

PREFACE

BACKGROUND

The Water Research Commission (WRC) appointed Palmer Development Group to undertake an institutional and financial review of water supply and sanitation services in the urban areas of South Africa. The project is a progression of earlier socio-technical evaluations of the urban water and sanitation sectors carried out for the WRC. These projects originated out of the Water and Sanitation 2000 initiative which addressed the need for unified and concerted action in the water and sanitation sector to meet the large and increasing need for adequate services in both urban and rural areas.

OBJECTIVE

The overall objective of this project is:

To present information and analysis that can help relevant community leaders and decision-makers:

- *to guide and promote the extension of services and the reshaping of organisations such as can enable all people living in the (urban) areas of South Africa to have adequate and appropriate water supply and sanitation, and*
- *to facilitate the related processes of financial, institutional, (legislative) and other changes that the adoption and implementation of the above objective will require.*

The specific objectives of the project and working assumptions have been set out in the **Project Inception Document**, accepted by the Project Steering Committee in March 1993.

This report is in fulfilment of **Specific Objective Number 1**, namely:

Provide an overview of existing financial and institutional arrangements and relationships in South Africa for the provision of water supply and sanitation services including how existing services are being operated and new services arranged and funded.