made available for training and capacity building through a draw down facility. Table 2 provides a breakdown of the project budget.

TABLE 2: BUDGET SUMMARY - DANIDA KZN BUDGET

	Actual – R	Budget – R	Variance – R
TOTAL INCOME			
Grant Funding (including contingency)	5,406,193	5,754,212	348,019
EXPENDITURE			
Technical Assistance	633, 213	700, 870	67,657
Short-Term Consultancies	1,634,032	1,533,104	-100, 928
Draw Down Facility	709, 025	1,049,164	340,139
Pilot Projects	1,991,787	2,196,254	204,467
Dissemination Strategy	55,466	90,000	34,534
<i>Total Project Expenditure</i>	5,023,523	5,406,193	382,670
INCOME VERSUS EXPENDITURE			382,670 balance

Given the variety of themes encompassed in the Danida project, activities and outcomes are best discussed within the framework of their delivery mechanisms, as follows.

6.2 PROJECT COMPONENTS

6.2.1 Technical assistance

Four local (South African) TA personnel were recruited for the project: a Project Manager and a Local Government Specialist, both based in the DWAF-KZN regional office in Durban, a senior Community Development Officer (CDO) and an engineer, the latter two based in a new sub-regional office in the West / Central area.

Rather than bringing TA personnel on as advisors, the project funded DWAF line positions, with the intention that these would be maintained by DWAF at project completion. As such, the project manager and LG specialist doubled as Deputy Director (DD) and Assistant Director (AD) to the CWSS Directorate respectively. The choice of these two positions reflected the dual need to jump into CWSS project implementation, while simultaneously forging links and building capacity within local government.

In reality, both individuals found themselves quickly overwhelmed with the multiplicity of demands associated with the establishment of a new directorate (which was short staffed) and the need to address the enormous services backlog in the province. While the DD focused on physical implementation, the AD oversaw all ISD dimensions of new projects, managing a team of twelve CDOs. Both individuals were drawn into complex and time consuming negotiations arising from the implementation of the new BoTT programme in KZN, with this task monopolising the time of the DD. Although neither was able to fully assume his envisaged role in relation to project activities, each filled critical gaps in the KZN office at a time of enormous pressure, meeting the project goal of boosting regional DWAF capacity. It is hard to say whether these gaps would have been filled in the absence of donor support.

Danida responded to this situation early on by supporting DWAF in engaging a KZN consultancy firm, Integrated Planning Services (IPS), to coordinate, manage and monitor the pilot projects, as well as to undertake several studies and support activities. IPS proved to be a strong partner and one that was committed to broad-based capacity building among the NGOs and emerging consultancies which implemented the pilots. An unforeseen impact of the project was, with IPS support, the development of practical skills among these groups, including book-keeping, billing and reporting. IPS also undertook an ambitious LG capacity building initiative, as well as providing mentoring support to DWAF's new sub-regional office.

An independent review of the project concluded that: 'the allocation of 'project staff' to other duties within DWAF was an acceptable strategy, as was the response of these staff to delegate aspects of the programme to an outside consultant. It ensured that the dual objectives of the assistance were met – to support capacity development in the DWAF KZN office and to ensure that the pilot and short-term consultancy projects were implemented.' (NCG, January 1999: 13)

From a human resource standpoint, the fusion of line position with project management roles has partially paid off: the dynamic DD left DWAF (and South Africa) at the end of the project, but the AD has performed well and is likely to take over his post, leaving his own vacant. The senior CDO has left KZN, but now works for national DWAF. Although the DD was 'white', the high mobility of black professionals continues to be a concern for all institutions investing time and resources in training.

The intention that the sub-regional office would be replicated in other sub-regions of KZN has not panned out because of financial restrictions; the sub-regional office supported by the Danida project has continued to play a useful role, however.

6.2.2 Pilot projects

Two mechanisms were used to fund individual projects under the larger project banner: a pilot project fund and a draw down facility (DDF). While the pilot theme areas had been pre-established by Danida in conjunction with DWAF, the use of the DDF was left wide open, to allow local stakeholders to identify their own priorities through the WATSAN Committee. This committee played an important in coordinating and identifying projects for support.

Twelve pilots took place in a variety of interlocking theme areas: gender, cost recovery, communications, water-related health and hygiene education, sanitation, project aftercare approaches and alternative technologies. All were designed to test policy options in relatively unfamiliar territory. One project, the W&S Roadshow, made significant inroads in raising W&S awareness, training community trainers and, ultimately, creating a demand for improved services in KZN's southern region.

The strengths of these projects is that they were well managed, exhibited reasonable innovation, produced valuable lessons and some tools and, for the most part, were properly grounded in national frameworks, while drawing on international best practice. A series of user-friendly reports document the pilot experiences. The reports were widely disseminated upon project completion, although the impact of this exercise is unknown.

An early TOR illuminated Danida's intention for any pilot activity deemed to be useful to be 'taken over by another party or become self-sufficient' once donor support was withdrawn. Although this approach fits nicely into Danida's conception of itself as a 'catalyst', few of these activities had developed to a point of being self-generating by project completion. This point was raised repeatedly by stakeholders (in the course of conducting the present study), who felt that the projects' unusually short life span had inhibited impact, in some cases raising expectations and causing disillusionment.

Part of the problem was that there were no obvious 'homes' for most of the pilots, resulting in a post-project process of attrition or worse, vandalism (e.g. theft of vital equipment for the photovoltaic pumping station). DWAF was not in a position to continue any funding, nor did it seem to be particularly 'in touch' with the pilots, which had been well run by IPS 'out there', while the DD and AD 'put out fires' at DWAF. In retrospect, the projects might have fared better had

ownership been vested with regional councils, who have a long-term interest in their success.

DFID picked up some of the sanitation initiatives, ensuring their survival and extending communications activities productively.

6.2.3 Draw down facility

The DDF was used primarily for human resource development, by funding the participation of stakeholders from DWAF and local government in national and international conferences, seminars and training programmes. Participants commented that, apart from learning new things, these events helped to expand their world view and to offer reassurance that South Africa was 'not really so far behind after all.' Leftover DDF funds were put towards two additional pilot projects, dealing with gender and rural sanitation respectively.

6.2.4 Short-term consultancies

Several initiatives stand out in relation to the short term consultancies (STCs): first, the capacity building programme for KZN's seven regional councils and, second, the development of a monitoring and evaluation tool kit for use by LG.

The LG project began with an audit of existing resources, needs and gaps in relation to regional councils' envisaged role in water services. A first step was to develop a participatory communications package, assisting councils to understand new water legislation and its implications for them. Next came a comprehensive process of multilateral and bilateral discussion and debate, as consultants and LG institutions explored the Water Services Authority (WSA) role, identifying the gamut of functions, resource needs and institutional options, especially for service provision, connected to councils' new responsibilities. Strong reports and guidelines were produced. This was groundbreaking work that has generated substantial interest within national DWAF and resulted in the model's replication in two other provinces.

Danida support of this project ended just short of its implementation. Although time frames had been clear from the beginning, the degree of disappointment and anger generated by 'being dumped' at a critical juncture was extreme. Animosity was quickly transferred to DWAF, as the institution behind LG's 'unfunded mandate'. Claims that there was no money to continue the process fell on deaf ears, as LG pointed to the expensive and negligibly productive BoTT process in the province. By the time sympathetic individuals at national DWAF organised funds for the continuation of the process nine months later, a serious loss of momentum had occurred. Moreover, the relationship between councils and regional DWAF had been damaged, undermining one of the key objectives of the Danida project and of the CWSS programme itself. Perspective on the genuine progress made in raising awareness and setting out strategic options was lost in the furor.

Another of the STCs involved the development of a monitoring and evaluation manual for use by council CDOs and CLOs. The manual provides tools that will enable WSAs to evaluate projects within their area of jurisdiction and to plan

interventions aimed at achieving the objectives of new water legislation. It also assists WSAs to monitor WSPs and, ultimately, catchment management agencies in the execution of their functions. Unlike the DWAF M&E system, the manual focuses on tools that can be used to evaluate the sustainability of projects at the local level. At the time of project completion, CDOs at several councils had been trained and an evaluation form tested and revised based on field visits. An M&E computer programme was under refinement.

6.3 INSTITUTIONAL ARRANGEMENTS

6.3.1 Project identification

Danida support to KwaZulu-Natal came about as a result of the availability of extra Danish funds following a shift in international exchange rates. Early negotiations and a detailed project agreement were worked out between Danida and national DWAF, with the subsequent development of a project document by consultants. As in the NWP project, national actors assumed a strong lead in defining the broad project components and mechanisms for delivery, with good participation from the newly appointed KZN CWSS Director. Provincial players had almost exclusive decision making power on the specific use of funds made available through a draw down facility. Danida promoted themes for the pilots that were in line with new national policy areas, including gender, sanitation, cost recovery and appropriate technology.

The project was received very positively by KZN stakeholders, who viewed it as more 'homegrown' than the AusAid project already operating in the province. This sense was based on the use of local versus foreign TA, as well as the overall perception that a provincial rather than national agenda was driving the project.

The project design was conditioned by several overarching factors:

- ◆ the complete absence of capacity in the newly established CWSS Directorate;
- ◆ the presence of an Australian ODA programme already in the KZN office;
- ◆ a unique set of circumstances formed by late LG elections and the extra political complexity posed by sharp party rivalries and strong tribal forces in KZN;
- ◆ the existence of a multi-stakeholder WATSAN committee and a vibrant (if under-capacitated) NGO sector;
- ◆ the modest budget and short time frame set by Danida.

6.3.2 Financial arrangements

Funds for the project were placed with national DWAF and channeled to provincial actors through a rural development NGO, the Regional Consultative Forum (RCF). The exception to this rule was the payment of TA personnel, handled directly by DWAF. An independent review of the project concluded that 'financial management has been carried out in a competent manner... [although] a number of expenditures related to DWAF [and not Danida] activities

have been included in the TA budget lines.’ (NCG, 1999: p.vi). Adjustments were subsequently made.

National DWAF’s control of the purse and its sluggish procedures for consultant approval created the same type of obstacles seen in the NWP project, although the problems were more severe in relation to the pilot projects. The bottleneck was eliminated when the KZN office realised that it could legitimately appoint consultants as ‘implementing agents’. By then, only nine months remained for project implementation. Danida did not alter the termination date until the last minute, when it allowed two extra months for pilots still underway. This situation placed implementers and project managers under tremendous pressure, a challenge they met well, but with costs to the final outcome. The CWSS (now Water Services) Director reports that beyond this major hitch, financial systems worked smoothly.

6.3.3 Project management

Management systems have been partially outlined in Section 4.2.1 on Technical Assistance. The pilot projects had a fairly long chain of command, starting with the multi-stakeholder PSC at the top and followed, down the ladder, by DWAF managers, IPS and RCF, project implementing agents (IAs) and finally, communities. While the PSC met on a two-monthly basis, IPS held monthly meetings with IAs. The pressured time frame and uneven capacity of IAs and communities resulted in IPS and RCF adopting a tight management system, including the submission of written reports by IAs every two months. The enormous amount of time and energy put into supporting the implementation and reporting processes resulted in most major milestones being met. However, participants now reflect with some skepticism on the breathless pace of implementation and the demanding reporting schedule, which in general drained the limited resources of small operators.

Both the IPS and the RCF reported directly to the DD, DWAF-KZN. While neither were unhappy answering to DWAF, both expressed dissatisfaction with their relative inaccess to Danida, given the key strategic and management roles each played in different aspects of the project. The wish to convey perceptions, concerns and lessons directly to the donor went unfulfilled in the linear management hierarchy, resulting in lost opportunities for learning and remediation.

Another issue raised by RCF representatives was their discomfort and annoyance managing several ‘high powered, high-cost, short-term consultants from Johannesburg’, without having participated in consultant selection or the definition of TORs. Despite the paradox of a ‘shoe string NGO’ managing expensive consultants, the Danida model presents an interesting approach to new types of partnerships in the sector.

The Danish Embassy participated actively on the PSC, but otherwise assumed an arms length approach to the project. Inputs were described as ‘supportive and useful’ by regional players.

6.3.4 Counterpart inputs

Given that Danida supplied internal TA (the funding of line positions), local inputs were limited mainly to the provision of offices and administrative resources within DWAF. Further inputs involved time given by rural volunteer trainers and the participation of stakeholder groups on the PSC. The decision to supply the counterparts itself stemmed partly from Danida's experience in NWP and from the awareness that the project would achieve better sustainability if it 'left people behind' upon project completion.

6.3.5 Monitoring and evaluation

Progress was monitored actively through a variety of mechanisms:

- ◆ two-monthly PSC meetings;
- ◆ monthly pilot project meetings;
- ◆ site visits to pilot projects by regional DWAF, Danida, IPS and NaSCO;
- ◆ two-monthly reports prepared by pilot project implementers.

The project did not include any formal evaluations or impact studies but the following reports were prepared:

- ◆ an independent (Danish) review, conducted just before project termination;
- ◆ a brief Project Completion Report, which was largely descriptive as opposed to analytical.

6.3.6 Impact and sustainability

The major impact of the Danida KZN project was undoubtedly DWAF's increased capacity to implement community water supply projects. Regional DWAF describes the project as a 'godsend' because it provided staff and helped to establish the fledgling CWSS Directorate at a time of intense pressure to 'deliver'. As part of this process, the directorate developed prioritisation and project management systems that sustain today. DWAF agreed at the outset that it would absorb the TA positions into its budget. Two of the original four TA personnel remain, with a third transferring to national DWAF. In the current environment of high mobility among black professionals, this is not a bad outcome.

Other key impacts include:

- ◆ the establishment of a sub-regional office in Dundee, made possible by the funding of two key staff members (this investment has been sustainable);
- ◆ the empowerment of local government councilors and officials who participated in the intense process of exploring the Water Services Act and its concrete implications for regional councils;
- ◆ the development of a participatory framework of action for assisting local government to assume its water service authority role (the approach is now being applied in two other provinces);
- ◆ improved knowledge of settlements in the province, an important stepping stone to sound prioritisation and the planning of service delivery;

- ◆ increased awareness among the population of the Ugu region of their rights and responsibilities in relation to water supply and sanitation and the creation of a demand for improved services (brought about by the WATSAN 'roadshow');
- ◆ the development of a cadre of trainers (as part of the above process), whose skills are available for positive application in the sector;
- ◆ higher awareness of gender issues in water and sanitation and the development of simple tools and methodologies that can be taken forward in additional communities;
- ◆ the strengthening of awareness and the availability of lessons on community sanitation, health and hygiene;
- ◆ the availability of an innovative approach to monitoring and evaluation and the introduction of this model in several regional council areas;
- ◆ improved capacity (report writing, record keeping, financial management, etc.) among the small group of emerging consultants involved in pilot project implementation;

The project also had a few negative impacts, which need to be noted:

- ◆ the disillusionment of communities and individuals mobilised by the pilot projects, upon their realisation that (most of) the projects and their benefits were not sustainable. This is especially true of trainers who learned new skills and barely got to use them;
- ◆ the creation of mistrust and extreme anger on the part of local government in relation to DWAF, due to frustrations that the government did not pick up and run with the LG capacity building process when the Danida project ended (at a critical point in time).

What is observable in a number of the positive impacts is their embodiment of a *potential* for greater positive effect. This conclusion was also reached by an independent review, which pointed to the low priority accorded issues such as sanitation, by LG and DWAF. The implication is that a donor cannot 'make things fly' when the broader environment is not especially supportive. Following the review's major recommendation that impact could be enhanced through the wide dissemination of lessons, a series of excellent reports on the project's major initiatives were written and distributed. As already stated, the impact of this final initiative is unclear.

6.4 CROSS-SECTORAL ISSUES

'Gender' and 'Environment' are dealt with here. 'Capacity building' and 'Governance' issues have been discussed integrally with other sections.

6.4.1 Gender

Five of the twelve pilot projects dealt explicitly with gender or women's issues in water and sanitation. In general, the projects set out to learn about and document the roles of men and women in the rural water and sanitation sector and to make recommendations on the basis of international lessons and national policy objectives. A number of case studies illuminated women's

contributions, the constraints to their more active participation and the effects of actual and perceived gender roles on the sector. Among the resources generated by these initiatives were: gender trainers, a user-friendly facilitator's handbook and a grass roots drama on gender roles.

Danida's support of these projects displayed a commitment to putting gender issues on the table. Lessons and experiences were well documented, recommendations in general highly tangible and methodologies participatory and creative, drawing in NGOs, tribal authorities and local government as well as communities. While significant awareness raising took place among stakeholders touched by these projects, the impact on LG and DWAF seems negligible, with senior personnel professing to know little about the projects and, in some cases, questioning their value. Although the projects were undertaken to test and confirm policy in isolated circumstances, the other half of this equation – channeling lessons into policy formulation and action plans – has not occurred because of poor commitment and the absence of mechanisms to facilitate this process. While similar conclusions can be drawn for some of the 'non-gender' pilots, the absence of a clear institutional home for gender has posed a special hurdle. Finally, no actions were taken to promote the mainstreaming of gender issues in other aspects of the Danida project.

6.4.2 Environment

Implicitly, sanitation, health and hygiene projects had environmental themes. Formal linkages with environmental policies or structures were not sought.

6.5 CONSTRAINTS

Most of the significant obstacles faced by the project have been alluded to in the report. The following is a summary of major constraints.

General constraints were formed by:

- ◆ the project's timing, hot on the heels of local government elections (this constraint was identified by several stakeholders and not by the study team);
- ◆ the short time frame for the project, which made little sense even without the extra time required to negotiate complex political waters;
- ◆ the limited ability of regional councils to participate in and take some ownership of the project, given the newness of these structures;
- ◆ the unique political tensions of KZN, where all actions are viewed through the lens of party politics and the perceived or known allegiances of different actors.

With respect to the technical assistance component, constraints included:

- ◆ the impossible workload placed on the TA recruits, resulting in their diversion from a number of core project tasks.

The major constraint to the optimal attainment of pilot project objectives was:

- ◆ the delay in the appointment of implementing agents, resulting in a seriously condensed project schedule and compromised results. The delay stemmed from:
 - inexperience with the procedures required to put people in place (not so surprising given the complete novelty of the situation);
 - the snail's pace of national DWAF decision making on these issues.

Other constraints experienced by pilot projects included:

- ◆ the absence of viable strategies or institutions to ensure the sustainability of initiatives and their fruits;
- ◆ the highly uneven capacity of project implementers.

Several stakeholders also mentioned that they found Danida approval and documentation systems to be slow and overly bureaucratic.

6.6 LESSONS LEARNED

- ◆ As the sphere of government that holds primary responsibility for water services provision, regional councils needed to be drawn into the project more, by use of strategies that acknowledged and sought to address the limitations of these structures.
- ◆ The short-term funding of line positions may be one of the best ways of meeting critical needs quickly, so long as the host institution can commit to maintaining essential positions in the longer term (and perhaps even if they can't).
- ◆ The use of local technical assistance wherever possible leads to the development of capacity that is vital to the long-term well being of the sector.
- ◆ NGOs have a contribution to make in non-conventional NGO areas such as recruiting and interviewing TA personnel and identifying and monitoring projects for government, in addition to the implementation role they often play in rural development.
- ◆ Extra attention to strategy and ownership issues are indicated when donors are engaging in areas characterised by weak commitment from major stakeholders (e.g. gender, sanitation).
- ◆ Substantial benefits can accrue from the presence of an active management support system to work alongside emerging consultants.
- ◆ Sustainability issues have to be explicitly addressed in the design of pilot projects, in order to avoid wasted resources and hopes and to reap every benefit possible;
- ◆ Strategies are needed to ensure that new trainers receive some kind of formal accreditation and that they are somehow linked up with institutions or firms who can draw on their skills once a project is over.

7 FUTURE SUPPORT TO THE SECTOR: THE LOCAL GOVERNMENT TRAINING PROGRAMME

7.1 INTRODUCTION

The idea for a Local Government Training Programme (LGTP) stemmed from a recommendation made in the independent review of Danida's KZN project (Jan. 1999). The rationale was that the benefits of the project could be extended through the development of training modules based on Danida's experiences in KZN and NWP. More importantly, Danida recognised that it was time to focus efforts almost exclusively on local government.

The programme was developed by a small Botswana-based firm specialising in participatory training. The contents of the programme were based on consultations with stakeholders at local, district, provincial and national level, as well as on the lessons documented by each of the Danida projects. Feedback on a draft document was obtained from DWAF and DPALG. The project was supposed to start October 1, 1999 and run for one year, but commencement was delayed due to key documents being mislaid by DWAF.

Interviews with national DWAF stakeholders (by the study team) revealed a degree of ambivalence around the LGTP. While they agreed that the project might be useful, they expressed the view that Danida had run ahead with the initiative without ensuring that central DWAF was fully on board, especially as regards any expectations around management arrangements or counterpart contributions. If this was the case, it was not characteristic of the way in which Danida had conducted itself throughout the duration of water support programme. The sense within DWAF was that this situation had arisen because of Danida's 'rush' to complete its regional projects on time and to quickly put something in place to promote sustainability.

7.2 PROJECT COMPONENTS

The LGTP is comprised of three main components:

- ◆ the creation of an institution called the Local Government Sector Education Training Authority (LGSETA) that will manage all water services training for local authorities;
- ◆ the development of a new, competency-based training approach built around a comprehensive national qualification framework and;
- ◆ the piloting of a Local Government Training Programme focused on water services, to take place in KwaZulu-Natal and NWP and involving two district councils and two local authorities in each province.

The project's chief aims will be to develop and test:

- ◆ practical systems, procedures and tools that can be used by councils in implementing national policy requirements;
- ◆ training curricula, materials and methods to build skills among council staff;

- ◆ human resource development (HRD) planning systems and capacity in each council.

In addition, the project will facilitate:

- ◆ training needs assessments, participatory research and interaction among training teams in order to ensure iterative improvement in the overall programme;
- ◆ networking and information exchange with other relevant agencies and dissemination of tools and materials;
- ◆ movement towards decentralisation and;
- ◆ the design of new systems for efficient water services management.

7.3 INSTITUTIONAL ARRANGEMENTS

Three multidisciplinary training teams will be formed, one at national level and one in each province. While the regional teams will conduct training with local authorities, NGOS and/or local water committees, the national team will be responsible for trainer training, monitoring, materials production support and overall coordination. The programme will be closely linked to the DCD-led Local Government Transformation Programme, as well as to DWAF's own initiatives to build local government capacity. Representation will be sought from a mix of councils, from the perspective of their existing capacity, chosen service role, progress on decentralisation, etc. Participating councils are expected to have prepared a Water Services Development Plan (WSDP) already.

The project will be managed by a local consultant and overseen by the Royal Embassy of Denmark.

8 CONCLUSION

Danida support to national DWAF and two provinces from early 1995 to March 1999 is reported by the majority of stakeholders to have had a highly positive impact. After DFID, Danida was named most frequently by national role players as the programme which had been instrumental in assisting DWAF to meet new challenges, especially as regards the testing and implementation of emerging policy. The qualities most lauded by DWAF were Danida's flexible approach to project design and its skill as an 'independent broker' in politically hot situations in the regions. Also appreciated was the 'strategic mind' of the Danish project manager based in DWAF Pretoria.

Danida saw itself as a 'filler of gaps' and a catalytic force that could move strategically through the minefields that tend to spring up on the way to change. Typically, Danida took cues from national DWAF to 'jump start' new processes, assuming a back seat once stakeholders had taken ownership. Generally an effective strategy, Danida may have underestimated the time and energy needed to see processes through either to a productive conclusion or to a stage where benefits seemed more assured. In this sense, it is suggested that a lower intensity of funding over a longer period might have been more effective. In the case of the NWP, which lacked the type of representative (WATSAN)

committee found in KZN, Danida would have been wise to consult more with role players other than DWAF, including communities, before finalising its selection of pilot projects. This might have avoided some of the road blocks met along the way, or, indeed, resulted in slightly different projects or implementation strategies being pursued.

Danida support to KZN had two major impacts: it dramatically increased the capacity of the CWSS Directorate to carry out its water services mandate and it gave practical meaning to new water legislation in terms of its implications for local government institutions. Pilots included important work on often-neglected areas such as gender, sanitation, health and hygiene and communications, although the national and provincial foundations for nurturing these initiatives were found to be lacking, thus limiting sustainability. Danida employed a creative mix of partners in KZN and NWP, including a good number of emerging consultancies and, in KZN, NGOs as well.

In NWP, the major impact was the coming together of diverse stakeholders to tackle key strategic issues, such as the redrawing of water board boundaries, cost recovery and devolution (the process of transferring water functions and staff from water boards to local government). The project also facilitated the restructuring of DWAF and the strengthening of financial management systems within water boards.

Pilots projects included some notable successes as well as some 'duds'. Danida did not see things through the conventional lens of 'success or failure', but as opportunities for learning. At the same time, longer-range views and more strategic project design at this level might have produced better sustainability and deeper benefits for direct stakeholders, more than once disillusioned with the way that 'project completion' pre-empted completion in 'real life'. Danida has left behind a good trail of user friendly documentation, including lessons, but the effects of its widescale dissemination strategy are not well known. Lessons have formed the basis of an upcoming Danida-funded Local Government Training Project, due to take place in NWP and KZN this year.

Danida's project management structure emphasised capacity building through the use of local technical assistance and consultants (including the established and emergent private sector as well as [in KZN], NGOs). This successful approach to the development of human resources and the underlying rationale that 'South Africans know their country best' are among the major lessons to be noted by other donors. At the same time, some of Danida's projects could have been strengthened by a selective integration of international lessons with local wisdom. Strong national control and alignment with government priorities were other project cornerstones, with adherence to DWAF procedures occasionally creating inefficiency.

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13 APPENDIX 6: EUROPEAN UNION PROGRAMME PROFILE

PROGRAMME PROFILE: EUROPEAN UNION ASSISTANCE

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1 OVERVIEW

1.1 HISTORICAL BACKGROUND

European Union (EU) Overseas Development Assistance (ODA) to South Africa started in 1985 when the Foreign Ministers of the European Commission responded to the intensified repression in the country by adopting a twin-track policy based on punitive and affirmative measures.

The punitive measures were in the form of economic sanctions. The most important affirmative measure was the European Special Programme (ESP) of assistance to the victims of apartheid. This programme lasted from the end of 1985 to early 1994. It disbursed about R 350m per year through NGOs opposed to the non-representative government of the day. Over 700 projects were funded. Education and training was the main focus with 41% of funds being applied to this area. Next was Human Rights (14%), followed by Community Development (12%), Rural Development (9%) and Health and Welfare (8%). (EU 1997a).

1.2 FIRST FUNDING TO THE WATER AND SANITATION SECTOR

Funding to the water sector began in 1988 as part of the rural development focus with a grant of about R 200 000 to the Rural Advice Centre, in Johannesburg. This funding increased rapidly to R2m or R3m by 1992 with the Rural Advice Centre opening offices in Umtata, Durban, East London and Nelspruit. However funding to the NGO came to an abrupt end in 1993 as political priorities changed, and the NGO was declared bankrupt.

1.3 EVOLUTION TOWARDS NORMAL RELATIONS

In 1989 the ANC, PAC and SACP were unbanned, and by 1993 the world and South Africa was confident that representative government was on its way. The EU responded with a willingness to engage with institutions with close link to the South African government.

Thus in August 1993 the Mvula Trust was founded by the Development Bank of South Africa with two grants of R 48,5m each, one from the European Union and the other from the local Independent Development Trust. The Mvula Trust was seen as an interim mechanism with a four-year mandate to fund projects that would help poor rural households gain access to safe water and sanitation.

An external evaluation of the Mvula Trust carried out in 1996 considered the Mvula Trust is remarkably successful organization (whilst admitting that it was too early to say whether or not the Trust's approach would lead to sustainable systems) (J Blaxall et al 1996). Thus it is not surprising that as early as 1995 DWAF started assigning about 7,5% of its community water services capital budget to the Mvula Trust. Since 1997 the EU has continued to fund Mvula directly, giving it between R 12m and R 15m per annum, approximately the same level of funding as in the first four years. (Mvula has also attracted funding

from AusAID and Irish Aid. However the Trust needs additional ODA and/or domestic funds if it is to maintain its autonomy and reduce its dependency on DWAF to below 60%.)

1.4 OTHER FUNDING TO NGOS IN THE SECTOR

Between 1993 and 1995 three new multi-disciplinary NGOs focusing on rural water supplies and sanitation were established in South Africa, mainly by former Rural Advice Centre staff members. These NGOs are: Tsogang in Tzaneen, Rural Support Services in East London and Thuthuka in Pietermaritzburg, which formed a co-ordinating office in Johannesburg called the Rural Development Services Network (RDSN). In June 1995 the EU signed a five year grant agreement with the RDSN for ECU 3,2m (+/- R 20m) to fund a number of small comprehensive community driven water and sanitation projects facilitated by the RDSN's three member organisations (EU 2000a).

1.5 SHIFTING SUPPORT TO THE SOUTH AFRICAN GOVERNMENT

In 1995 the European Union renamed its assistance programme the European Programme for Reconstruction and Development in South Africa (EPRD) to signify the European Union's support for the new South African Government's Reconstruction and Development Programme (RDP).

In May 1997 a Multi-annual Indicative Programme (1997 MIP) for the four year period 1996-1999 was formally agreed between the Government of South Africa and the European Union. The programme envisaged an average financial disbursement of ECU 125m (+/- R 850m) per annum (EU 1997b). The programme identified the following sectors for intervention, in line with the South African Government's Growth, Employment and Redistribution (GEAR) programme and the EU's policy of supporting operations to help the poorest sections of the South African population:

- ◆ basic social services (health, education and training, water and sanitation, and other): +/- 60%
- ◆ private sector development: +/- 15%
- ◆ good governance and democratisation: +/- 15%
- ◆ regional co-operation +/- 5%
- ◆ unallocated: +/- 5%.

Both parties agreed that programmes developed within the MIP would support three cross-sectoral themes:

- ◆ human resource development,
- ◆ gender sensitivity, and
- ◆ environmental protection and preservation.

It was also agreed that project implementation would be undertaken by Government Departments (+/- 75% of funds) and NGOs (+/- 25% of funds). The EU funding to the Mvula Trust and the RDSN since the middle of 1996 has therefore been funded from the EPRD through the 1997 MIP initiative.

1.6 ODA TO THE WATER AND SANITATION SECTOR 1996-1999

Funding to the DWAF water and sanitation sector began in September 1996 with the EU committing ECU 18,9m (+/- R 130m) to a 45-month programme of technical assistance, capacity building and grant finance for community water supply and sanitation infrastructure projects in the Eastern Cape (EC). In EU terminology technical assistance means the employment of staff, usually on contract, from the EU member states with or without South African partners to manage the programme.

This was followed in September 1998 by a 24-month ECU 37,5m (+/- R 225m) budget support programme to DWAF Northern Province (NP). Being a budget support programme, all funds are controlled directly by DWAF or agents appointed by DWAF.

Report-back requirements to the EU are similar for both categories of assistance. However in the case of technical assistance programmes the staff controlled by the EU Commission are responsible for ensuring satisfactory report-back whereas in the case of budget support DWAF itself is responsible. The aims of this budget support programme are similar to the aims of the EC programme.

The programmes are, however, being implemented differently. In the Northern Province the capacity building and the construction are being carried out by the existing BoTT contractor rather than by a developmentally focused team especially assembled to manage the programme.

Budget support programmes need not be implemented through a different process than technical assistance programmes. In fact, with a budget support programme DWAF has more freedom in that the team it assembles to implement the programme can be made up from people from any country it chooses rather than the EU ensuring member states are represented, which can result in their being over-represented.

1.7 PROPOSED ODA AGREEMENT FOR 2000 TO 2006

In March 1999 the Commission of the EU drafted a proposal to regulate ODA to South Africa for the years 2000 to 2006. The proposal recommends the continuation of the EPRD programme with funding levels of the same magnitude as the previous EPRD.

1.8 FUTURE WATER AND SANITATION SECTOR ODA

In April 1999 the Delegation of the European Commission in South Africa prepared a background paper on possible future involvement in the water and sanitation sector in South Africa for a discussion between EU Member States. Drawing on the experience gained since 1996 the paper suggests the following priority themes for action:

- ◆ Consolidation of support to institutional development and capacity building in the Eastern Cape and the Northern Province with a potential expansion to KwaZulu-Natal. Experience suggests that further technical support to all key

role players (DWAF, the Department of Provincial and Local Government (DPLG), local government structures, water boards, and village water and sanitation committees (VWSCs)) will be needed. Devolution of some part of service delivery to the private sector may be one appropriate form of institutional development worth supporting, along with further support to the establishment of a suitable regulatory framework.

- ◆ Support for preparing area Water Services Development Plans through working committees involving all relevant stakeholders (eg Local Councils, DWAF district offices, community representatives, NGOs and consultants active in the area) in the Eastern Cape, Northern Province and KwaZulu-Natal. Here specific attention could be given to reviews of the efficiency and effectiveness of existing infrastructure and the need for refurbishment. Evidence from recent evaluations suggests that more attention is needed for operation and maintenance of existing schemes. The Commission is inclined to give priority to the proper functioning of existing infrastructure as opposed to the building of new infrastructure.
- ◆ Support for DWAF's overall Monitoring and Evaluation system. This would involve training and capacity building on M&E in the department as a whole. It would also include creating and/or further developing regional M&E units in KwaZulu-Natal, North West Province, Mpumalanga, the Free State, the Western Cape, the Northern Cape and Gauteng, based on experience gained in the Eastern Cape and Northern Province.

These priorities are broadly well aligned with the priorities of DWAF and with the priorities of the majority of those interviewed in the course of this evaluation of the EU's existing programme of assistance.

2 PROGRAMME OF ASSISTANCE TO DWAF EASTERN CAPE (1996 - 1999)

2.1 INTRODUCTION

From the indicators provided in Annexure 1, of the nine provinces in South Africa the Eastern Cape is the one most in need of water and sanitation ODA. The major overseas donor answering this call during the period 1994 to 1999 was the European Union and the major recipient of that aid was DWAF. This writer made a ten-day visit to the Eastern Cape, primarily to evaluate the EU's assistance to DWAF and secondly, to check if there had been any other significant assistance to the sector in the province.

The European Union assistance to DWAF's Eastern Cape Chief Directorate comprised a comprehensive programme of technical assistance and project grant finance. Although the assistance was implemented in terms of an agreement between the European Union and DWAF's Eastern Cape Chief Directorate, the strategy used during the visit was to interview a wide variety of stakeholders to develop a qualitative judgement of the impact and sustainability of the assistance.

Owing to time constraints these interviews did not include beneficiary households or village water committee members. In addition no in-depth visits

were made to schemes. However these limitations are not considered critical owing to the openness of those interviewed and the additional background information obtained from consulting the reports listed in Annexure 3. (The list of interviewees will be found in Annexure 2.)

During interviews relevant stakeholders were asked if they had received any ODA directly. Only the Mvula Trust (both East London and Kokstad offices) and Rural Support Services had received such aid. As reported in Section 1, the EU provided some of this direct assistance.

Other sources of ODA were AusAID, Danida, Irish Aid, the Netherlands, Africa Groups of Sweden and World Vision. NGOs and development orientated agencies and consultants do essential and unique work such as advocacy on behalf of civil society, assisting government with policy development, and being prepared to learn lessons and report the results whilst remaining 'reading organisations'. Although direct ODA to these water and sanitation sector stakeholders is therefore essential, such funding will not be discussed further in this report so as not to deflect readers from its primary objective of evaluating the EU's assistance to DWAF.

2.2 INSTITUTIONAL ARRANGEMENTS

The European Union development assistance programme comprised eight main linked components, which started simultaneously in September 1996. Seven of the components were managed or implemented by joint venture teams comprising an overseas organisation and a South African organisation. An overseas environmental specialist employed directly by the European Union implemented the eighth component. Table 2.1 summarises the details of these components.

Much of the documentation refers to the leader of component one as the programme manager but from the interviews this does appear to be strictly true. The DWAF Regional Chief Director had the opportunity, as time permitted, to interact with each component and ensure he was satisfied that implementation was fully aligned with the regions priorities.

The interaction between the EU teams was further strengthened by DWAF gradually appointing counterparts in order to perfect alignment and control, to ensure the best possible transfer of skills and knowledge, and to increase impact and sustainability. Initially there were two or three project steering committees, but early on a common Project Steering Committee (PSC) was appointed for the entire programme.

Table 2.1: Summary details of the components of the EU programme of assistance to DWAF Eastern Cape

Description of component	Team	Status
1. Programme co-ordination including liaison with the Delegation of the European Commission	GKW Consult - Ninham Shand	complete

2. Community water supply and sanitation infrastructure projects	Ninham Shand - GKW Consult	extended
3. Establishment of a DWAF regional Monitoring and Evaluation Unit	Wallingford Water - CSIR	complete
4. Integration of ex-Transkei and -Ciskei Water Supply Data into a new GIS system	CSIR - Wallingford Water	complete
5. DWAF regional organisational development	Steffen, Robertson and Kirsten - Carl Bro International	complete
6. Assistance for the formation of Water Services Authorities/ Utilities and/or Water Boards	Carl Bro International - Steffen, Robertson and Kirsten	complete
7. Community and Social Consultants Training and Support	Carl Bro International - Steffen, Robertson and Kirsten	complete
8. Environmental Conservation Checklist Framework and Project Authorisation Permits	Direct EU contract	complete

The organisational and final steering committee arrangements described above worked excellently, but DWAF counterparts should have been appointed from the beginning. Over time, five senior DWAF staff member counterparts were appointed to ensure the early implementation of agreed recommendations and the replication of successes. One counterpart was appointed for component 2; one for components 1, 3 & 4; one for components 5 & 6; and one each for components 7 and 8.

2.3 OVERALL PICTURE OF THE PROGRAMME AND ITS IMPACT

The EU programme of assistance to DWAF represents the majority of ODA to the Water & Sanitation Sector in the Eastern Cape. The programme commenced in September 1996 and was scheduled to last three years. In the event, the start-up took longer than planned and some components have been extended nine months to June 2000.

The programme's terms of reference (TOR) were developed by DWAF's Eastern Cape Regional Office. The TOR and their subsequent execution were fully aligned to DWAF's priorities. Apart from excellent alignment, DWAF staff spoke about the ODA being fully integrated into DWAF's other work. This reflects DWAF's satisfaction with the manner in which programme members identified themselves with DWAF's objectives and, where relevant, freely became a part of the DWAF team.

Despite the above, separate reports are maintained for DWAF's four cost centres: the EU programme, the BoTT programme, other western region DWAF projects and other eastern region DWAF projects.

The EU ODA programme has significantly increased DWAF's capacity to plan, implement and control projects. The training of DWAF staff and the institutional changes supported by DWAF's Provincial Chief Director means that the increased capacity should be fully sustainable after all the local and overseas EU advisors have left. On the other hand National Government's plans to empower Local Government and only use DWAF as a regulator of domestic water supplies and sanitation could weaken this new capacity before Local Government has been fully capacitated.

Another success story has been the founding of Amatola Water Board (henceforth Amatola Water). However district councils complained about the way in which DWAF was marketing 'border to border water boards' to the province. New water boards are to get a straight-line reducing subsidy for a period of five years. District councils complained that alternative institutional arrangements were not being offered any bridging finance.

Against this background, the degree of acceptance that Amatola Water has won from the district councils to which it is supplying bulk water and even from those with which it is negotiating to supply services is particularly commendable. In fact the strengths of the organisation, founded with the EU team's facilitation, are remarkable.

However the organisation will not achieve long-term sustainability unless the district councils are strengthened so that they are able to pay for services. The duplication of skills in DWAF and Amatola Water could also introduce inefficiencies if divisions in responsibilities are not clearly defined.

The capacity building programme was widely praised during interviews. It included full project-cycle skills training, gender sensitivity, health and hygiene awareness creation and care of the environment.

- ◆ For DWAF officials the focus was on assisting with implementing contracts to ensure social consultants maintain standards, so that they can work as equal professional with technical consultants.
- ◆ For the existing social consultants the focus was on identifying and filling gaps in their skills and knowledge, but above all to train them as trainers of trainers
- ◆ For emergent consultants and environmental health officers the focus was on training them as trainers of project and community level institutions
- ◆ For project steering committees, village-level water and sanitation committees and community households the focus was on training to ensure the sustainability of the projects being implemented.
- ◆ Apart from its high level training functions the EU training and support team focused on change advocacy, co-ordination and monitoring.

This social development thrust took time and effort to get under way. The slow start was caused by having to change the arrangements whereby initially only technical consultants were involved in the projects, many of whom were not development orientated nor sympathetic to community empowerment. Later

social consultants were appointed, but were answerable to the technical consultants. It was only in 1998 that, where necessary, the EU team managed to persuade DWAF to modify existing contracts and have the social consultants reappointed directly by DWAF. In addition much of the training material needed revision. Plans to integrate all available material were somewhat thwarted by copyright claims.

Despite the capacity building described above, interviewees also comment that the village structures would never become completely self-sufficient. Yet cost recovery and tariff setting only seems to cover day to day village level expenses and many villages believe that it would be inequitable to raise tariffs to cover external support services. In addition, virtually no capacity building has taken place at the local government and district council level to enable them to provide such services. (In fairness, had capacity building been offered, financial and staffing constraints in all likelihood would have resulted in refusals by some district councils.)

Thus, apart from local councils and representative councils using cross-subsidisation and/or a percentage of the Equitable Share to support the water schemes, there seemed to be no money available for monitoring and supporting village level structures or for major repairs. The district councils reported that all Equitable Share funds were disbursed to the local and representative councils falling within their area (without their even receiving a handling fee) and that, as a result, district councils did not have a say in how these funds were spent.

It should also be remembered that the Equitable Share grant from national taxes, although unconditional, is paid to local government to subsidise the running costs of services to the poorest households and not to subsidise the running costs of services to entire communities. Although district council have not yet taken over any water schemes from DWAF, their comments about the Equitable Share relate to their fears for the future.

Finally, interviewees reported that the EU team and its capacity-building efforts created positive tensions and competition. This improved the quality of all the projects implemented in the region, and particularly the BoTT projects.

2.4 FACTORS THAT CONTRIBUTED TO SUCCESS

The EU ODA in the Eastern Cape proved particularly beneficial for the following reasons.

2.4.1 Standing back to observe

Firstly, the EU team had the opportunity to stand back and observe, and ask what changes were required to improve the sustainability of and benefits from community water services projects. This was possible because six of the eight main components of the EU ODA programme related to soft issues as detailed in Table 2.1.

2.4.2 Local and overseas professionals

Secondly, the team consisted of local and overseas professionals, with a wide range of skills and diverse experience, who were able to brainstorm ideas with stakeholders before proposing changes to the status quo. Interviewees emphasised that overseas team members brought not only knowledge, but a willingness to look at situations with new eyes, ask penetrating questions, and spend time working out the best locally appropriate solutions.

2.4.3 Using NGOs

Thirdly, the team decided to make the maximum use of development orientated NGOs and consultants, both technical and social, for the implementation of the water services infrastructure projects. As reported earlier, where development orientated technical consultants were not available the team ensured that social consultants had separate contracts with DWAF, rather than operating as sub-consultants to the technical consultant.

2.5 CONSTRAINTS

The programmes in the Eastern Cape suffered from various constraints, as follows:

2.5.1 Implementing approved projects

The team was implementing projects already selected by DWAF and usually after preliminary technical designs had been completed. It was therefore not possible to make meaningful use of the demand response approach (DRA) for the majority of projects.

Communities were obliged to organise a maintenance fund to indicate demand for the project, but were given no basic choices with respect to how the water supply would be organised (a basic tenet of DRA). In some instances, however, unforeseen circumstances caused changes in how projects were to be implemented, which necessitated negotiations with the community.

Team members reported that these negotiations proved very useful in getting communities more interested and involved in the projects. However, these positive experiences are not being transformed into a general requirement that meaningful DRA negotiations be a measured milestone before project approval.

2.5.2 'Right-sizing' policies constraining

'Right sizing' policies placed constraints on DWAF with regard to the recruitment of team counterparts, even when suitable staff members could not be found for training. Where the proposed posts were in line with DWAF's long-term responsibilities, there was no reason why DWAF should not have approved and advertised these posts as the EU team was being assembled.

In the Eastern Cape the delays in this area were substantial, although strong commitment now exists for the support and strengthening of these functions. In

other areas, where DWAF's long-term responsibilities are less clear, DWAF and the Departments of Health and National and Provincial Government need to reach agreement on areas of responsibility and corresponding strengthening of capacity.

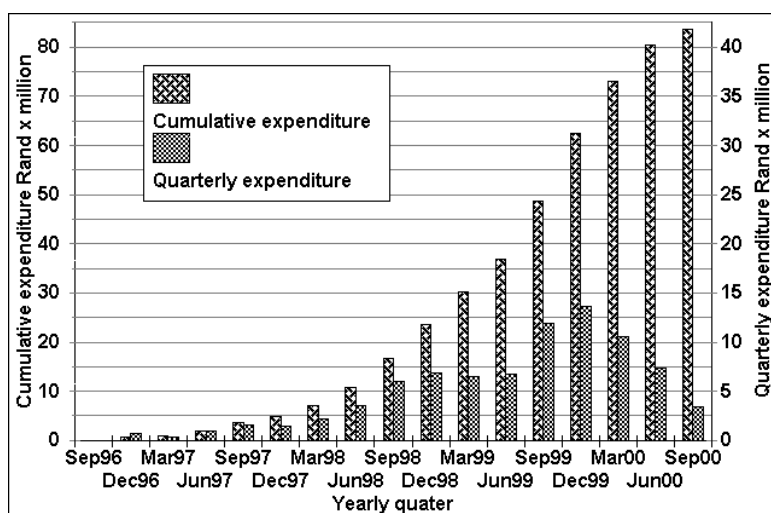
In the Eastern Cape, DWAF strengthened its staff to a degree that would have been satisfactory if provincial and local government had prioritised water services sufficiently. The EU team in the Eastern Cape dealt with this by making more use of the private sector and strengthening appropriate rural development orientated consultants (but it does leave DWAF community development officers without critical mass because of having no dedicated counterparts in other departments).

2.5.3 Consultants as trainers

Existing development orientated consultants were not enthusiastic about becoming trainers of trainers or sharing existing training material to develop a community water services best practices manual for the province. This constraint was largely overcome by the EU's broadly based multi-disciplinary team, which emphasises the need for a technical assistance team being available to implement change in a province.

2.5.4 Lack of council capacity, and lack of time

The worst internal constraint was the lack of capacity of four of the six district councils in the area of implementation. As discussed further in the recommendations this constraint was not overcome and threatens the long-term sustainability of the infrastructural projects.



The worst external constraint was the short duration of the programme, which was scheduled to last three years. This was absurdly optimistic given that capacity building is a slow process. As seen in Figure 2.1, less than 10% of the grant finance had been spent half way through the three-year period. Thereafter some of the project components were extended nine months, but still without any detailed plans to ensure sustainability. Much literature on ODA emphasises the need for a seven- to ten-year commitment and less pressure to

produce short-term visible results (eg Hodgkin et al 1994, pp. 22 and 28). When such initial commitments are not possible, continuity depends on making yearly agreements for a minimum of three years.

2.6 ACHIEVEMENTS

In summary, the EU programme in the Eastern Cape has produced the following achievements:

- ◆ significant strengthening DWAF Eastern Cape capacity to initiate and control the implementation of projects;
- ◆ the founding of an information services division comprising a geographical information system unit and a monitoring and evaluation unit;
- ◆ improved project implementation through advocacy and through enabling private social consultants to introduce meaningful community level empowerment;
- ◆ the integration of health, hygiene and sanitation awareness into the facilitation of water supply projects;
- ◆ the founding of Amatola Water;
- ◆ providing Kei and Wild Coast District Councils with their first broad-brush figures of subsidies required to keep existing and newly commissioned schemes operational; and
- ◆ the up-grading of water supplies to approximately 230 000 people.

In addition, the EU programme engendered an improved spirit of professionalism and excellence throughout DWAF and its private consultants and contractors.

2.7 WEAKNESSES

The following describes some of the weaknesses of the programme.

- ◆ Little was done to ensure sufficient ongoing involvement of VWSCs after project PSCs had been formed. As currently constituted, PSCs ease the burden on DWAF, project implementing agents (PIAs), and consultants during project implementation but give a completely false sense of how community households are participating in the project and where responsibility for O&M will take root as construction ends.
- ◆ The EU team failed to engage local government meaningfully in the four poorest districts. This problem must be solved or few, if any, schemes will remain sustainable in the long term. National DWAF and DPLG need to address this problem at the highest level, since neither the provinces nor ODA can solve it on their own.
- ◆ The EU team did not warn the government that it is unrealistic to phase out subsidies over a five-year period, even with a fundamental shift in rural development policy. This leaves only local government's Equitable Share to sustain water schemes in the rural areas of the Eastern Cape (contrast with Edwards et al 1997 p. E1.1 which suggests that subsidies will be required for at least eight to ten years in the less poor Bushbuckridge area of

Northern Province). One report does record that unemployment is increasing and affordability decreasing in the relevant areas (EU 1998 p. 120)

2.8 RECOMMENDATIONS

The recommendations set out below are broadly in line with the thinking of the Delegation of the European Commission in South Africa as set out in Section 1.8 of this report.

2.8.1 Institutional assessments of councils

The current capacity of the six district councils and their encompassing local and representative councils in the province varies substantially. In addition, their ability to support ongoing service delivery is unclear. An institutional assessment of at least the four poorest district councils in the province by an independent body such as an overseas development donor is called for. The assessments should include profiles of the district council's strengths and weaknesses.

Many provincial and regional players have little or no understanding of how ODA systems work or how to access funds. This is especially true of the most under-resourced district councils of the Eastern Cape. A secondary objective of any ODA assessment of these institutions therefore should be to give them some background information on how ODA can support their transformation goals.

The need for such an institutional assessment is urgent because the Water Services Act requires district councils to take transfer of all water schemes currently operated and maintained by DWAF. (The core business of water boards is bulk supplies and such boards charge their customers for the bulk water supplied. Thus the formation of water boards on their own will not solve many of the water services challenges facing district councils. In addition, many district councils have a problem with handing over additional responsibilities to water boards, which are legally accountable to the Minister of Water Affairs.)

A function of carrying out such an assessment would be:

- ◆ to propose different options for organising ongoing water services delivery in the area;
- ◆ to get agreement from the district council and its staff on the need for such a transformation process; and
- ◆ to establish the availability of funding from central government and other sources to implement the programme and to subsidise the transition to full self-sufficiency for O&M.

2.8.2 Empowerment of village-level service providers

A central objective of any proposed transformation programme will be the continued empowerment of village-level water service providers within a framework of local government support to contribute to:

- ◆ best community water services practices;
- ◆ the developmental objectives of local government; and
- ◆ the need to deepen South Africa's democracy with the support of civil society.

2.8.3 Support from central government

Without central government support, attempting to proceed with transformation would be a wasted effort and cause additional unnecessary disillusionment.

After agreement in principle to proceed with a particular option for the transfer of schemes to local water services providers, support for the preparation of a water services development plan for the area should be provided.

2.8.4 Long-term institutional training and development

Some of the District Councils will require long-term institutional development projects of up to seven years. DWAF will not be prepared to operate and maintain newly commissioned schemes for such a long period, so interim private sector support for village-level water service providers will be necessary. Consideration should be given to combining support and capacity building functions in a single contract to organisations with a primary focus on change management.

The long-term devolution of water services delivery to the private sector, as favoured by some sections of the Finance Ministry and Department but generally not favoured by the Water Affairs Ministry and Department, is not recommended. However, the possibility of supplying particular aspects of such services delivery at the village, local council and district council level through performance contracts, commission agreements and/or concession agreements should not be ruled out.

The training of village-level water service providers should have defined key performance indicators that can be monitored and evaluated regularly and acted upon when necessary. The EU programme has already assisted with the establishment of a monitoring and evaluation unit in DWAF's Eastern Cape regional office. In keeping with the requirements of the Water Services Act, the functions of this unit should be extended to the receiving, auditing and disseminating of village level operation, maintenance, and cost recovery information. DWAF's version 4 monitoring and evaluation (M&E) software already covers such monitoring and should be used as the basis of broadening the M&E units responsibilities and services.

The implementation of the above recommendations will highlight the relative effectiveness of both institutional structures and existing infrastructure in different areas. This, in turn, should be used to inform the directing of resources to the areas of most need. In line with the thinking of the EU's South African Delegation, it is expected that the extended M&E work will confirm that the EU programme should focus on continued capacity building and the refurbishment of existing infrastructure, as opposed to building new infrastructure.

Refurbishment would then become an important focus of further EU assistance to the province.

2.9 IMPLEMENTATION OF THE KEY INTERVENTIONS

This changed focus from building new infrastructure to building-up 'new' institutions for proper functioning of existing schemes will probably have the same lengthy start-up period as the previous programme. Indeed the start-up may be even longer, considering the need to carry out assessments in the absence of a regional chief directorate of local government, the obvious partner for facilitating any agreement between the European Union and the province.

The success of any new programme will depend on the building-up of trust and the forging of alignments with respect to what may well be new priorities for the district councils. The national offices of both the Department of Water Affairs and Forestry and the Department of Provincial and Local Government should be approached to collaborate with provincial stakeholders on the drawing up of a financial agreement for such a programme of intervention.

Efforts to address the challenges of sustainability in the rural water services sector should be co-ordinated with the work of other donors (eg DFID in Northern Province and USAID in the Bushbuckridge area on the border of Northern Province and Mpumalanga). Efforts should also be co-ordinated with the turn-around projects in Northern Province and Eastern Province being facilitated by DWAF's national Directorate of Interventions and Operations Support.

3 PROGRAMME OF ASSISTANCE TO DWAF NORTHERN PROVINCE (1998 - 2001)

3.1 INTRODUCTION

From the indicators provided in Annexure 1, Northern Province and KwaZulu-Natal are the two provinces after the Eastern Cape most in need of water and sanitation ODA. In terms of money invested, the major overseas donor answering this call during the period 1994 to 1999 was the European Union, even though funding only started in 1998, and the major recipient of that aid was DWAF. DFID, Irish Aid and USAID have provided other important ODA funding to the water and sanitation in Northern Province. This report only evaluates EU assistance. Another member of the three-person water and sanitation sector team was responsible for evaluating two of the other donors.

European Union assistance to DWAF's Northern Province Chief Directorate comprised a comprehensive programme of capacity building and project grant finance. As explained in Section 1.6 the EU programme to Northern Province was not a technical assistance programme but rather offered budgetary support. Thus, although the aims of the support were almost identical, the implementation has been very different in that all funds are being spent directly on capacity building and the construction of community water supply and sanitation infrastructure. This was done using the existing BoTT contractor

rather than through a developmentally focused team especially assembled to manage the programme.

This writer made a two-day visit to the Northern Province to evaluate the assistance. Interviews were conducted with the provincial manager of the BoTT programme, the Employer's Representative (ER), the Assistant Employer's Representative and DWAF staff members closely involved with the BoTT process or the establishment of the M&E unit.

The investigation aimed to develop a qualitative judgement of the impact and sustainability of the assistance. Time constraints meant interviews did not include representatives of local government, village water committees or beneficiary households nor were visits made to schemes. These limitations are not considered critical, in view of the openness of those interviewed and the additional background information obtained from consulting the reports listed in Annexure 3.

3.2 OVERVIEW OF CAPITAL EXPENDITURE

Prior to 1997, the government planned to spend R 1bn per year on water supply infrastructure in South Africa. Quick delivery to those in need rather than sustainability was the key issue at the time. DWAF regional offices in the Eastern Cape, KwaZulu-Natal, Northern Province and Mpumalanga were not spending their allocated budgets and the Department of Finance made it clear that rolling over money from one financial year to the next was not acceptable.

In Northern Province, the failure to spend the budget was due to the particular growing pains being experienced in integrating staff from four different administrations, DWAF and three ex-homeland departments. In addition, DWAF, the absorbing administration, had no previous experience in community water supply and all parties were seeking to take full ownership of the various policies set out in the November 1994 Water Supply and Sanitation White Paper.

In these circumstances it is not surprising that it took time to build-up an integrated effective organisation. However by mid-1997 Northern Province DWAF officials were confident that their regional office had matured and was capable of managing a capital budget of up to R 400m per year.

In the meantime, discouraged by the failure of its four most important regional offices to spend their allocated budgets, DWAF Head Office was finalising the appointment of consortia, driven by large technically orientated consultants and contractors, with the specific aim of speeding up delivery and the spending of large budgets. Much to the disappointment of DWAF's regional office one of these BoTT consortia, Metsico, was appointed as a programme implementing agent (PIA) for their community water supply and sanitation (CWSS) programme.

Things were not to stop there. When the author of this report visited DWAF Northern Province in February this year he was given the overall CWSS capital budget figures shown in Table 3.1 for their capital investment programme (including EU grant finance) for the years 1998 to 2000. Staff stressed that the

00/01 figure was taken from MTEF estimates and that they hoped for some relief before the budget was finalised. Thus, even ignoring the changes achieved in the province between 1994 and 1997, recent budget cuts suggest that the BoTT contract may not be warranted.

Table 3.1: DWAF Northern Province overall capital budgets: 1998 to 2000

Year	Amount Rm
98/99	319
99/00	218
00/01	120
Note: 00/01 figure is an MTEF estimate, not yet confirmed	

The proposed allocations of the 00/01 budget of R 120m given in Table 3.2 are even more disturbing. Interviewees maintain that funds controlled by the BoTT contractor should not be allowed to exceed the funds allocated to DWAF implemented capital projects.

Table 3.2: Proposed allocations for the 00/01 budget estimate

Amount Rm	Description
60,0	From EU to BoTT projects
15,0	From DWAF to BoTT P&G costs
8,4	From DWAF to BoTT VAT
83,4	Sub-total BoTT
10,0	From DWAF to Mvula Trust
10,0	From DWAF to sanitation via the RSTT
11,0	Towards the transfer of existing assets to LG
4,0	To payment of project retention moneys
1,6	To DWAF implemented capital projects
120,0	Total
Note: The EU do not fund BoTT P&G costs or VAT	

3.3 SPENDING OF ODA THROUGH A BOTT CONTRACT

As the BoTT contractor is the EU's spending agent in Northern Province it is only right that it should be evaluated in the same way as the EU team was evaluated in the Eastern Cape.

In the case of the Eastern Cape team, as reported in Section 2, there was near perfect alignment and integration between the team and DWAF's regional office. In addition, every effort was made to build the capacity of as wide a range of stakeholders as possible in an effort to ensure sustainability and equity.

The projects themselves (originally selected by DWAF) generally targeted the poor and inadequately served (although a preference was shown towards areas more easily served when two areas of equal need had been evaluated). Lastly, the Eastern Cape projects provided good value for money. At R 360 per capita, EU projects were not cheap, but nonetheless delivered value for money through essential capacity building and the introduction of better ways of doing things at both the regional and community level.

In comparison, the BoTT contract is poorly integrated into work carried out by DWAF's regional office. As the PIA, it seeks early authority to proceed, via what is known as the 8.1.2 notice, and then only keeps the ER informed of progress, as required by the contract. It was very difficult to ascertain if the projects being implemented are aligned to DWAF's and other stakeholders' priorities. What is clear, however, is that:

- ◆ projects are selected on a rather ad hoc basis;
- ◆ bulk schemes currently predominate; and
- ◆ there is a tendency to focus on upgrading projects in areas with existing reticulation systems above the RDP level of service and with the greatest ability to pay for higher levels of service, in other words targeting the relatively rich rather than the poor.

There is a broad consensus that these selection ' procedures' do achieve a number of strategic objectives, namely:

- ◆ keeping a wide range of local councils ' content' ;
- ◆ ensuring that a larger number of potential customers are ' touched' by the focus on bulk schemes;
- ◆ planning to increase cash flow by satisfying the aspirations of the less poor; and
- ◆ minimising short-term capacity building and sustainability challenges.

Despite these advantages, serious questions need to be asked about this manner of spending ODA without directly targeting the poor.

EU/BoTT projects in Northern Province have ' touched' 7000 people, which translates to a cost of R 237 per capita. Nonetheless, interviewees believe that this figure does not express value for money because of the non-inclusive nature of the work.

Finally, wide concern was expressed that Metsico' s proposals for O&M support to local government and community structures expressed a shift from BoTT to BOtt or even BottT, with the last T standing for ' transfer back' . Certainly to date, project related capacity building has almost exclusively been limited to training community members in construction related tasks.

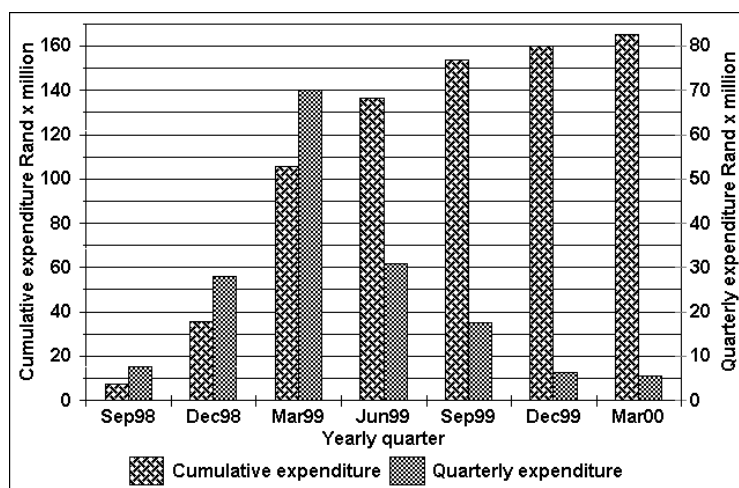
The BoTT contractor also co-ordinates the non-project related capacity building. Again enthusiasm is low. An M&E unit has been set up, but lacks the support it needs to become truly effective. Support aimed at preparing local government institutions to take over schemes seems largely limited to sending DWAF staff who may be transferred to local government to courses at the National Community Water and Sanitation Training Institute.

Outside the establishment of the M&E unit, there is little evidence of organisational or structural strengthening having taken place in DWAF, although staff members did talk of the additional skills gained by employees through working for the EU' s team.

They hoped this experience would bring long-term benefits to the department and the sector generally. But then again, what are the skills that DWAF should be acquiring, as it moves away from basic water services project implementation to assisting and supporting local government to carry out these functions? Moreover, what about the timing of such moves when one looks at the pace of local government institutional development in the rural areas?

Figure 2.1 in Section 2 records the cash flow associated with the EUs Eastern Cape programme of support. Figure 3.1 records the same information for the EU' s Northern Province programme. Figure 2.1 shows that less than 10% of the grant finance had been spent half way through the three-year funding period.

In contrast, Figure 3.1 shows that over 50% of funds had been spent a quarter way through a similar funding period. It is hoped that Brussels does not use the pace of disbursement as a central criterion as to where funds should be allocated.



3.4 RECOMMENDATIONS

Although not apparent from the EU assistance to date, Northern Province as a whole will almost certainly experience the same problems as the Eastern Cape in relation to sustainability and institutional shortcomings. In the medium term, therefore, the emphasis of EU assistance to Northern Province will have to move significantly in the direction of institutional and human resources development.

Thus, the recommendations given for the way forward in the Eastern Cape apply equally to Northern Province. In both cases, questions remain as to how the assistance will be managed. Specifically, the Delegation of the European Commission in South Africa has made it clear that it favours the route of budgetary support. But will not impose any explicit conditions about the

framework used to manage the funds or to achieve the alignment, control and best outcomes desired by the DoF in commissioning this Development Co-operation Report.

Stakeholders are therefore invited to examine this brief evaluation of EU assistance to both provinces. It is hoped this will help them to select a management framework for Northern Province which will best align ODA to South Africa's reconstruction and development priorities, which priorities will focus on building up the quality of life and self reliance of people living in the poorest rural areas.

At national level, it is believed this approach can be promoted by an integrated flexible approach to the development of management strategies for decentralised water services delivery. This would involve bringing together high-level role-players from the Departments and Ministries of Finance, Provincial and Local Government, Water Affairs and Forestry, Agriculture and Land Affairs, and Health. Strategies proposed at such a meeting should be debated in the regions before being adopted as agreed guidelines for institutional development in all the provinces.

In the case of Northern Province both DFID and USAID are already supporting initiatives related to institutional and human resources development for the management of water services. USAID support is focused in the Bushbuckridge area, whilst DFID's support is broader. There will be a definite need to co-ordinate the work of other donors with any EU work, as well as with the work of other institutions, donors or not.

4 PROPOSED PROGRAMME OF ASSISTANCE TO KWAZULU-NATAL

The recommendation of the Delegation of the European Commission in South Africa to extend its support for the water and sanitation sector to KwaZulu-Natal is to be welcomed. It is important that in so doing full use is made of the lessons learnt in the other two provinces whilst taking into consideration the special circumstances that exist in this province.

In both the Eastern Cape and Northern Province local government was not sufficiently involved in the programmes. This was partially due to district councils' perceptions of ODA programmes being exclusively aligned to DWAF and partially due to the weakness of the district councils.

In KwaZulu-Natal, seven region services councils cover most of the rural areas. These councils are equivalent to the district councils in other provinces. As in the Eastern Cape, the capacity of the councils varies. But, when looking at the water and sanitation sector, none are as strong as the Eastern Cape's Western District Council nor as weak as the Kei District Council.

Therefore, looking back to the guidelines arising from Section 3.4, the EU's KwaZulu-Natal programme could be similar to the original Eastern Cape programme. This would involve a co-ordinated team and all interventions, except macro level M&E, carried out as a service to individual regional service councils rather than as a service to DWAF. As a budgetary support programme

to several district councils it is probable that the agreement between the EU and South Africa would be signed by the national Department of Provincial and Local Government or the Provincial Department responsible for liaison with Local Government. (It is also possible that, because of the exposure of Eastern Cape district councils to the earlier EU programme and the recent district council demarcations in Northern Province, the time is ripe for the model being recommended for KwaZulu-Natal to be used in all three provinces.)

Rather than imposing the model on the regional services councils from above, it is recommended that the KwaZulu-Natal programme start with an institutional assessment of each regional services council. The objectives of these assessments would be the same as the objectives set out in Section 2.8 for the assessments of the Eastern Cape district councils.

5 RECOMMENDATIONS ON THE BEST USE OF EU ASSISTANCE

This evaluation of the EU programme has placed strong emphasis on the need for a paradigm shift, involving the refocusing of assistance from DWAF to local government and from the building of new infrastructure to ensuring the long-term proper functioning of water services. In setting out this argument, a few important generic issues have been overlooked in the recommendations. These are dealt with here.

First, interviewees expressed strong concerns about budget cuts. In both provinces, people estimated that it would take between 25 and 40 years to bring rural households up to the RDP minimum level of service at the current levels of investment. This reality presents a startling contrast to the 1994 policy white paper, which indicated that an internal house connection or a yard tap for each household was a realistic long-term goal.

Along with some donors, interviewees thought that, given the resultant time-framework, the current levels of capital investment were quite unacceptable to ordinary people, especially women. After jobs, an adequate water supply is the first demand of those living in the rural areas. Thus, regardless of the short- to medium-term recommendations as to how donor assistance should be used for essential gap filling, the rate of new water services delivery still needs to be accelerated but with wiser planning and more emphasis on a sustainable village level demand driven approach. It is hoped that the preceding analysis of the EU's programme of assistance to DWAF in the Eastern Cape will contribute to achieving these objectives.

As presently constituted, community water projects cater for basic human water supply needs and sometimes basic sanitation needs. This approach ignores important nutritional and broader economic benefits that water resource development projects can bring, and in the long term, results in a net outflow of money from the poor communities served. In these circumstances, it is not surprising that community menfolk do not always support water projects as currently implemented, sometimes leaving the women with all the responsibilities of ensuring O&M takes place after commissioning. The EU has a history of looking at water resource and water supply management in a

holistic way which includes water for uses such as livestock watering, community gardens and other agricultural or even small scale business use (EU 1998b). Thus, it is recommended that the EU be invited to assist South Africa in establishing water catchment management agencies (GSA 1998 chapter 7) in some of the poorer rural areas and in implementing a few holistic water services projects. If this assistance is to be carried out under a budget support agreement it is important that South Africa assembles a team including some competent foreign practitioners familiar with the EU's holistic approach to water resource development projects.

In carrying out the earlier recommendations contained in this report, the EU will facilitate the improvement of management structures, monitoring and record keeping, and human resources skills development at both the local government and village levels. Long-term, assuming dedicated political and departmental leadership and appropriate incentives, this institutional strengthening will result in improved economic self-reliance (but not necessarily in economic self-sufficiency) through effective cost control and equitable cost recovery.

However, without adequate medium-term bridging finance, it will not be possible to recruit and develop either the local government level human resources or the medium-term private sector support-services/capacity-building agents. It is therefore essential for South Africa and the EU to agree what these costs will be and who will be responsible for them before any detailed planning for capacity building or the support of O&M structures takes place.

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7 ANNEXURE 1: KEY INDICATORS FOR ESTIMATING THE EQUITABLE DISTRIBUTION OF ODA FUNDS FOR WATER AND SANITATION

Prov	People with inadequate water ¹		People with inadequate sanitation ¹		Rural population ²		Rural areas poverty gap ³		Estimated equitable % distribution ⁴	Prov
	Number	% of total	Number	% of total	Number	% of total	Rm/year	% of total		
EC	5 478 624	30,55	6 557 464	30,21	3 998 147	21,26	3 244	33,87	28,97	EC
NP	3 293 112	18,36	4 053 061	18,67	4 388 067	23,34	2 311	24,13	21,12	NP
KZN	4 292 763	23,93	3 709 513	17,09	4 788 753	25,47	1 515	15,82	20,58	KZN
NW	1 541 846	8,60	2 082 983	9,60	2 183 091	11,61	1 071	11,18	10,25	NW
MP	1 451 610	8,09	1 982 161	9,13	1 706 424	9,08	782	8,15	8,62	MP
FS	563 320	3,14	2 046 959	9,43	826 853	4,40	651	6,80	5,94	FS
Other	1 313 966	7,33	1 272 221	5,87	910 429	4,84	5	0,05	4,52	Other
Total	17 935 241	100,00	21 704 362	100,00	18 801 764	100,00	9 579	100,00	100,00	Total
GP	700 000	3,90	700 000	3,23	218 146	1,16	0	0,00	2,07	GP
WC	425 746	2,38	402 651	1,86	440 868	2,34	0	0,00	1,64	WC
NC	188 220	1,05	169 570	0,78	251 415	1,34	5	0,05	0,81	NC
Total	17 935 241	100,00	21 704 362	100,00	18 801 764	100,00	9 579	100,00	100,00	Total

Sources: 1 Gauteng - DWAF, *Strategic planning study*, 1996; all other provinces - figures obtained from DWAF Directorate Macro Planning and Information Support, 2 May 2000.

2 Stats SA 1996 *Census*

3 LAPC *Persistence of poverty in rural South Africa*, 1994

Note: 4 Calculated by taking the average of the percentages of the four previous key indicators

8 ANNEXURE 2: STAKEHOLDER INTERVIEWS

GENERAL

- Friday 3 December 1999 Informal interview: Mr Greg Forsyth, Team Leader EU Information System Component, CSIR, Stellenbosch
- Thursday 6 January 2000: Dr Charles Reeves, Team Leader EU Monitoring and Evaluation Unit Component, Wallingford Water, Pretoria
- Thursday 13 January 2000: Mr Tim Hart Director Resource Development Consultants and Alternate Team Leader EU Water Services Authorities and Water Boards Component, Johannesburg
- Thursday 3 February 2000: Mr Woud Soer, Project Officer, Delegation of the European Commission in South Africa, Pretoria
- Friday 4 February 2000: Mr Barry Jackson, Policy Coordinator Municipal Infrastructure Investment Unit, Development Bank of South Africa, Midrand
- Monday 14 February 2000: Mr Bethuel Netshiswinzhe, Monitoring and Evaluation Unit, Mvula Trust, Johannesburg
- Friday 18 February 2000: Ms Vuokko Laurila, International Project Liaison Officer, Rustenburg District Council, Rustenburg
- Thursday 24 February 2000: Ms Janet Love, Advisor to the Minister of Water Affairs and Forestry, Cape Town & Pretoria
- Friday 25 February 2000: Dr Eugene Mokeyane, Special Advisor to the Minister of Water Affairs and Forestry, Pretoria
- Saturday 26 February 2000: Mr Horst Kleinschmidt, Former Executive Director Mvula Trust and Mr Lefa Mallane, Acting Executive Director Mvula Trust, Johannesburg

EASTERN CAPE

- Monday 13 December 1999: Mr Pierre Mukhiber, Infrastructure Support Unit Manager, Rural Support Services NGO, East London
- Monday 13 December 1999: Mr Johnny Douglas, Chief Environmental Health and Planning Officer, Stormberg District Council, Queenstown
- Tuesday 14 December 1999: Mr Aswi Madenza, Asst Dir Monitoring and Evaluation, DWAF, King Williams Town
- Tuesday 14 December 1999: Mr Trevor Balzer, Chief Dir DWAF Eastern Cape, King Williams Town
- Tuesday 14 December 1999: Mr Gezani Mabunda, Acting Dir Implementation Planning and Development, Interviewed in King Williams Town stationed in DWAF's Umtata Office
- Tuesday 14 December 1999: Mr Uli Glatz, Manager EU Eastern Cape Water and Sanitation Projects, Ninham Shand, C/O DWAF King Williams Town
- Wednesday 15 December 1999: Mr Ken Jeenes Regional Coordinator, Ms Siphokazi Mpahla, Project Development Facilitator and Mr Andrew Macdonell, Regional Engineer all of Mvula Trust=s East London Office
- Wednesday 15 December 1999: Mr Simphwe Kondlo, Director Planning and Development, Amatola Water, East London

Wednesday 15 December 1999, Mr Nico Yonker Director Engineering Services, Ms Mickey Mama Strategic Planning Manager and Mr Craig Thompson Deputy Director Engineering Services all of the Amatola District Council

Wednesday 15 December 1999, Mr Henk Steyn Director Engineering Services and Mr Reynard Britnell Deputy Director Water and Sanitation Drakensberg District Council, Barkly East interviewed in East London

Thursday 16 December 1999, Councillor Mr Wilson Wogane, Exco Member and Chairperson Roads & Planning Steering Committee and Henderson Bisiwe, Assistant Director Department of Works, Western District Council, Port Elizabeth interviewed in East London

Friday 17 December 1999, Councillor Mrs Thoko Xasa, Exco Chairperson, ex-officio member of all Exco steering committees and Mr M Kango, Acting Director Technical Services and Deputy Director Roads and Transport, Kei District Council, Umtata

Friday 17 December 1999, Mr Gordon Mpumza, Chief Executive Officer and Mr Ernst Zellhuber, Deputy Director Water and Sanitation, Wild Coast District Council, Mount Ayliff

Saturday 18 December 1999, Mr Tacson Kondlo, Community Facilitator, Flagstaff: informal visits to three community water projects

Monday 20 December 1999, Ms Cindy Illing, Director Mattcomm Social Consultants, Matatiele

Monday 20 December 1999, Mr Richard Pote, Senior Regional Engineer, Mvula Trust, Kokstad

NORTHERN PROVINCE

Monday 7 February 2000: Mr Jabulani Mathebule, Sanitation Coordinator, DWAF Northern Province, Pietersburg

Tuesday 8 February 2000: Mr Ronald Eb, General Manager, Metsico, BoTT Contractor Northern Province, Pietersburg

Tuesday 8 February 2000: Dr Changela Hoohlo, Employer s Representative, EU/BoTT Programme Manager and Mr Regis Mahonde, Assistant Employer s Representative, Northern Province, Pietersburg

Wednesday 9 February 2000: Mr Ignatius Maghahlela, Head of Monitoring and Evaluation Unit, DWAF Northern Province, Pietersburg

Wednesday 9 February 2000: Mr Raymond Ndambi, Head Development Planning, DWAF Northern Province, Pietersburg

Wednesday 9 February 2000: Mr Steven Musetsho, Director Local Institutional Development Support and EU/BoTT Programme Steering Committee Chairperson, DWAF Northern Province, Pietersburg

Wednesday 9 February 2000 informal interview: Mr Alson Matukane, Chief Director Northern Province, DWAF, Pietersburg

9 ANNEXURE 3: SUPPORT DOCUMENTS CONSULTED

GENERAL AND NGO PROGRAMME

Produced by	Title	Date
Statistics South Africa	Website: 1996 census in brief	May 1999
Land and Agriculture Policy Centre	The persistence of poverty in rural South Africa	Nov 1994
Dept of Water Affairs and Forestry	Community water supply and sanitation strategic planning study	Nov 1996
Presidential Review Commission	Developing a culture of good governance: Report on the reform and transformation of the public service in SA	Feb 1998
Ministry of Finance	Medium term budget policy statement	Oct 1999
Ministry of Finance	Budget review 2000: Chapter 6: Medium term expenditure estimates	Feb 2000
Ministry of Finance	2000 National Expenditure Survey: Chapter 34: Department of Water Affairs and Forestry	Feb 2000
Joint Standing Committee on Finance	Speech by Mr Trevor Manual, Minister of Finance: The medium term expenditure framework	Aug 1997
Julian May and others	Poverty and inequality in South Africa	May 1998
Dept. of Provincial and Local Government	Project (local government) viability: Background report	Aug 1999
Dept. of Provincial and Local Government	Annual report on the equitable share for local government for the 1998-99 financial year with allocations for the 1999-2000 financial year	Oct 1999
Dept of Public Service and Administration	White Paper on transforming public service delivery	Sep 1997
Dept of Water Affairs and Forestry	Water services act	Dec 1997
Dept of Water Affairs and Forestry	National water act	Aug 1998
Dept. of Provincial and Local Government	Municipal systems bill	Aug 1999
Commission of the European Communities, Brussels	Proposal for a Council Regulation on development co-operation with South Africa	Mar 1999
Carlos Montes et al for European Commission	Evaluation of European Commission's country strategy in South Africa 1996-1999	Aug 1999
Commission of the European Communities: Pretoria	Background paper for a discussion on possible future EU involvement in the water and sanitation sector in South Africa (prepared for discussions between member states and the Commission)	Apr 1999
Commission of the European Communities:	Multi-annual indicative programme: A framework for co-operation between South Africa and the European	May 1997

Brussels	Community	
Commission of the European Communities: Brussels	(EU assistance) Budget - article B7-3200: South Africa	Jun 1997
Commission of the European Communities: Brussels	Towards sustainable water resources management: A strategic approach	Sep 1998
Department of Water Affairs and Forestry: HO M&E unit	DWAF's version 4 M&E system: Definitions of data required for the system: Draft	Jun 1999
Dr Eugene Mokeyane, Special Advisor to the Minister of Water Affairs and Forestry	Planning for sustainable systems, cost recovery, tariffs, subsidies and levels of service: Edited transcript of speech delivered at the Financing Workshop, Mpumalanga, Republic of South Africa	Dec 1999
Department of Water Affairs and Forestry HO	Strategic framework for water services support function: Second draft	Jan 1999
Resource Development Consultants	Strategic framework for water services support function: Second draft: Report on Provincial Consultations	Apr 1999
Environmental Health Project, USA	Issues and options for the transfer of water distribution responsibility to local government structures in the Bushbuckridge, Hazyview and Nsikazi North areas of South Africa	Nov 1997
Environmental Health Project, USA	The sustainability of donor-assisted rural water supply projects	Apr 1994
Commission of the European Communities: Pretoria	Current project status: EU - Mvula Trust NGO programme	Sep 1999
Commission of the European Communities: Pretoria	Current project status: EU - Rural Development Services Network programme	Jan 2000
Bethuel Netshiswinzhe, Mvula Trust	Monitoring and evaluation guide for water projects: Version 1	Mar 1999
Mvula Trust, ACER (Africa) and Development Research Network	Development of field-based monitoring and evaluation systems in support of DWAF's version 4 M&E programme: Revised final integrated report on situation assessment (Phase 1)	May 1999
Mvula Trust	Development of field-based monitoring and evaluation systems in support of DWAF's version 4 M&E programme: Field workshop report	Nov 1999
EASTERN CAPE		
Commission of the European Communities: Pretoria	Project information sheet: EU water development programme in the Eastern Cape	Jan 2000
GKW / NSI Consortium	Programme of support for the department of water affairs and forestry with rural water supply and sanitation in the Easter Cape: Annual report no 3 period September 1998 - August 1999	Sep 1999

GKW / NSI Consortium	Programme of support for the department of water affairs and forestry with rural water supply and sanitation in the Easter Cape: Quarterly report no 13 period September 1999 - November 1999	Dec 1999
CBI / SRK	Provision of water services in Kei and Wild Coast Districts - Financial study	Sep 1998
CBI / SRK	Lots 'O' (support for DWAF provincial and regional organisational development), 'W' (assistance to provincial DWAF in all aspects related to the establishment of water supply organisations) and 'T' (community training to strengthen community participation in water supply and sanitation delivery and sustainability): Annual report no 2: September 1997 - October 1998	Dec 1998
CBI / SRK	Lots 'O', 'W' and 'T' Quarterly reports for the periods November 1998 - January 1999 and February 1999 - April 1999	Aug 1999
CBI / SRK	Lots 'O', 'W' and 'T' Draft project sustainability report: Volume 1 main report: Volume 2 appendices	Sep 1999
Wallingford Water / CSIR	Establishment and operation of planning, monitoring and evaluation units: Third annual report, 16 September 1998 - 15 September 1999	Sep 1999
Wallingford Water / CSIR	Establishment and operation of planning, monitoring and evaluation units: Thirteenth quarterly report, 16 September 1999 - 15 December 1999	Dec 1999
Wallingford Water / CSIR	Integration of ex-Transkei and ex-Ciskei water supply data into the information system: Final report	Apr 1999
DWAF King William's Town Office	Project evaluation at critical milestones from M&E system: Summary EU projects (Single page A3 chart)	Nov 1999
Amatola District Council	Land development objectives and integrated development planning 1999 - 2004	Undated
Amatola Water	Annual report for the 15 month period, 1 April 1998 to 30 June 1999	Oct 1999
Amatola Water	Spillway: Newsletter of Amatola Water: No 1	Jul 1999
Amatola Water	Spillway: Newsletter of Amatola Water: No 2	Sep 1999
NORTHERN PROVINCE		
Commission of the European Communities: Brussels	Financing agreement between the EU and the Government of RSA: Sector support programme for community water supply and sanitation in Northern Province	Jan 1999
Mr Michael Snell, Independent consultant, UK and others	EU sector support programme for community water supply and sanitation: Evaluation of the EU contribution, in the Northern Province of the Republic of South Africa, for the financial year 1998-99	Jun 1999
Commission of the European Communities: Pretoria	Project information sheet: EU sector support programme for community water supply and sanitation in Northern Province	Jan 2000

METSICO	Progress report no 9 on the EU-funded component of the BoTT programme in Northern Province: Sections A to D	Jan 2000
METSICO	Sanitation: Proposed methodology for pilot projects	Sep 1999
METSICO	Vondo regional water scheme refurbishment and transfer phase 3: Addendum for transitional period April 1999 to October 2000 (Project business plan 1: revision 3)	Nov 1999