

**AN IDENTIFICATION AND REVIEW OF THE FACTORS IN RURAL WATER
SERVICES THAT FACILITATE AND IMPACT ON LOCAL ECONOMIC
DEVELOPMENT IN THE EASTERN CAPE**

**Report to the
WATER RESEARCH COMMISSION**

by

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on behalf of the

Rural Support Services

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EXECUTIVE SUMMARY

Introduction

There has been ongoing debate in the water and sanitation sector regarding the importance of viewing water services projects as part of an integrated development programme rather than as one-off projects that are seen as an end in themselves. One of the main issues related to this is the importance of, and ongoing need for local economic development in rural areas. This is an aspect which should be addressed in both the planning and implementation stages of any project with the full participation of community members.

However, the current framework for delivery does not allow for the facilitation and promotion of economic development. This is particularly problematic given the current context of unemployment and poverty in rural areas.

The current situation in the Eastern Cape presents enormous socio-economic development challenges including unacceptably high levels of poverty and inequality, huge disparities with respect to access to basic services and infrastructure, soaring unemployment and economic decline.

This study endeavoured to identify the factors that both facilitate and impact on local economic development (LED) both during and after the implementation of water services projects, in an attempt to address poverty and underdevelopment in rural areas.

The objectives of this study were:

- To identify the factors that facilitate local economic development in water services
- To identify the factors that impact on local economic development in water services.
- To develop a framework for planning the delivery of water services that ensures that the issue of local economic development is addressed for both community members and Water Service Providers.
- To capacitate the communities involved in the research project to link their water schemes to local economic development.

The term “local economic development” generally refers to a process of creating wealth through the mobilisation of human, financial, social, physical and natural resources or capitals. The core issue in LED is about the creation of wealth and jobs. The aim of local economic development ultimately is to produce higher standards of living, improve the quality of life, alleviate poverty, create more and better jobs, advance skills and build capacity for sustained development in the future.

For people living in poverty, water is needed for a multitude of purposes. However, water of a safe enough quality to drink is not needed for a multitude of purposes but only for drinking and cooking. Drinking water provision

captures only the household's need for water for survival and health; it omits its total livelihood needs, particularly the critical need of a high proportion of people, especially rural people, for water in economic productivity, including farming, horticulture, livestock, and micro-manufacturing. The focus on drinking water, which absorbs a minute proportion of total water consumption, also ignores the need to conserve the environment, for which water is also required, to ensure livelihoods over the longer term.

Perhaps the greatest value of a livelihoods approach to water supply is that the inherent analytical framework will provide an understanding of the complex ways in which supply improvements *have the potential* to affect lives. Building on the strengths of poorer groups and households, the facilitation and prioritisation of actions aligned with people's needs are more likely to achieve real impacts on poverty (IRC International Water and Sanitation Centre Thematic Overview Paper: *The productive use of domestic water supplies. How water supplies can play a wider role in livelihood improvement and poverty reduction.* (Moriarty and Butterworth: 2003).

The report provides a framework for planning the delivery of water services that emphasises and actively encourages LED through projects and ensures that the issue of local economic development is addressed for both community members and Water Service Providers. It is envisaged that where such a framework is developed and utilised during the planning and implementation phases of water services delivery there would be the potential for positive spin-offs for the rural poor in terms of LED. This in turn would lead to further development initiatives within communities and could be a determining factor in achieving the objectives of a decrease in poverty levels and rural-urban migration as well as leading to a situation where sustainable livelihoods becomes a reality in rural areas.

This approach to water services delivery would thus broaden the range of strategic options available to rural communities and would ensure that water services delivery takes place within a developmental context.

A participatory survey process was utilised which aimed to obtain data from both community members and relevant institutions and officials. The process comprised:

Desk research: A comprehensive literature review of current water services delivery frameworks and guidelines, international literature and case studies was carried out.

Field research: An evaluation of water services programmes in six selected communities in the Eastern Cape was conducted; this evaluation focused on whether local economic development issues were considered during planning and implementation of water services projects. The six communities are situated in the Chris Hani, OR Tambo and Amathole District Municipalities. Research techniques applied included household surveys using random sampling and focus group interviews.

Interviews were also conducted with selected implementing agents, service providers, District Municipalities and officials from the Department of Water Affairs and Forestry.

Capacitation of identified communities: Identified communities were assisted to initiate their own local economic development strategies and activities.

Based on the processes mentioned above, the following are the key findings emanating from the study:

- **Business Plan (BP) review**

The BPs for the water projects in Vaalbank and Peddie were reviewed in order to ascertain whether any LED factors had been identified during the planning phase of the projects.

The BPs that were reviewed make mention only of short term job creation for community members and do not refer to LED in terms of sustained development that would alleviate poverty and create more and better jobs.

It seems clear from the review of the BPs for both Vaalbank and Peddie water supply projects that LED in the beneficiary communities was not an issue that was either expected (by DWAF) to be covered, nor was it an issue that the authors of the BPs considered.

- **Household surveys**

An evaluation of water services programmes in six selected communities in the Eastern Cape was conducted. The six communities are situated in the Chris Hani, OR Tambo and Amathole District Municipalities.

The surveys were conducted in 6 rural villages within the 3 District Municipalities. Twenty households were selected randomly from each village and a response rate of 98% was obtained. The population sample totaled 685.

In order to evaluate the effectiveness of the planning of water services delivery in the study areas and to determine future water needs, the respondents were asked whether the water scheme had met their current and future water requirements. A number of the respondents answered “no” to this question and stated that the reasons for this are: that the water provided is insufficient; there are no yard connections; water is restricted to household use only and the water does not taste good.

When asked whether their initial expectations of the water scheme had been met, the majority of respondents said “no” and listed a number of expectations that had not been met, such as: yard connections; water for agricultural

purposes; water for activities such as brick making and plastering; proximity of tap stands to houses and construction of dams for livestock.

The findings from the household surveys are as follows:

- Only four income generating activities that use water have been undertaken since the implementation of the water schemes (across all six villages).
- In general the communities under study have benefited from the implementation of the water schemes. Benefits noted by the respondents relate to having access to water at all times, less time wasted on fetching water and improved safety and security (particularly for women).
- People still have a number of expectations regarding water services that have not been met. These include access to sufficient water for household gardens, irrigation of fields, stock watering and for projects such as brick making.
- Very few respondents could clearly explain the concept of “Local Economic Development” and 45% of the respondents were unable to answer the question at all as they claimed that they had never heard the term before.
- **Focus groups**

The focus group findings show that:

- There is a serious infrastructure backlog and linked to the unsustainable nature of services within the communities under study these are major constraining factors for the development of the local economy.
- Because of poor infrastructure in the communities, people continue to vandalise the limited resources that they have. This is partly due to the lack of participatory, responsive and empowering approaches on issues of LED as discussed by Chambers and Conway (1992).
- Poor service delivery by government and the private sector continues to hamper appropriate development in rural communities and this is an obvious **threat** to LED. The main constraining factors for economic development in the communities under study are poor infrastructure, lack of access roads, insufficient water and extreme poverty.
- All of the community focus groups said that they had attended various development training workshops. Although in some villages training was conducted on water services and health, none of the focus groups indicated that they had received training on local economic development.

- It is clear that there is very little or no understanding of what local economic development means in the communities that participated in the research process. The information presented by the focus groups reveals an understanding of only certain aspects of local economic development such as poverty alleviation and job creation. In their responses to the questions related to the concept of LED the focus groups linked local economic development to project development and refer to project identification, group formation and resources needed for projects.
- There is no clear understanding of the linkages between water services and economic development of the community. During the implementation phase of projects only short - term jobs were created and there was thus little impact on LED in the medium to long – term.
- **Municipalities, Consultants, NGOs and Implementing Agents**

A number of challenges for LED in as far as water services is concerned were identified as follows:

- Provision of infrastructure
- Water source and backlogs
- Insufficient local skills and capacity
- Funding
- Lack of local resources

Factors facilitating and impacting on LED in water services

An analysis of both the desk research and the field research has revealed a number of factors that both facilitate and impact on LED in water services.

The facilitating factors identified relate primarily to an understanding of the concept of LED, supportive and accountable local government and access to sufficient water, land and credit.

The main factors that impact on LED are the lack of understanding of the concept of LED, and the fact that there are no linkages between water related institutions and LED institutions both within and outside the community. Clearly, the lack of access to land, water and credit are also factors that impact on LED in water services.

Conclusion and Recommendations

The findings from this research project reinforce a number of the key issues raised in the literature and provide further information in support of the positive impacts that can be expected if water services projects were viewed as part of an integrated development programme rather than as one-off projects that are seen as an end in themselves.

Improved water supplies can lead to both direct and indirect opportunities for improved productivity. More water, of better quality and provided more reliably, can provide the water needed for productive activities such as irrigation of a backyard or community vegetable garden or for micro-enterprises such as hair salons or brick manufacture. Indirect gains may sometimes be even more important than direct benefits in that they can apply to both water-based and non-water-based activities where saved time and money can be invested in activities that bring positive returns to capital or labour.

The factors that affect access to water supply in the rural areas include the availability of a suitable water source and the affordability of the scheme for the community. Most rural communities are still not benefiting from the free basic water policy due to the problems of implementation of this policy in rural areas. Other challenges are introduced by changes in water and sanitation policies developed by the Department of Water Affairs and Forestry. The financial contribution required by rural communities also raises the question of affordability. There is a need to establish tariffs according to affordability in each community and how these may impact on or facilitate the LED component in water services delivery. Planners and local government institutions need to take into account how water services delivery can be engineered towards ensuring that local economic development principles are catered for.

It is clear that there is an ongoing need for local economic development in rural areas and that this is an issue that should be addressed in both the planning and implementation stages of any project with the full participation of community members.

There is a need for appropriate, well maintained infrastructure in communities in order to achieve equity and efficiency in service delivery and ensure sustainability. It is recommended that this aspect of water services projects be addressed by the relevant authorities.

It is clear that without specific training being provided to rural communities on LED there is unlikely to be a significant shift in the understanding of LED and the improvement of rural economies. It is recommended that community members are exposed to awareness raising and training on the importance and meaning of LED. In addition, community members should be capacitated to understand the IDP process and their roles and responsibilities in relation to the development of the IDP.

Poor service delivery by both government and the private sector continues to hamper appropriate development in rural communities and this is an obvious threat to LED. The main constraining factors for economic development in the communities under study are poor infrastructure, lack of access roads, insufficient water and extreme poverty.

It is hoped that the planning framework that has been developed as part of this research project will go some way to ensuring that linkages between water services projects and LED are made during the planning phase of projects and that this in turn will lead to the facilitation and promotion of economic development in marginalised and impoverished rural areas.

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ACRONYMS

DWAF	Department of Water Affairs and Forestry
LED	Local Economic Development
IDP	Integrated Development Plan
WSA	Water Services Authority
WSP	Water Services Provider
BP	Business Plan
PSC	Project Steering Committee
WATSAN	Water and Sanitation
WSDP	Water Services Development Plan
NGO	Non – Governmental Organisation

1 INTRODUCTION

There has been ongoing debate in the water and sanitation sector regarding the importance of viewing water services projects as part of an integrated development programme rather than as one-off projects that are seen as an end in themselves. One of the main issues related to this is the importance of, and ongoing need for local economic development in rural areas. This is an aspect which should be addressed in both the planning and implementation stages of any project with the full participation of community members. However, the current framework for delivery does not allow for the facilitation and promotion of economic development. This is particularly problematic given the current context of unemployment and poverty in rural areas.

The current situation in the Eastern Cape presents enormous socio-economic development challenges including unacceptably high levels of poverty and inequality, huge disparities with respect to access to basic services and infrastructure, soaring unemployment and economic decline. According to 2001 socio-economic data for the ex Transkei region the average percentage of people living in poverty is 77.5% while the average rate of unemployment is 68.7%.

In 1995 the government published its urban and rural development strategies and identified LED as the prime mechanism for job creation, empowerment and local development. The government has since prioritised rural development and urban renewal as key strategies to counter the legacy of uneven development in the country. The aim of the LED programme within government is to support all municipalities in South Africa in implementing these strategies, and make them attractive places to live in, invest in and visit. This is to be achieved by focusing on addressing the needs of poor and marginalised people and communities (Department of Provincial and Local Government:2003).

For people living in poverty, water is needed for a multitude of purposes. However, water of a safe enough quality to drink is not needed for a multitude of purposes but only for drinking and cooking. Drinking water provision captures only the household's need for water for survival and health; it omits its total livelihood needs, particularly the critical need of a high proportion of people, especially rural people, for water in economic productivity, including farming, horticulture, livestock, and micro-manufacturing. The focus on drinking water, which absorbs a minute proportion of total water consumption, also ignores the need to conserve the environment, for which water is also required, to ensure livelihoods over the longer term.

International and South African literature have identified various perspectives surrounding issues of local economic development, water services delivery and livelihoods as an integrated approach towards achieving job creation and a resultant reduction in poverty.

Livelihoods is defined as “comprising the capabilities, assets and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base” (Chambers and Conway: 1992).

Perhaps the greatest value of a livelihoods approach to water supply is that the inherent analytical framework will provide an understanding of the complex ways in which supply improvements *have the potential* to affect lives. Building on the strengths of poorer groups and households, the facilitation and prioritisation of actions aligned with people’s needs are more likely to achieve real impacts on poverty (IRC International Water and Sanitation Centre Thematic Overview Paper: *The productive use of domestic water supplies. How water supplies can play a wider role in livelihood improvement and poverty reduction.* (Moriarty and Butterworth: 2003).

This study endeavoured to identify the factors that both facilitate and impact on local economic development (LED) both during and after the implementation of water services projects, in an attempt to address poverty and underdevelopment in rural areas.

The report provides a framework for planning the delivery of water services that emphasises and actively encourages LED through projects and ensures that the issue of local economic development is addressed for both community members and Water Service Providers. It is envisaged that where such a framework is developed and utilised during the planning and implementation phases of water services delivery there would be the potential for positive spin-offs for the rural poor in terms of LED. This in turn would lead to further development initiatives within communities and could be a determining factor in achieving the objectives of a decrease in poverty levels and rural-urban migration as well as leading to a situation where sustainable livelihoods becomes a reality in rural areas.

This approach to water services delivery would thus broaden the range of strategic options available to rural communities and would ensure that water services delivery takes place within a developmental context.

1.1 Objectives of the Study

- To identify the factors that facilitate local economic development in water services
- To identify the factors that impact on local economic development in water services.
- To develop a framework for planning the delivery of water services that ensures that the issue of local economic development is addressed for both community members and Water Service Providers.
- To capacitate the communities involved in the research project to link their water schemes to local economic development.

1.2 Methodology

The participatory survey process aimed to obtain data from both community members and relevant institutions and officials.

The research project was presented to relevant ward councillors and officials in the appropriate District Municipalities.

In addition, meetings were held with community leaders and Project Steering Committee (PSC) members in the six identified communities. This activity was undertaken to ensure that all relevant role players and stakeholders were aware of the project and thus able to contribute meaningfully to the research process.

Desk research: A comprehensive literature review of current water services delivery frameworks and guidelines, international literature and case studies was carried out and covered the following issues:

- Overview of Local Economic Development (LED)
- Developmental LED and community involvement
- LED and the Sustainable Livelihoods Approach
- Policy and legislative framework
- Factors that influence the choice of LED approach
- Water Services and LED
- The impact of water services on LED
- An integrated approach to local economic development
- Water and socio-economic benefits

Field research: An evaluation of water services programmes in six selected communities in the Eastern Cape was conducted; this evaluation focused on whether local economic development issues were considered during planning and implementation of water services projects. The six communities are situated in the Chris Hani, OR Tambo and Amathole District Municipalities. Research techniques applied included household surveys using random sampling and focus group interviews.

Interviews were also conducted with selected implementing agents, service providers, District Municipalities and officials from the Department of Water Affairs and Forestry.

Analysis: A comparison and analysis of the data sets collected was conducted. Factors facilitating and impacting on LED were identified and synthesised and a final set of these factors was compiled.

Framework compilation: The final set of factors was used to compile a framework that can be utilised to plan the delivery of water services that addresses the issue of local economic development.

Capacitation of identified communities: Awareness raising workshops were held with identified communities to assist them to initiate their own local economic development strategies and activities.

1.2.1 Design of research instruments

Various instruments were designed for the different target groups, such as community focus groups, municipal councillors, Implementing Agents, DWAF and municipal officials.

A. Questionnaires

- **Households**

This questionnaire covered the following areas:

- a) Demographic information
- b) Livestock and crops
- c) Income - generating activities
- d) Health - related questions
- e) Water services and support
- f) Water and LED

- **Community Focus Groups**

This questionnaire was divided into four sections:

- a) Infrastructure and capacity development (available facilities, resources, services and support)
- b) Institutional support and development (access to and support provided, local structures and their roles)
- c) Local economic development (conceptual analysis and its relevance to water services, strategies and plans for development, project-analysis and constraining factors to LED)
- d) Water services development (water needs and uses, water activities during planning, implementation and O&M stages, challenges to water services and linkages to economic development).

- **Municipal Councillors**

The interview questionnaire aimed to acquire information on the processes and procedures followed during the implementation of water services projects. The questionnaire was structured in such a way that it could elicit information on the available resources and services within municipalities and the challenges for non-existence of such services or support. In addition, councillors were questioned on their general understanding of the concept of LED, the integration of LED in water services and indicators for such linkages. Sustainability and communication issues were also addressed in the questionnaire in order to obtain information on project ownership and buy – in of communities.

- **Service Providers, DWAF, Implementing Agents and Municipal Officials**

The questionnaire that was developed for this group dealt with types of projects, project activities and project funders. The questionnaire also included questions on project implementation and service delivery approaches, policy development and planning and how these inform implementation processes, technology design and construction and their impact on sustainable poverty alleviation initiatives, water demand management strategies and the impact of LED on water services delivery.

B. Household Surveys

The surveys were conducted in 6 rural villages within 3 District Municipalities. Two villages were identified in each District Municipality and the villages surveyed are as follows:

Amathole District Municipality:

- Peddie (Cisira) - Ngqushwa Local Municipality
- Dwesa (Mpume)- Mbashe Local Municipality

OR Tambo District Municipality:

- Coffee Bay (Jonga) - KSD Local Municipality
- Umtata (Qunu) - KSD Local Municipality

Chris Hani District Municipality

- Qoqodala - Lukanji Local Municipality
- Vaalbank - Lukanji Local Municipality

Twenty households were selected randomly from each village and a response rate of 65% was obtained. The population sample totaled 685. Both budgetary and time constraints dictated the size of the sample.

C. Review of Business Plans (BPs)

The BPs for the water projects in Vaalbank and Peddie were reviewed in order to ascertain whether any LED factors had been identified during the planning phase of the projects.

2 LITERATURE REVIEW

2.1 Overview of Local Economic Development (LED)

Up until the early 1990s South Africa generally remained isolated from the economic processes affecting other developing countries due to apartheid policies and the imposition of sanctions. South Africa's industrialisation strategies became increasingly unsustainable from the mid-1980s as a result of the growing economic crisis and pressures that the apartheid government faced. These pressures forced South Africa to open up its economy in order to become globally competitive. This opening up of the economy affected industries that had been sheltered during the apartheid years, and this in turn led to the restructuring of the South African economy as a whole, and of individual sectors and firms within it (SALGA: 2003).

According to Etienne Nel, South Africa's return to the global economy in the 1990s has exposed our society to the twin forces of globalism and localism. The democratisation of South African society has also led to high levels of public participation in planning and development. One of the most obvious manifestations of these changes is the rise in prominence of the concept known as 'local economic development' or LED (Nel: 1995).

Although there is no single theory or commonly accepted definition that explains LED, both national and international literature provide a range of guidelines as to its key components.

The term 'local economic development' generally refers to a process of creating wealth through the mobilisation of human, financial, social, physical and natural resources or capitals. The core issue in LED is about the creation of wealth and jobs. The aim of local economic development ultimately is to produce higher standards of living, improve the quality of life, alleviate poverty, create more and better jobs, advance skills and build capacity for sustained development in the future. According to Bennett (1990) LED refers to 'subnational action, usually substate and subregional, taking place within the context of the local labour market'. Nel (1995) builds on that definition in his description of LED as 'an applied economic development strategy which seeks to address site-specific needs through locally appropriate solutions'. He goes further to say that such action is not the preserve of a single agency. Rather, successful LED depends on the formation of partnerships between key local stakeholders, preferably comprising local authorities, local business, community leaders and non-governmental organisations. External agencies such as higher tiers of government and external organisations also have a role to play, on condition that they do not suppress local initiative and resourcefulness (Nel: 1995).

The key principles that underlie the concept of local economic development are:

- Poverty and unemployment so, prioritisation of job creation and poverty alleviation is essential.
- LED must target marginalised communities to enable them to participate fully in the economic life of the country.
- Each locality is unique so it needs to develop its own approach best suitable to the local context.
- It promotes local ownership, community involvement, local leadership and joint decision-making.
- It involves local, national and international partnerships between communities, creates joint business ventures and builds local areas.
- Maximises local resources, skills and opportunities for multiple purposes.
- It involves integration of multiple and diverse economic initiatives in a comprehensive approach to developing a local region.
- LED relies on flexible approaches to respond to changing circumstances at local, national and international levels.

2.2 Developmental LED and Community Involvement

There has been a shift from non-developmental LED approaches, where social objectives are secondary to investment attraction, to developmental LED, where the aim is to promote the local economy but also to integrate disadvantaged communities into the formal economy. This has meant that a wide range of actors have to be included in the process and although local government is a major actor, the inclusion and participation of other stakeholders is key to the sustainability and success of LED initiatives. The approach now is for local government and the community to manage their existing resources and enter into partnerships with the private sector or other players to create jobs and stimulate economic activity in a defined economic space.

There are different approaches to local economic development used around the world. Each approach used is based on particular assumptions about the local economy and the impact and role of local authorities (Joseph: 2002). The choice of LED is influenced by many factors such as conditions of the area in as far as context, economy and employment structure, local population and labour market and possibilities for partnership.

Many cities in the USA are using a progressive community based approach to local economic development, (Joseph: 2002). The focus is on the equitable distribution of economic benefits. The rationale is for the community to be involved in the conceptualization, implementation and monitoring of projects.

A model used in Ghana whereby water supply is used for rural development was a notable element that was seen as lacking in prior models used to transform human lives, (Auckhinleck & Opong: 1998). The World Vision Ghana Rural Water Project (WVI-GRWP) strategy was identified as holistic and transformational development through water supply. This strategy is based on the following principles:

- Participation of people in their own development and local ownership of the decision-making process.
- Commitment of local resources to the community development process.
- Role of outside agents as sensitisers and facilitators of change.
- Valuing people's indigenous knowledge and belief in people's innate capacity to effect change.
- The need to transform limiting structures that impede local initiative.
- Emphasis on "process" rather than "projects"
- Collaboration with stakeholders and partner organisations and community ownership of projects.

Through this programme, human lives have been transformed physically, socially and economically.

Internationally, local economic development strategies have been regarded as important in developing neglected and stagnating local economies and LED is seen as an ideal measure to tackle rural poverty. International experience suggests that most community economic development efforts arose out of anti-poverty efforts by communities. A good economic plan is one that is not only realistic but one which also recognises the place of the local community in the context of the broader economic and political environment.

The following themes are noted as key components of developmental LED which benefits local communities:

- Communities need to be involved in and own the process of development from planning through to implementation;
- Good, respected local leadership is key to the LED process;
- Community plans must be realistic and practical, taking into account short-term achievements as well as long-term goals so that communities have a clear vision of what they want and believe that it is attainable;
- A partnership and a shared vision with other role-players is important;
- Communities need to organise themselves and to achieve this they can use external skills and resources which is usually available in the form of NGOs and other development institutions.

In 1995 the government published its urban and rural development strategies and identified LED as the prime mechanism for job creation, empowerment and local development. The government has since

prioritised rural development and urban renewal as key strategies to counter the legacy of uneven development in the country. The aim of the LED programme within government is to support all municipalities in South Africa in implementing these strategies, and make them attractive places to live in, invest in and visit. This is to be achieved by focusing on addressing the needs of poor and marginalised people and communities (Department of Provincial and Local Government: 2003).

2.3 LED and the Sustainable Livelihoods Approach

Livelihoods is defined as “comprising the capabilities, assets and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base” (Chambers and Conway: 1992).

The following Sustainable Livelihood principles are relevant to LED:

- **Poverty-focused and Sustainability.** The aim of local economic development ultimately is to produce higher standards of living, improve the quality of life, alleviate poverty, create more and better jobs, advance skills and build capacity for sustained development in the future. It will therefore address poverty, providing a developmental approach is taken which addresses inequalities;
- **People-Centred.** Developmental LED strategies place people back at the centre of development, understanding their strengths and weaknesses rather than focusing on the resources that they use;
- **Holistic.** Cross - sectoral and multiple strategies are key to LED, since LED plans require a broad approach to the local economy;
- **Strengths-based.** Central to LED is the theme of endogenous development, which stresses the use and potential of local human, physical, social, natural, financial and institutional resources;
- **Participatory, responsive and empowering.** The active participation of the local community in LED is vital to its long-term success;
- **Partnerships.** An important component of LED is building on the range of local actors and their differing roles and competences to promote development and economic growth;
- **Micro-macro linkages.** LED encourages links between macro level policies, meso level institutions such as local government, and local communities, SMMEs etc. In essence, LED is the meso and micro level strategy and tools to implement macro-level policy.

2.4 Policy and Legislative Framework

LED - type ideas are now enshrined in the national constitution and various important policy documents in South Africa, including the Reconstruction and Development Programme (RDP) and the Local Government White Paper.

In addition, a range of provincial documents placing emphasis on LED and LED training are starting to emerge. Other key policy or legal provisions which provide a basis for LED are:

- The Local Government Transition Act of 1993 and 1996 (RSA, 1993, 1996b),
- The Development Facilitation Act (RSA, 1995c),
- The Rural Development Framework (draft) (RSA, 1997), and
- The Local Government White Paper (RSA, 1998).

The White Paper is the most important national document to date to set out a vision for LED in South Africa. However, this document only refers to LED as a local government strategy. Furthermore, although reference is made to the need to establish partnerships between key local stakeholders, provision has yet to be made to encourage and sanction non-local government versions of LED.

The White Paper introduces the concept of 'developmental local government', which departs from the traditional, limited focus of local government activity on service and infrastructure provision. 'Developmental local government' is defined as 'local government committed to working with citizens and groups within the community to find ways to meet their social, economic and material needs and improve the quality of their lives' (RSA, 1998, p.17). Within this context local government should:

- maximize social development and economic growth in order to meet basic needs, deliver services, invest locally, develop land and encourage investment so as to create the conditions for economic development, to provide basic household infrastructure and to pursue affirmative procurement policies,
- integrate and co-ordinate development, in other words provide leadership and vision to local role players and to establish sustainable and liveable settlements,
- democratise development, empower communities and redistribute resources, including service subsidies and support for community organisations, (RSA, 1998).

Section 153 of the Constitution states,¹ "A Municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote social and economic development in the community. This constitutional obligation has been further articulated in the White Paper on Local Government (1998). The White Paper envisages municipalities as the facilitators rather than the drivers of LED, but does identify core competencies for which local governments should assume responsibility. These include:

- Marketing for investment promotion;
- Support services for small business;
- Assistance to targeted growth sectors;

¹ The Constitution of the Republic of South Africa, Act 108 of 1996.

- Tailoring of training and labour placement to local labour market conditions

LED is progressively featuring in the actions of community and non-governmental organisations and in the sanctioning and support of LED by provincial and national government, and four variants of LED currently feature in South Africa (Nel: 1998):

- (a) Formal local government initiatives which parallel traditional western thinking and, to a large degree, overlap with government thinking on the topic as detailed in its Local Government White Paper.
- (b) Community-based/small town initiatives which often develop as a result of NGO facilitation and support.
- (c) Section 21 development corporations. i.e. companies that promote local development within a selected spatial area, but 'not for gain'.
- (d) 'Top-down' LED in which government, usually at the provincial level, and/or various national organisations attempt to catalyse and support local initiatives.

The Strategic Framework for Water Services (September 2003), notes the following: “Economic development and sustainable livelihoods. Water and sanitation programmes will be designed to support sustainable livelihoods and local economic development. The provision of water supply and sanitation services has significant potential to alleviate poverty through the creation of jobs, use of local resources, improvement of nutrition and health, development of skills, and provision of a long-term livelihood for many households”.

The Strategic Framework goes on to outline a vision for providing water for more than just basic services and states that: “Water services authorities do not, and should not, only provide water services necessary for basic health and hygiene. It is important that municipalities undertake gender-sensitive health communication, facilitate the provision of higher levels of services for domestic users where viable and provide services which support sustainable livelihoods and economic development”.

In as much as the Department of Water Affairs and Forestry is tasked with ensuring that everyone has adequate basic water supplies, it is the responsibility of local government to supply communities with 25 litres of clean drinking water per person per day within 200 metres of the household. Water as a basic human need also includes that which is required to make a previously disadvantaged community viable, for example, provision of water for irrigation of subsistence crops, vegetable gardens, to establish micro economic ventures or to link water projects with tourism ventures, (Personal Communication, 2003)².

Strategies for both LED and water services delivery are included in Municipal Integrated Development Plans (IDPs) and Water Services

² This communication was with Cindy Minckley of Amatole District Municipality, Infrastructure and Engineering Department.

Development Plans (WSDPs). In the Eastern Cape these plans then feed into the Provincial Growth and Development Plan.

2.5 Factors that Influence the Choice of a LED Approach

The type of LED approach that is implemented in any area will depend on the conditions and circumstances of that particular area as well as reflect the history of the area.

Local context: Geographic and physical features beneficial to LED interventions and their significance regionally, nationally and internationally

Local economy and employment structure: Nature and character of the local economy including employment base, dominant economic sectors (agricultural, industrial, etc); levels of flexibility and diversification, support mechanisms, entrepreneurial climate.

Local population and labour market: Demographic trends, incomes, quality of life, cultural characteristics, etc. Relationship between sectoral policy, labour market policies, social affairs and education policies.

Possibilities for partnerships: Key role-players from civil society, government, labour and business in the area. Relationship between these players and possibility for fostering partnerships. Vertical relationships between local, regional and national government.

Municipalities in South Africa are required by the Constitution to be *developmental*. This means that municipalities need to adopt an explicitly pro-poor approach to LED and ensure that the desired outcomes of job creation, sustainable rural development and urban renewal are achieved.

It is, therefore, imperative that municipalities identify a clear vision and objectives within a strategic implementation framework for LED. These objectives will be set within the municipal Integrated Development Plan (Dept Provincial and Local Government: 2003).

2.6 Water Services and LED

The IRC (2003), have produced a document on the Productive Use of Domestic Water Supply which looks in particular at productive activities and micro-enterprises within households in villages, towns and cities in developing countries. This document examines how domestic water supplies can become productive and how this can contribute to peoples' livelihoods, particularly those of women and the poor, thus increasing the impact of an intervention. This approach challenges the traditional assumption that water delivered to people's homes should be for domestic purposes alone.

At the heart of this approach lies the belief - supported by a rapidly increasing body of empirical evidence – that by adopting a broader perspective the WATSAN sector can more effectively contribute to tackling rural and urban poverty and at the same time better address perennial WATSAN problems such as sustainability and cost recovery (IRC International Water and Sanitation Centre: 2003).

The paper advocates that LED type interventions focus on typically small-scale agricultural (or industrial) activities which exist at the intersection with the domestic water sub-sector. These activities would include; irrigation on small plots around the homestead and keeping of livestock; informal home based enterprises such as brick making and agro-processing activities such as brewing beer.

Because these activities often are small-scale and informal they risk dropping through the gaps - forever destined to be 'somebody else's problem'. But, despite their typically diverse and fragmented nature, they are absolutely critical to the health and wellbeing of the people who engage in them.

The IRC advocate adopting a 'livelihoods centred approach' as a framework for addressing these overlooked issues and see this as a useful means of developing and applying methods and tools to address the multiple roles of water supply. They thus seek to align ourselves with a much broader movement in development and natural resource management which seeks to deal more holistically with development issues, reaching across traditional 'sectoral' boundaries and putting people and their livelihood strategies firmly at the centre of the developmental process.

International and South African literature have identified various perspectives surrounding issues of local economic development, water services delivery and livelihoods as an integrated approach towards achieving job creation and a resultant reduction in poverty.

While access to potable water to address basic needs is arguably one of the most pressing problems in South Africa today, it is becoming increasingly clear that meeting basic needs to ensure the survival and health of poor communities is not sufficient. Poor people do not always prioritise access to safe water when asked to define their needs, and more and more communities are articulating the need for water security in order to allow for the many other uses that people make of water (IRC International Water and Sanitation Centre: May 2003).

When looking at peoples' livelihood strategies one sees that access to water affects a great many activities and that water availability can constrain or open up a wide range of opportunities. To achieve greater water security in villages and for water to be used to tackle poverty, what is needed is a more holistic and integrated approach to water planning that

is based on an understanding of peoples' livelihood strategies and the role of water resources (and constraints) within them (AWARD: undated).

Providing water security can play a wider role in poverty reduction and improving livelihoods. Improved domestic water supplies and improved institutions surrounding them bring multiple benefits: they reduce sickness, save time, generate income, enhance food security, strengthen local organisations and build cooperation between people.

Although many project planners and government officials believe that water projects provide access to water for domestic use, large quantities of any 'domestic' water supply are used for 'non-domestic' productive purposes. People do not just drink water, or use it to wash or cook. They use it also to grow crops and water livestock and to produce goods and provide services in and around the household.

Traditionally the water and sanitation (WATSAN) sector has occupied itself with the small subset of activities described as 'domestic'. The sector's aim has been to supply people with a clean, reliable, and safe supply of water with the primary goal of improving their health.

This model of domestic service provision has had huge positive impacts on the wellbeing of people everywhere but some of the assumptions underlying the model are beginning to be called into question. Particularly that the water supplied to people's homes should be solely or primarily for domestic use while there is potential to make even better use of water in contributing to people's wider wellbeing and livelihoods.

While there is a policy commitment to ensure everybody in South Africa has access to basic water supply, discussions have begun within the water sector as to how water can further contribute to rural development. Planners and government institutions need to be looking in particular at productive activities and micro-enterprises within households in villages, towns and cities in developing countries.

Village water supply planning has traditionally focused only on meeting basic domestic needs (drinking, cooking, washing and sanitation), and has not taken into account the many other uses that people make of water (Moriarty et al: 2003). Research carried out by AWARD (Perez de Mendigueren and Mabelane: 2001) indicated that domestic water does provide opportunities for rural people to engage in a wide range of small-scale activities to grow food, provide income and save expenditure. Productive water use in villages can range from small to moderate utilisation by builders and brick makers, beer brewing, hair saloons, livestock watering, car washes, laundries and the irrigation of fruit and vegetable gardens (AWARD: undated).

How 'domestic' water fits into productive livelihoods: a case-study from Zimbabwe

In rural Zimbabwe the cultivation of vegetables, fruits and other crops in family gardens has a long tradition. Gardens support food security and improve nutrition of course. But in a place where there are few sources of cash income for rural families, the relatively small but regular sums of cash that can be earned from sale of vegetables from gardens are also important.

Not everyone has access to land and a garden in a suitable place close to a water source, and many of the water sources are not very reliable. They dry up during the winter season and after years of poor rainfall. A water supply project – 'the collector wells project' – aimed to develop reliable community sources that could meet the needs for safe, domestic water but also provide enough water to irrigate a community garden.

These productive water points needed to yield more water than most conventional boreholes - 15m³/day. This was achieved by digging large diameter wells, and drilling horizontal boreholes to exploit the shallow groundwater table caused by local geology. In these hard rock areas, it was decided that deep boreholes would not provide enough water.

In other places and situations, higher yields for multi-purpose supplies can be achieved in alternative ways (and cheaper conventional boreholes with lower per capita costs have proved easier to scale-up). Reliability of the sources is a key factor though. During a severe drought in 1992, garden members at the first scheme were able to benefit from higher prices for irrigated vegetables, (although they reduced the area cropped to save water), as well as having sufficient domestic water supplies, because the water supply was highly reliable.

The community gardens developed are typically around 0.5 hectare in size, and each of up to 50 member families has several small vegetable beds. Crops are cultivated and watered individually by members, but some decisions are taken collectively: for example, which crops to grow, how to manage limited water supplies and how to tackle pest problems. Crops grown include leafy vegetables, tomatoes, onions and often an early crop of green maize to catch good prices at the start of the season.

Waughray *et al.* (1998) showed how money earned is often invested in saving schemes or other ventures, such as dryland cropping or petty businesses like buying and selling clothes. Household or community-managed gardens therefore contribute significantly to the overall local economy.

(Lovell, 2000; Lovell *et al.*, 1988; Waughray *et al.*, 1998; Moriarty, 2002)

Water as a natural resource is a critical factor in the lives of the rural poor of the Eastern Cape (and South Africa generally), and problems related to scarcity of water resources are evident in many villages. Besides lack of access to water, rural communities also face problems related to water security. Inadequate water security has consequences in terms of ill health that undermines family livelihoods. Women, traditional providers and users of water are most affected by this lack of access and security. It is also clear that management of water resources and the delivery of water services are central to the rural economy in order to reduce poverty. Since water is essential for human survival and socio-economic betterment, it is important that it is harnessed and managed in an integrated and equitable manner so as to meet the demands of competing water users and water use sectors. While reservoirs have been constructed and boreholes developed in many places there has been growing concern by communities about the failure to meet water needs and security in the poorest villages.

While technical solutions and broader scale water resource management by decision-makers are important, villages need to develop their own vision for water use and security, to increase their active role in planning and management. What is needed is a more holistic and integrated approach to water planning that is based on an understanding of peoples' livelihood strategies and the role of water within them. This could achieve increased village level water security and improve poor people's livelihoods through more appropriate planning and management of water. To adopt such an approach it is clear that integration and collaboration between different government departments and non-government agencies is needed. South Africa's stated commitment to "cooperative governance" offers the opportunity, particularly because mechanisms to give meaning to this concept remain poorly developed (AWARD: undated).

2.7 The Impact of Water Services on LED

Until recently, the multiple benefits of domestic water supplies had not received as much attention as they deserved. The traditional view of domestic water as largely a 'public health' benefit persisted even beyond the 1980s when international agencies continued to focus on 'clean drinking water and adequate sanitation' as a key right and development goal.

Now a broader range of non-health benefits have started to be recognised and targeted in an increasing number of studies and reports. Linkages between water and livelihoods have been explored in a series of meetings and initiatives. A recent evaluation by WaterAid – an NGO specialising in domestic water supply and sanitation (WATSAN) – of some of their older water supply projects, found that a much wider range of benefits were reported by beneficiaries than had been expected or targeted at inception.

“Before the construction of the water project, the women hauled water to the houses from waterfalls or from small springs. It was used for food preparation, drinking and bathing the young children, as well as for the family gardens close to the house and for the domestic animals: horses, cows, chickens and pigs. To wash the clothes, the women had to go to the river. The older children, adolescents and adults would go to the river to bathe, or else use the waterfalls. After the construction of the system, the water from the system was used for drinking but also for washing and bathing, for the family gardens, domestic animals and sometimes for coffee processing.” (Schouten and Moriarty: 2003)

Ensuring water security for health and productive activities is one of the most effective ways of improving equity and reducing poverty through water management. Rural non-farm incomes are increasingly recognised as being a key component in the livelihoods of poor people. In many sub-Saharan African countries there is evidence of a shift in rural livelihoods away from agriculture. Water needs in rural areas are then not just for a bucket to wash, clean and cook at home after a hard day in the fields; the supply is required to fit in with changing and sometimes new roles. In this vein, a recent study in Nicaragua found that access to drinking water and electricity strongly influences earnings from non-farm self-employment, and along with at least a passable dirt road, appear to be prerequisites for successful rural business (Corral & Reardon: 2001).

Improved water supplies can lead to both direct and indirect opportunities for improved productivity. More water, of better quality and provided more reliably, can provide the water needed for productive activities such as irrigation of a backyard or community vegetable garden or for micro-enterprises such as hair salons or brick manufacture. Indirect gains may sometimes be even more important than direct benefits in that they can apply to both water-based and non-water-based activities where saved time and money can be invested in activities that bring positive returns to capital or labour.

An important study in Gujarat, India (James et al: 1992), showed how significant improvements in incomes were achieved when an improved water supply that saved women's time was combined with promotion of handicraft-based rural enterprises. These enterprises did not significantly depend upon making productive use of domestic water but the better supply enhanced productivity through time savings. This project illustrates the utility benefit of water but the important message is that just providing the utility was on its own less effective than doing so in conjunction with a programme that supported the women in making use of the time saved. It demonstrates a livelihoods based approach which realised that time and timely access to other key assets is a prerequisite to making money. In order to maximise the benefits of the improved water supply it was necessary to address constraints associated with these other assets (IRC: 2003).

One of the key factors to consider when linking water supply to LED initiatives is the cost/ benefit ratio of providing mixed supplies. Providing domestic water can be expensive especially when treatment, pumping or piping is required and additional infrastructure to provide higher levels of service is the most obvious extra cost. Although savings are often possible by utilising local groundwater sources or low cost technologies such as rainwater harvesting it is not always clear as to whether the extra costs justify the benefits.

A study in the Bushbuckridge area, South Africa (Perez de Mendiguren and Mabelane, 2001) showed that economic returns from productive uses of domestic water were relatively high. Even in this 'rural' area (being a former homeland it still has fairly high population densities), benefits ranged from R8 - R16 per m³ for vegetable gardens and fruit trees (the most common use of 'extra' water) to R960 – R1280 per m³ for beer brewing and ice block making.

It is important to realise that taking into account the need for productive as well as domestic water supplies does NOT necessarily mean providing water for both sets of needs from a single tap (or borehole). In many situations providing for productive water uses separately from domestic water supply makes more sense. There are places, for example, where community gardens with dedicated sources, or small dams for livestock to drink, will be the best choice, or where vegetable gardening needs can most easily be met by rooftop rainwater harvesting while domestic water comes from a standpipe. Nevertheless, economic analyses suggest that in many cases it is more cost effective to pay the incremental costs related to one higher yielding system. This applies particularly when the high costs of investing in reticulation are taken into consideration.

There is no 'right' answer to this - the financial and economic 'balance-point' will be different depending on system size and, for example, the degree to which treatment may be necessary. Apart from these engineering related issues there are important social advantages to utilising domestic water supplies for productive uses. It is now almost universally accepted that domestic supplies should serve everyone including the poor. Usually they do have access but there are exceptions, as in some parts of India where caste rules can raise problems at water points. Elsewhere powerful individuals or elites can make access more difficult by exerting pressure to site infrastructure like handpumps and taps closer to their own homes. When separate supply systems are used to service productive uses these problems can become more pronounced; community gardens or irrigation schemes served in that way can often be purely the preserve of the elite. Including productive uses under the umbrella of the domestic service provision is therefore a key channel to reaching the poorest and most marginalised (IRC: 2003).

Sometimes improved water supplies alone may be sufficient to stimulate productivity through the opportunities to do new things with more water and to save time and money. More often there will be other constraints

that limit opportunities and productivity, especially for the poor. Credit is an obvious example.

Some of the other possible constraints to putting better water supplies and time and money savings to best use include:

- availability of labour
- skills
- infrastructure
- equipment
- presence and knowledge of markets for products and services
- transport
- quality control standards.

The assets in question are often those held in common by the community. Equity considerations would require analysis at community, group, household and individual levels. These are all aspects that application of a livelihoods-based planning approach will identify.

Water supply projects can and should broaden their focus to address *some* of these other constraints. But no one can be an expert at everything so increased co-ordination and cooperation with other sectors and actors is essential. Sometimes this may only mean putting water supply beneficiaries in touch with other schemes and initiatives, for example, providing beneficiaries with information about micro-credit schemes operating in the area. In other cases more strategic action may be needed, as with the development of Integrated Development Plans. Either way, by focussing on the assets and strategies available to people, on the factors that facilitate or constrain access and choice respectively and on determining how water might contribute to their livelihoods, impact can be greatly increased (IRC: 2003).

Productive use of domestic water may not always be positive or desirable. An example is the irrigation of low value crops like cassava on some relatively large plots (up to an acre) around houses in villages and towns in the Nkomati area of South Africa close to the Mozambique border. While it does provide food for some relatively poor families it does not produce that much income compared to the cost of piped water supplies. And this additional demand causes problems for domestic water users at the tail-end of the system and in the higher parts of the towns.

Clearly there are limits to what is desirable. Demand for water for productive uses needs to be managed and the uses themselves must be assessed. The following example illustrates a situation where demand needs to be managed. *“The water committee in Belén, Guatemala, faces multiple simultaneous problems..... The population grows as people migrate into the area due to the violence in the country. New taps are connected without taking into account the capacity of the source. In addition, more and more water from the system is being used for productive purposes such as watering cattle and coffee production.”* (Schouten and Moriarty, 2003)

Without a doubt higher value uses that produce the greatest economic benefits are to be preferred. But the distribution of benefits is also important. On social grounds the beneficial use of water by poor people, who may not be served by other systems and for whom any diversification of livelihoods is critical, and should be encouraged. By explicitly recognising that productive uses are inevitable it is possible to take account of these uses structurally and to include them in demand management strategies.

The most obvious measure to manage demand (and to finance investment in better services) is charging for water. In South Africa recent water policy proposes that productive activities should utilise water services on a full cost recovery basis while water for basic domestic needs (up to the equivalent of roughly 25 l/p/d) is free. In practice it is likely to be very difficult in some circumstances to charge for water used for informal homebased activities, especially where cost recovery systems are not already in place for domestic water. By their very nature these activities may be occasional, irregular, or seasonal. Enterprises with their own premises and operating formally and more regularly can be much more easily charged for water. There is a strong case therefore, on both equity and practical grounds, for tariff-based subsidies to facilitate productive water use by the poor (IRC: 2003). An additional problem facing rural communities in South Africa is that in many cases the “free basic water” policy has not been implemented in these areas due to administrative and management problems within the responsible local municipalities.

The issue of ability to pay is a serious one with the potential to undermine the development of sustainable water supply systems. By explicitly dealing with the productive and domestic aspects of a water supply project at inception, it is much easier to convince communities both of the need to pay and to provide them with a means to do so.

2.8 Potential Problems and Negative Impacts

Like anything else, productive uses of domestic water have potential risks as well as benefits. As they become more formally and widely adopted, new problems will undoubtedly emerge. A number that can already be identified are briefly discussed here. Perhaps the most obvious risk is that of overloading either the system or the available water resource. This is often caused more by the failure to take productive uses into account during system design than by the productive uses themselves.

Another significant difficulty is that of competing interests in society and inequitable distribution of benefits. There is potential for these gains to be captured by elites at the expense of poorer or less powerful people. This is of course a familiar and fundamental issue. It can be addressed by developing a good understanding of the power relationships between the different constituencies (e.g. elites and poor groups) and the source of any

derived powers (e.g. patronage systems, caste, corruption) before an intervention is made. Livelihood approaches can provide for this.

Interventions might then be modified or based on certain ground rules or conditions that need to be willingly adopted by communities before engagement takes place. Once acceptable agreements have been established, a design and planning process expressly incorporating productive uses can go a long way to ensuring an equitable distribution system.

Taking livelihoods approaches to scale requires governments and responsible ministries to change their approach. Much of that change is already underway through decentralisation and deconcentration of responsibilities. Policy and legislation such as that from South Africa shows the way, with devolved decision making and legislative encouragement to break down sector barriers. Probably the single most crucial legislative change is the acknowledgement of productive uses in national domestic water supply legislation and in related domestic water supply norms. Without this, those working in line ministries will continue to find it difficult to take up the challenge of incorporating productive uses into the mainstream. But this will just be a start. To take advantage of the opportunities offered by changes in legislation it will be necessary to incorporate designing for productive uses of domestic water into training programmes and curricula. For this to happen, a wider range of experiences and models will be needed. In addition there remains a need for larger, more detailed case studies to underpin the redesign of norms, tariff structures and economic models, and for tools to support system designs that incorporate productive uses (IRC: 2003).

2.9 Implications for Water Resources Management

Accepting the potential for productive uses of domestic water clearly means a need for more water for small-scale users even if sound principles of demand management are employed. As well as imposing demands on infrastructure to supply water and management systems, it is likely to mean greater abstractions from aquifers, rivers or reservoirs, or more contentiously, a need to reallocate existing abstractions. These issues need to be considered within an IWRM framework that also looks at potential impacts on downstream users and the benefits associated with alternative uses. Such matters will be particularly important in water-scarce river basins.

Productive uses of domestic water often relate to the less-visible informal sector and do not fit neatly into the categories in which most sector professionals have been trained. These uses may fall between domestic needs – invariably given highest priority – and the needs of industry or agriculture which come next and are typically represented by powerful well organised bodies. Productive users of domestic water on the other hand are scattered, poorly represented, and therefore easy to overlook.

It is argued that productive uses of water for the rural poor should be given the same priority as domestic uses. They should not normally be subject to the same allocation processes as water for 'commercial' use – provided of course that appropriate demand management and water saving measures are in place. A proportion of water for productive use should therefore be included in rights based allocations. This argument is based primarily on principles of equity but it is also underpinned by the hypothesis that a proper economic evaluation of water use will – as is already acknowledged to be the case with clean drinking water – show that small scale productive uses are far more economically important than other uses (IRC: 2003).

An integrated approach to the needs of those using water, possibly including some domestic water, for multiple purposes, is very much in line with the integrated and holistic aspects of IWRM. This applies especially to poorer groups and households. The boundaries between water supply projects providing water for drinking and other domestic uses, agricultural departments supporting community gardens, and departments of autonomous parastatals supporting larger scale irrigation schemes, are becoming increasingly blurred. In some cases it will make sense for rural and urban water supply projects to support productive activities in the household or provide water for community gardens at the same time as improving piped water supplies to homes and communal taps. In other cases, it will make sense for irrigation projects to provide resources and infrastructure for domestic needs and other productive activities in and around the household (IRC: 2003).

2.10 Water Rights for Rural Communities: a Challenge

The factors that affect access to water supply in the rural areas include the availability of a suitable water source and the affordability of the scheme for the community. Most rural communities are still not benefiting from the free basic water policy due to the problems of implementation of this policy in rural areas. Other challenges are introduced by changes in water and sanitation policies developed by the Department of Water Affairs and Forestry. The financial contribution required by rural communities also raises the question of affordability. And there is a need to establish tariffs according to affordability in each community and how these may impact or facilitate the LED component in water services delivery. Planners and local government institutions need to take into account how water services delivery can be engineered towards ensuring that local economic development principles are catered for.

2.11 An Integrated Approach to Local Economic Development

Local Economic Development is a principle set out in the Provincial and Local Government White Paper to identify sustainable ways to meet the needs and improve the quality of the lives of local communities. The LED

principle characterises what is known as developmental local government. LED principles and the notion of locally driven development resemble the RDP principles of community-based development, (Nel: 2000).

Municipalities are the authoritative body that oversees the vision for the local economy. In order to do this they need to form partnerships with local business to maximise job creation and the reduction of poverty in its jurisdiction.

Thus, local municipalities have to create a framework that enables them to develop their own strategies to meet local needs and promote social and economic development of communities. In order to do this, these municipalities need to be capacitated and transformed to play a more developmental role. The role played by National government is to support municipalities to enable them to utilize options and tools put forward in this White Paper for them to play a more developmental role.

The inter-related characteristics of developmental local government are set out in the White Paper of Local Government (1998: p.18):

- Maximise social development and economic growth
- Integrated and coordinating
- Democratising development
- Leading and learning

The major social, political and economic challenges that face the South African government are as a result of factors such as increasing demand for municipalities to deliver services, rising unemployment and the influence of apartheid on the geography of the country, (Joseph: 2002). Rather than practicing development “to and for people”, LED emphasizes that development must take place “with and by people”. These approaches are meant to concentrate on the importance of forming partnerships to identify and implement innovative and collective solutions.

If unemployment and poverty alleviation are two of the greatest challenges facing government and millions of people are without basic services, (Joseph: 2000), then how do we use the provision of basic services as a stepping stone towards achieving networked communities and the building of a strong economy for the rural poor? The provision of water services to communities is one of the critical activities of local government. Water services and supply directly affect the lives of each and every person in this country.

There are a number of other factors identifiable in water services delivery that either impact on or facilitate Local Economic Development Planning in the Eastern Cape. These factors may or may not be directly linked to water services but are rather contributing factors towards achieving an integrated approach in the development of rural areas and improving livelihoods of these rural communities. The relationship between rural

economic development, water services and their livelihoods are indicators towards elimination of poverty and job creation.

2.12 Rural Livelihoods³ and Poverty Reduction

According to Gabriel (1991), the change in use of resources, such as water and land brings about a change in social relationships. This may have serious repercussions for rural development objectives, especially on benefits identified for communities. He argues that rural development includes an element of production and reproduction, especially if the household is the basis of rural work. For example, in development there is an economic perspective (production of goods and services); social (range of services and opportunities for end beneficiaries) and human (developing people as individuals and in communities and use of their skill and knowledge in forming their own society).

South African statistics show that the majority of people live in rural areas, which are then the workplace for the majority and supposedly suppliers of the most essential of development's raw material. However, poverty, isolation and lack of basic resources are what characterise these areas. Rural development integrates economic and social objectives in order to create better and more secure livelihoods for rural communities (Gabriel: 1991). This necessitates the development of a framework that will act as a guide towards establishing a sustainable link amongst the identified factors and areas of concern.

A micro-economic perspective is needed in dealing with the rural economy, which may be contrary to the macro-economic policy of the national government. The rotation of economic services and goods within local communities can be an indication of a more productive social and sustainable transformation.

2.13 Women, Water and Local Economic Development

Water is fundamental to the well being of men and women and sustainable rural livelihoods. Interventions that change the control, use of, and access to water resources inevitably raise gender equity issues and opportunities. Water projects are often complex and require working in a multidisciplinary institutional environment involving engineering, agriculture, health and financial specialists. Each technical field has its own professional norms, working processes and culture, which may affect and impact differently on men and women.

³ "A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable.....or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base, (Carney, 1998)

Declining water quality and fluctuating supply add to women's workloads and erode well being, especially for the poor and female headed households in marginal conditions. There are often gender differences in access to and control over water resources and these are important elements to consider in development programmes especially where interventions may change the value of the resource and reduce women's access.

There are various issues that need to be considered and addressed when looking at gender in a livelihood context, and these include the following (DFID: 1999):

- Who has control of and access to existing and new technologies and water resources?
- Will technology be appropriate to local skills and production and maintained locally, or reliant on access to external services and expertise?
- How are facilities and services relating to wise water use and management currently provided and what differences in access and uptake exist for men and women of different social groups, wealth, status and locations (e.g. extension advice, water saving technologies, safeguarding local water quality, access to suppliers of technology)?
- How will changes in service provision and facilities impact on men and women (such as, changing the scale of resource management from a village to catchment and habitat basis, privatisation of supply, establishment of management and user groups) and what can be done to mitigate negative effects?
- How do mechanisms of financing and cost recovery accommodate and affect men and women and control (long and short term) of water resources (e.g. access to credit, potential for sliding scale of charges based on consumption)? What account has been taken of differences in wealth, ethnicity and location for men and women from different groups?

An IIMI study of a farmer-managed irrigation system in Nepal showed that the discrepancy between women's involvement in irrigated agriculture on the one hand, and their absence in water user organisations on the other negatively affected management performance. *De facto* female heads of farms used more water than their official entitlement, while at the same time contributing less labour to maintenance than they should. This occurred because it was difficult for the system's organisers to enforce their rules on women, who are not members. Although non-membership is thus in the interest of female farmers, because it allows them to become free riders, the long-term sustainability of the irrigation system is at risk. (Zwarteveen: 1995).

Gender is an integral part of rural livelihoods development. Gender in itself has critical implications for development such as inequality in terms of power, decision-making, control over events, freedom of action, ownership of resources, and so on (Ellis: 2000). Gender is also a hindering factor in

terms of training and technology for women. Women are often associated with home economics and reproducing children, and less with agriculture and development projects (Gabriel, 1991). Even though women are active in agricultural work, due to commercialisation of agriculture and landlessness, they are again disadvantaged and have generally been excluded from the cash economy. The money generally goes to men, and is often not spent on improving family health and nutrition.

In short, women are disadvantaged in the economy because:

- They are economically dependent on men
- Women are denied access to new technology and practices
- Modernisation can affect women's roles and status because economic growth increases the power and wealth of already powerful groups, e.g. men and landowners
- The role that they play as child-bearers and child-rearers reduces their economically productive time
- The gap in literacy and education levels between men and women means that women are disadvantaged.

In as much as displacement of women from traditional to income-generating activities can have serious implications for family welfare, this process is however, crucial in the democratic development of a community.

2.14 Water and Socio-Economic Benefits

The international experience of socio-economic factors in water-related development, especially in Ghana and Sri Lanka reveal that the rural economy is inextricably linked to agricultural production as the engine of growth but agriculture alone is not sufficient to sustain rural livelihoods. Research conducted globally has shown that generic economic elements relating to farming systems are as important for production, as access to land rights, access to production inputs, equipment, breeding stock and on-farm infrastructure; credit for the former; access to markets; research and extension of relevant, appropriate and improved technology; and off-farm infrastructure. In research on rural domestic systems, it is shown that access to health services, education services, concomitant social infrastructure, access to potable water and fuel sources are deemed necessary elements.

Although water is a basic need, the supply of water also has an economic aspect to it. Stilwell & Atkinson (1999), note that, "putting money in the hands of the poor, with the concomitant growth prospects will lead to increases in investment at the expense of savings, but not necessarily to an imbalance between savings and investment." The point here is that the economy in the hands of marginalised people does not necessarily mean spending but it acts as an investment or economically viable opportunity.

The contribution of agriculture to the economy in South Africa is well documented and the effect of drought shows the dramatic impact that agriculture can have on the economy. The contribution of small-scale farming should not be overlooked, as evidence shows that with the necessary support, it could make a significant contribution to food security and economic growth.

The relationship between natural resources and sustainable development is of particular concern. Key elements such as water and energy are identified as important inputs in the production process of the South African economy. Although the debate has been taking place mainly from the macroeconomic viewpoint, it affects the microeconomic perspective in so far as economic development programmes are concerned (Goldblatt & Davies: 2002).

2.15 Energy for Rural Areas

In order to make optimal use of water for LED in rural areas, the availability of energy sources for the operation of water schemes must be addressed in these areas. The lack of access to energy also affects essential domestic, agricultural, health and education sectors. The principal obstacles to supplying energy are: the limited distribution network and the high initial costs of extending it, recurrent cost of conventional energy supplies and the lack of information for poor people about possible sources of finance. The costing of power infrastructure for water services delivery is crucial in the planning process of district municipalities. The new emphasis on integrated energy planning will lead to synergy between development and fuel delivery that recognises the multi-faceted nature of rural energy needs (Department of Land Affairs: 1997).

2.16 The Role of Local Government in Rural Areas

In general the role played by local government in the democratic process is to promote pluralism, participation and conform to principles and values of public choice. The latter view allows people the opportunity to take an active part in government. Thus local government provides services in accordance with local needs and preferences, rather than according to uniform standards as identified in the national agenda, (Bailey: 1999). This in turn means that local needs and preferences must be locally defined.

It is in the hands of local government to maximise the economic welfare of local people and create job opportunities for them. This improves the standard of living of the poor by providing them with basic services, thereby improving their quality of life and making it more productive. From a broader perspective, the creation of local democratic institutions strengthens capacity building both from local and national spheres,

thereby providing sustainable long-term economic development (Bailey: 1999).

In summary, the economic role of local government is to allocate, distribute, regulate and stabilise its relevant roles/duties. Resource allocation is the primary role of local government. The degree of political decentralisation can be measured by considering the following factors:

- The range and importance of functions undertaken by local government in their own capacity rather than as agents of national government;
- The legal basis for local government autonomy: vested with general competence powers to undertake activities not expressly prohibited or assigned to other levels of government or whether it can only undertake such activities as are explicitly authorized by central government.
- The proportion of public expenditure accounted for by local government net of necessarily national expenditures; assuming that local governments are not simply acting as decentralized administrative units for national government
- The degree of dependence of local governments on intergovernmental grants: local autonomy being less the greater the proportion of local revenues derived from central government and the greater the proportion of that revenue in the form of conditional grants for specific services rather than general grants for the generality of services, (Bailey: 1999).

The White Paper on Local Government (1998) gives rise to the notion that there is a boundary created between rural and urban areas and inequity in resource sharing. Although rural areas contribute to the economy of urban areas, they do not benefit from the resources in these areas.

As a result of various historical and current problems, South African municipalities face enormous challenges which include the following:

- Huge backlogs in service infrastructure in historically underdeveloped areas require municipal expenditure far in excess of the revenue currently available within the local government system.
- Creating viable municipal institutions for dense rural settlements close to the borders of former homeland areas, which have large populations with minimal access to services and little or no economic base.
- Creating municipal institutions which recognise the linkages between urban and rural settlements. There are a wide variety of urban settlements, ranging from those that play the roles of local or regional service centers (supplying services to rural areas and other towns), to functionally specialised towns and administrative centers (found in former homelands). Almost all towns are functionally linked to rural areas, relying on their hinterlands for productive

economic activity and providing critical centers for the delivery of social services.

- Entrenched mode of service decision-making, administration and delivery inherited from municipalities geared for implementation of urban and rural apartheid.
- Substantial variations in capacity: little or no pre-existing institutional foundations to build on.
- The need to rebuild relations between municipalities and the local communities they serve: sensitivity to needs of marginalized groups, responsiveness and accessibility to vulnerable groups.

2.17 Integrated Sustainable Rural Development Strategy (ISRDS)

A major policy area impacting upon local economic development is rural development. The Government published the Integrated Sustainable Rural Development Strategy (ISRDS) in November 2000. The strategy is designed to realise a vision that will “attain socially cohesive and stable rural communities with viable institutions, sustainable economies and universal access to social amenities, able to attract and retain skilled and knowledgeable people, who are equipped to contribute to growth and development.” In particular it focuses on a bottom-up approach to rural local economic development.

The implications of the ISRDS to local government and councillors are the people's full involvement and ownership of development. People need to be active participants and not merely beneficiaries of projects. Rural people need to understand the importance of their contribution to developing the nation and improving the lives of the nation, their communities and their families (Joseph: 2002).

According to Joseph (2002), the key elements prominent in the ISRDS are rural development, sustainability, integration, economic growth and rural safety nets. Rural development is seen as multi-dimensional and covers all sectors and aspects of life of the rural community. This whole process, at the end, must be able to transform social, political and economic spheres to enable rural people to alleviate their poverty and improve their own lives.

Specific issues within the rural development framework include the debate around how “local” economic development is in the rural areas and the link between what can be afforded and the available infrastructure. According to Munnik (1997), “rural economies can be built through specific strategies spelt out in the rural development framework”.

This framework includes:

- Promotion of local circulation of cash;
- Organised rings of mobile markets, where services will be provided on market days;
- Implementation of land reform for more smaller farms leading to local markets and local demand;
- Promotion of local economic growth through reconciliation – and an intensification of local economic linkages between small towns and the rural areas that surround them.
- Creation by municipalities of commonages and the leasing of small parcels of land for food production.
- Promotion of small, medium and micro enterprises using the bases of agriculture, forestry, tourism and labour intensive public works.

3 FINDINGS FROM SURVEYS and RESEARCH

3.1 Business Plan (BP) Review

The BPs for the water projects at Vaalbank and Peddie were reviewed in order to ascertain whether any LED factors had been identified during the planning phase of the projects.

The following LED factors were identified and used during the BP review process:

- Income levels and sources of income
- Development projects and plans
- SMME and local entrepreneur development
- Labour based construction

A. Vaalbank Water Supply Scheme (Phase 1)

Introduction

The Business Plan (BP)⁴ for this project was compiled in January 2002 and is a detailed plan for the implementation of the project.

The BP was reviewed in order to identify LED factors contained therein, and a number of relevant sections are detailed below.

Community Profile

This section deals with the aspect of income levels and sources of income within the community and notes the following:

- Most households can be considered as very poor
- The average monthly income is below R500
- The majority of residents subsist on migrant labour remittances and pensions
- A handful of community members are farmers, teachers and shopkeepers
- Approximately one third of the people of working age are unemployed

Other Development Projects and Local Government Development Plans

The BP further notes that there is very little evidence of any other development projects in the area and that the water project will therefore be an important development project whose socio – economic potential will be of much benefit to the entire area. The BP states that the water

⁴ Business Plan-Phase 1 (Lower Vaalbank), Amanz' abantu Services (Pty) Ltd. January 2002

project is part of the District Municipality's Integrated Development Plan (IDP) for the area.

SMME and Local Entrepreneur Development

This section of the BP contains references to the possibilities of employing emerging contractors to work on the project. The availability of these contractors would be determined at the time of construction start – up in consultation with the District Municipality.

The development and training of the emerging contractors would be based on the actual needs required and according to the BP might include estimating, tendering, planning of works, ordering and purchasing of material, recruitment of labour, as well as site administration.

Labour Based Construction

The BP notes that a Labour Desk for the project will be established and that labour will be sourced through this Desk. It is stated that labour would be employed from communities along the route of the pipeline and associated villages and that men, women and youth would be employed.

In July 2002 an addendum to this BP was prepared by Amanz' abantu. This addendum incorporates Upper Vaalbank in the project (Phase 2) and contains very similar information to that detailed above.⁵

Conclusion

The above mentioned BPs refer to the poverty and unemployment in the areas for which the water supply projects are planned and also note that some employment/jobs will be created during the implementation phase of the projects. There is, however, nothing in either of the BPs that mentions LED as anything other than short term job creation. The BPs do not examine how domestic water supplies can become productive and how this can contribute to peoples' livelihoods, particularly those of women and the poor, thus increasing the impact of the intervention. In fact it is clear from the review of the BPs that the projects are intended to deliver water only for domestic purposes.

B. Peddie Regional Water Supply Scheme (Phase 1)

Introduction

The Business Plan (BP)⁶ for this project was compiled in July 1996 and is a detailed plan for the implementation of the project. An Addendum to this BP was submitted in January 1998.⁷

⁵ Business Plan-Phase 2 (Upper Vaalbank), Amanz' abantu Services (Pty) Ltd. July 2002

⁶ Peddie Regional Water Supply Scheme (Phase 1), Amanz' abantu Services (Pty) Ltd. July 1996

Both the original BP and the addendum were reviewed in order to identify LED factors contained therein, and a number of relevant sections are detailed below.

Aims and Objectives

The BP states that the aim of the project is to provide Peddie and certain rural villages in the district with a safe and secure water supply.

It should be noted that no community profile was included in the BP and it is therefore not known what the estimated levels of poverty and unemployment were before implementation of the project.

Education, Training and Capacity Building

This section of the BP refers to construction skills training for community members in order that they can be employed on the project. In addition, local emerging sub – contractors would be used for the construction of specific components of the project.

Employment Policy

The BP notes that the employment policy will adhere to the principle that the most needy within the beneficiary communities should be provided with employment opportunities. The most needy would include single headed households, the unemployed and youth. The employment policy would also ensure equal opportunities for women.

Conclusion

Once again the BPs that were reviewed make mention only of short term job creation for community members and do not refer to LED in terms of sustained development that would alleviate poverty and create more and better jobs.

It seems clear from the review of the BPs for both Vaalbank and Peddie water supply projects that LED in the beneficiary communities was not an issue that was either expected (by DWAF) to be covered, nor was it an issue that the authors of the BPs considered.

It should be noted here that DWAF had developed a Generic Format for the submission of Business Plans that had to be used for all project Business Plans. This format did not require LED issues to be discussed and thus it is to be expected that service providers did not refer to this issue in any detail.

⁷ Peddie Regional Water Supply Scheme (Phase 1) Addendum, Amanz' abantu Services (Pty) Ltd. January 1998

3.2 Household Surveys

An evaluation of water services programmes in six selected communities in the Eastern Cape was conducted. The six communities are situated in the Chris Hani, OR Tambo and Amathole District Municipalities.

The surveys were conducted in 6 rural villages within the 3 District Municipalities. Twenty households were selected randomly from each village and a response rate of 65% was obtained. The population sample totaled 685.

The results obtained from the household surveys are as follows:

3.2.1 Demographic Details

Information regarding the structure of the households, gender differentiation, employment opportunities and skills available were obtained from the study. Information on educational levels versus skills available was sought in order to delineate the situational possibilities for development. Age groups within households, gender of people living in a household and income distributions were used as an indicator.

The average number of people per household in all the villages surveyed is 4.25 as opposed to an average of 7.65 in Coffee Bay. The family structure in most households extends to great grandchildren and there is generally limited income and high unemployment rates within the households surveyed. 55% of household members are females.

The education levels in the households surveyed average out at 31.7% having an education level of between grades 3 and 5. The exception to this is Peddie, where 33% have an education from grade 6 to 9 and 34.1% at grade 10 and higher.

3.2.2 Sources of Income

The study revealed that the majority of households are dependent on government pensions and child grants in terms of income; there is also support from family members who are working outside the area.

Locally based income sources vary from shop keeping, sheep shearing and brick making to selling liquor. Some of these activities require water, with the amount required ranging from 1L - 80L a day depending on the activity performed. The income related to these activities varies between R50 and R1500 per month.

In general, the money earned is divided amongst household activities, farming and agricultural-related activities such as purchasing crop inputs, livestock and livestock inputs.

According to the respondents an average of 10.2% of people are actively seeking employment.

Most of the households surveyed reported that their main sources of income are:

- Pensions (56.1%)
- Child support grants (7.7%)
- Salaries and wages (32.7%)
- Remittances (3.5%)

3.2.3 Performing daily tasks

Respondents were asked to list their daily tasks and estimate the average time spent on these tasks:

Tasks	Villages (average hours spent daily)					
	Dwesa	Peddie	Qoqodala	Vaalbank	Qunu	Coffee Bay
Formal employment	10	7	8	8		9
Fetching water	3.5	2	3	2	2	2
Fuel/Wood Collection	3.5	2	4	8	2	2
Cooking	2	2	2	2	6	2
Visiting friends	6	2	1	1	1.5	2
Employment outside home	5.5	2	12	8	9	2
Community meetings	3	3	3	3	3	3
Food production	4	3	5	5	2	3
Livestock	2.5	4	3	4	2	4
Childcare	6.5	3	7	4	2	3
Other housework	3	3	3	5	4.5	3.5
Other (community work, relaxation, schooling, voluntary work)	5	4.5	3	5.5	2	4.5

Table 1

3.2.4 Livestock and Crops

According to the results of the survey 92.6% of respondents own livestock. The average per household can be broken down as follows:

- Cattle - 4.4
- Goats - 10.9
- Sheep - 19.3
- Pigs - 3
- Chickens - 15

The average perceived consumption of water of the different types of livestock is shown in Table 2 below. It should be noted that the quantity of water consumed is dependent on the type, age and size of livestock, the season and the accessibility and availability of water.

Type of livestock	Approximate average daily consumption of water (litres)
Cattle	25 – 40
Sheep	5
Goat	2 – 5
Pigs	2 – 10
Chicken	250 ml – 1

Table 2

Dams⁸, rivers, ponds (inside yards) and streams are used for watering cattle, goats and sheep. Tanks and tap water sources are used for chickens and pigs. According to the respondents, the sources of water used for livestock were shared with community members prior to the implementation of the water schemes.

The respondents indicated that they face a number of challenges regarding the identified water sources for livestock including: drying up of sources during the dry season and non - functioning water taps as a result of damaged pipes etc. The results of the survey indicate that livestock losses are encountered as a consequence of these factors.

Fifteen percent (15%) of respondents have household gardens with sizes varying between 52m² and 1600 m². Crops are planted mainly during spring and summer. Respondents indicated that although the majority of households owned fields in the area, most of them had stopped working the fields. The reasons given for this are as follows:

- Drought (*rated highly*)
- Working (formal employment)
- No fencing – goats destroy crops
- No finances

⁸ In most cases the catchment areas in the villages are referred to as dams.

- Wild pigs brought into the area which destroy crops (*Dwesa Nature Reserve*)
- No facilities and equipment support such as irrigation schemes, tractors, etc.

Problems identified with the planting of vegetable gardens include the following:

- Drying up of water sources (especially in winter)
- Vandalisation of water taps
- Non-functioning water cards
- Having to fetch and carry water over long distances
- Poor quality crops

Agriculture was identified as one of the priorities in all the areas surveyed and the lack of sufficient water was given as the main challenge to developing sustainable agricultural projects and schemes. Other factors identified include the unavailability of ploughing services and lack of finances to hire such services.

Many of the respondents noted that small scale irrigation schemes would assist with the successful implementation of agricultural projects. It is clear from the research that LED issues were not taken into account during the planning phase of the water schemes that were implemented in the villages and that community members were not adequately consulted about their water needs.

3.2.5 Income Generating Activities

One of the key principles underlying LED is to “integrate diverse economic initiatives to local development” and “creating joint business ventures”, (DPLG, 2003). In the communities surveyed, 31% of respondents confirmed that some LED activities had taken place in their villages. Projects noted by the respondents are:

- Brick making - started in the 1990s with the assistance of the Department of Labour (only one person is involved in this project)
- Poultry and garden projects started in 2002/3 (12 people involved in the project and income ranges from R50 – R500 per month)

Three respondents indicated that some of the income - generating activities that are taking place are only possible due to the implementation of the water scheme. However, it was also noted that water used for these activities is strictly speaking “illegal” due to the fact that the water that has been provided by the scheme is intended for domestic use only.

Table 3 below indicates possible employment opportunities in the areas surveyed:

	Employment opportunities				
Village	Industrial	Technical	Mechanical/Electr	Business	General
Dwesa	Miner	Machine Operator	Workshop repairs		Tribal leadership, Cleaner, Weed cutter, River Ranger, Supervisor (Nature Reserve), Taxi driver, Watchman, VHW
Peddie		Textile Operator (also industrial), Timber labourer, Weaver		Cashier, Receptionist,	VHW, Teacher, Nurse, Cleaner, Health Fieldworker
Qoqodala		Bricklayer	Welding		Cleaner, labourer, security, chef, pre-school worker, teacher, policeman, taxi driver, roadworker, painting
Vaalbank		Bricklayer			Cleaner, Watchman
Coffee Bay		Telephone operator		Cashier	Water Maintenance, Cleaner, Security guard
Qunu		Pump operator, Builder	Motor mechanic	Administrator	Pre-school teacher, domestic worker, hawker, security guard, teacher, labourer

Table 3

Current employers/institutions and skills:

Village	Employers	Skills Available
Dwesa	Local Government, Nature Reserve (DEAT), Public Works, Working for Water, body builders, fencing project, fishing, Dwesa Security, water project (WSSA), Copper Firm	Farming, brick making, computers, driving, sewing, project management, cooking (chef), knitting, electrical
Peddie	Hotels, factories, mines, education and health, Farming (pineapples), Coega Development Zone, restaurant, households.	Farming, building, electrical (cell phone repairs), sewing, knitting, cooking, business, project management, arts and crafts
Qoqodala	Shop, contractor, public works, restaurant, school, water sector, taxi, safety and security	Agriculture, knitting, sewing, business, plastering, building, first aid, driving, panel beating, cooking, shoemaking, carpenter, fencing, wool-sorter, thatching
Vaalbank	Health, education, water, domestic, electricity	Business, beer brewing, painting, bricklaying, pipe fitting, welding, woodwork, agriculture, building, knitting, mechanical
Coffee Bay	Self-employed, local hotel, water sector, mining, telecommunications, shop, fishing	Farming, sewing, knitting, candle making, fishing, beadwork, sculpturing, fencing, plumbing, driving, thatching, woodwork, pipe fitting, bricklaying
Qunu	Adult Education, water sector, motor industry, domestic, forestry, furniture shop, mining, museum, security, education	Thatching, building, sewing, plumbing, gardening, driving, brick making, carpentry, grass cutting, electrical, plastering, fencing.

Table 4

The **strengths** in the six (6) villages studied were analysed in terms of skills, human capacity, physical and natural resources. The analysed data reveals that each of the six communities have some strengths that are unique to their own community. Dwesa village has natural resources (livestock) and social skills; Peddie has technical, social and formal skills; Qoqodala has formal skills; Coffee Bay has business-related skills and Qunu has social skills. The study reveals a wealth of different skills available in the communities.

Although the communities under study have numerous skills and resources that range from natural to technical, it was found that these skills and resources are generally not used for economic development and this is a clear **weakness**. The lack of infrastructure in all the villages surveyed makes the situation worse.

3.2.6 Health and Livelihood Strategies

Nineteen households (19.4%) had experienced a death in their families and 63 (64.3%) experienced sickness in their households within the 12 month period prior to the survey.

When questioned about occurrences in the household or community that might have affected householders' lifestyles in the preceding 12 months, thirty four respondents noted incidents that had negatively affected or destabilized their lifestyles. These incidents included:

- Death of family members who were breadwinners
- Death of livestock due to drought
- Strong winds demolishing houses and destroying crops.

These incidents had resulted in a loss of income and a straining of the financial base of the household. None of the respondents referred to coping strategies that had been devised to deal with the situation and stated that they simply succumbed to the new circumstances in which they found themselves.

It is clear from the research that there is little or no understanding of the sustainable livelihoods approach to LED where livelihoods is defined as "comprising the capabilities, assets and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base" (Chambers and Conway: 1992).

3.2.7 Water Services and Support

The six villages that were selected for the study have all had water schemes implemented in their villages. The Peddie water scheme was implemented in 1998, and Dwesa, Qunu, and Vaalbank water schemes were implemented between 2002 and 2003. The water scheme in Qoqodala was implemented between 1993 and 1997.

During the planning and institutional arrangement phase of the projects, both women and men participated. Villagers were involved in the implementation of the water scheme and benefited considerably through the short term jobs that were created. One committee member commented that the water scheme had improved the standard of living in the village. In addition to the temporary job opportunities that were provided, a small number of community members had their contracts extended to the post-implementation phase where they were employed for O&M tasks.

The majority of respondents indicated that they were consulted on the following issues during the planning phase of the water project:

- The need for a water scheme

- Location of standpipes (mainly through the PSC)
- Allocation of project tasks
- Payment for working on the project

Table 5 below outlines the responses to the question “What do you think was the main reason that this community needed the water scheme to be implemented”

Village	Reason
Peddie	• Traditional water sources (dam and river) are far from the village • Water was unhealthy and dirty as animals were also using the same sources • During dry seasons, the sources dried up. • Windmill was not working • Relied heavily on rain water and tanks • Aged people died because of distance when fetching water. • Increase in crime (especially rape)
Dwesa	• Poor quality water (dead animals found in rivers and streams) • Cholera was prevalent. • Water related diseases as a result of unsafe and contaminated water • No nearby water source except Nqabarha River (people had to pay money to hire transport to fetch water) • Shortage of water due to lack of rain
Qunu	• Drought – El Nino • Water contaminated with plastic, faeces, etc • Shortage of water • Poor quality water
Coffee Bay	• Deaths due to cholera outbreaks • Water was salty • No reliable water sources
Vaalbank	• Women had to dig water from underground • Poor quality and taste • Long queues to fetch water
Qoqodala	• Big villages shared water from small streams • Underground water was dark in colour • Water green with “<i>ubulembu</i>” • Water was dirty after heavy rains • Women had to dig water from underground

Table 5

The majority of the respondents (60.2%) said that they are satisfied with the water schemes in their villages. However, in Qunu (65%) and Qoqodala (80%) of respondents are not satisfied with their schemes. Problems noted are as follows:

- Taps and pipes get damaged and repairs are not made timeously
- In some communities there had been no water for up to 3 months
- Constant mechanical damage to engines
- Reservoirs are not large enough to supply sufficient water.

- Payment for diesel is often not made by all community members and this has led to community disputes

All of the respondents claimed that they do not receive Free Basic Water.

The majority of the respondents stated that they need more water than the amount which is provided through the schemes. Due to the restrictions on the amount of tap water available, community members are still using traditional sources of water for the following:

- To “mud” their houses
- Brick making
- Watering gardens
- Dipping tanks
- Sheep shearing projects (to clean the wool)
- Watering of livestock

When asked about existing and potential benefits of the water schemes in their villages, the respondents answered as outlined in Table 6 below:

Existing benefits	Potential benefits
• Water is more readily accessible and available	• Extension of water services for field irrigation
• Increased security and safety	• Water for project activities such as brick making
• Less time wasted on fetching water	• Yard connections for garden use
• Reduction in diseases related to water	
• Drought/dry season is less of a threat	
• Increase in knowledge, skills and training regarding water services issues	

Table 6

In order to evaluate the effectiveness of the planning of water services delivery in the study areas and to determine future water needs, the respondents were asked whether the water scheme had met their current and future water requirements. Eighteen of the respondents answered “no” to this question and stated that the reasons for this are: that the water provided is insufficient; there are no yard connections; water is restricted to household use only and the water does not taste good.

When asked whether their initial expectations of the water scheme had been met, the majority of respondents said “no” and listed a number of expectations that had not been met:

- Yard connections
- Water for agricultural purposes.
- Water for activities such as brick making and plastering
- Proximity of tap stands to houses
- Construction of dams for livestock

Only four income generating activities that use water have been undertaken since the implementation of the water schemes (across all six villages).

The survey reveals that the communities under study have in the main benefited from the implementation of the water schemes. Benefits noted by the respondents relate to having access to water at all times, less time wasted on fetching water and improved safety and security (particularly for women).

However the respondents also noted that they still have a number of expectations regarding water services that have not been met. These include access to sufficient water for household gardens, irrigation of fields, stock watering and for projects such as brick making.

3.2.8 Water and LED

It was considered important to find out whether community members have an understanding of the term “Local Economic Development” and they were asked to explain their understanding of LED. Responses to this question show that very few respondents could clearly explain the concept. 45% of the respondents were unable to answer the question at all as they claimed that they had never heard the term before. The following are some of the explanations given by respondents:

- Government sees potential in people and helps them develop their land though provision of services and resources lacking in the community
- People must work in groups in projects as it is costly to work as individuals
- People come together, decide on a common goal and take the initiative to start something relevant and of interest to them to improve their lives.
- To improve the economic situation of the community
- People developing themselves – self-reliance
- Creation of job opportunities
- Project development and financial independence
- Introduction of projects and income generation through projects
- Development of skills and bringing development services to people
- Poor households get support from government in the form of grants

The results of the household survey reveal that respondents are aware that there is a link between water services and LED and that water is critical for development. The interviewees noted that water is needed for health, agriculture, construction activities and domestic use. Specific linkages noted by respondents are:

- Sanitation provision to improve health and save spending on health services
- Increased water supply for agricultural purposes
- Water services development for productive use

A number of questions were asked regarding access to support for both water needs and LED. The responses to these questions indicate that a number of local structures do exist and while some of these structures have clearly identified roles that can help in development planning and implementation, others have had no impact since their inception.

It was identified that there is a gap between the role that these structures are “expected” to play and the actual role played in assisting with development. In addition, there is a communication barrier between external service providers and institutions and the communities, leading in some cases to the collapse of projects.

Table 7 outlines the identified structures and their support roles:

Type of Structure	Role played
Headman	Gatekeeper and coordinator of LED initiatives, mobilises community for meetings
Trust (Dwesa)	Development of 12 villages & coordination of development plans
Amathole District Municipality	Development Forum
Water Services Provider	Water management, operation and maintenance
Ward Committee	Mediator between municipality and community
Project Steering Committee	Employment structure in projects
Youth Forum/Residents Association	Development of village through project development
Policing Forum	Crime-related incidents
Women’s Burial Associations	Bereavement support
Farmers’ Associations	Livestock production and quality breeding

Table 7

Other institutions working with these communities are government (both national and provincial), NGOs, social consultants, academic institutions and local and district municipalities.

In general the respondents stated that they view water supply as a critical factor for development, especially in rural communities. They said that they rely on water for many things such as health, agriculture, construction activities, household use etc. Some of these factors are not primarily or directly linked to LED but do affect the development process. Water availability reduces pressure in times of drought especially for livestock. Water also plays a role in poverty alleviation and job creation because development projects need water to be sustainable.

The communities identified a number of projects and activities that they are involved in that have LED potential and are linked to water supply, these include: brick making and communal garden projects.

Respondents were asked to list the factors that they think both facilitate and constrain LED:

Facilitating Factors	Constraining Factors
• Access to land	• Unavailability of funds to kick-start projects
• Buying locally produced products	• Lack of knowledge, skills and competency in project management
• Transfer of skills amongst locals	• Identify demand for produced products
• Proper consultation and communication with local structures and communities	• High levels of illiteracy
• Cooperation between community and leadership	• Division amongst villagers
• Provision of equipment and services needed for agriculture such as tractors fencing, etc	• High dependency on government grants
• Specific project for specific village	• Corrupt practices of community developers
• Knowledge of LED – capacitate villagers	• Nepotism/favoritism
• Water supply (irrigation schemes)	• Communication & hierarchical problems
• Awareness and training on group projects	• Lack of financial management skills
• Proper road infrastructure (e.g. bridges)	• No human resources to monitor projects
	• Drought, theft of livestock and crops
	• No follow -up on projects after implementation
	• Individual vs group interests and approaches
	• Untapped/underutilisation of available skills
	• No commitment from community members especially youth
	• Insufficient water for projects and food production

Table 8

3.3 Focus Groups

All sectors of the community, including women, men, youth and disabled were represented in focus group meetings. A total number of 226 villagers participated in the process and this representation can be broken down as follows:

- Coffee Bay (Jonga) – 44
- Vaalbank – 21
- Qoqodala – 40
- Dwesa (Mpume) – 34
- Qunu – 12
- Peddie (Cisira) – 75

It became clear that women do not participate fully if men are present, so the participants were clustered into three groups: a women's group, a men's group and a group consisting of both men and women.

3.3.1 Infrastructure and Capacity Development

A participatory analysis was conducted to ascertain what facilities and physical structures exist within communities to develop and improve community livelihoods. The reports from the communities show the availability of such infrastructure and can be summarised as follows:

Village	Communication	Water	Energy	Roads	Other
Coffee Bay	Mobile phones, Telkom landlines	Boreholes with electricity engine	Solar power (2 households)	Tarred road with potholes and animals, no access roads, bridges damaged	-
Dwesa	Mobile phones	Treatment works to reservoirs	-	Gravel road – 80 kms from town	Clinic
Peddie	Mobile phones, Telkom landlines, post office (5 km)	Treatment works and prepaid card system	Electricity	One access road	-
Qoqodala	Telkom landlines	Constructed dams and boreholes, handpumps	Electricity, solar system	No access roads	Clinic
Qunu	Public phones in schools, mobile phones	Boreholes, electric engine	Electricity	No proper access roads	Railway infrastructure, museum, resource centre, clinic
Vaalbank	Mobile phones, public phones, school postbox	Handpumps (in schools), boreholes, diesel operated pumps, Constructed dams	Solar system in schools	Access roads damaged, R392 to Dordrecht from Queenstown	Community hall

Table 9

Based on the data analysis, the focus group results show that there is a general perception that there is a serious infrastructure backlog and linked to the unsustainable nature of services within the communities under study these are major constraining factors for the development of the local economy. People in the villages continue to vandalise the limited resources that they have due to the general perception that the infrastructure in the communities is sub – standard. This is partly due to the lack of participatory, responsive and empowering approaches on issues of LED as discussed by Chambers and Conway (1992).

All of the community focus groups said that they had attended various development training workshops. Table 10 shows the type of training received:

Village	Type of training
Vaalbank	- Water management - H & H - TB - First Aid - Sheep shearing - Wool sorting - Project Management
Coffee Bay	- Bookkeeping - Plumbing - Planting - Public- Works - Customer care
Peddie	- Electricity - Poultry - Leather work - Water management - Home-based care
Qunu	- Electricity - Water management
Dwesa	- Water management - Crafts - River-ranging
Qoqodala	- Water management - H & H

Table 10

It should be noted that although in some villages training was conducted on water services and health, none of the focus groups indicated that they had received training on local economic development. The organisations or service providers that conducted the training in the villages include the following:

- **Government and Parastatals**
 - o Department of Sports, Arts and Culture
 - o Department of Water Affairs and Forestry
 - o Department of Environmental Affairs and Tourism
 - o Department of Social Development
 - o Department of Labour
 - o Eskom

- **Consultants**
 - o Asante
 - o Amanz'Abantu
 - o WSSA
- **NGOs**
 - o Triple Trust
 - o Rural Support Services
 - o Mvula Trust
 - o Red Cross
 - o ATTIC

When asked what resources (natural, human and economic), the communities have access to for development, the focus groups reported as follows:

In two of the villages (Mpume (Dwesa) and Jonga (Coffee Bay), many of the natural resources such as forests are controlled by government departments and agencies, and communities are thus hindered from producing and benefiting from their local resources such as grass and trees.

Table 11 below illustrates the various resources that the communities under study have access to:

	Natural	Human (skills)	Economic
Coffee Bay	Forests Sea (<i>mussels, crayfish, oysters</i>) Thatching grass	Thatching Construction Plastering Carpentry Crafts (<i>beadwork, sewing</i>)	Dividends from Tshezi Lodge Dwesa-Cwebe Trust Fund Dalintlutha vegetable garden
Dwesa	Grass Controlled forests Rivers Dams	Grass weaving Building, Thatching Brick making Farming	River Ranger project
Peddie	Land Dams Aloes Forests	Building Farming Mechanical Electrical Carpentry	Poultry Project (10pp) Piggery Infrastructure
Qunu	Grass Streams Plantations Dam	Crafts (<i>beadwork</i>) Construction Thatching Plastering Farming Poultry farming	
Qoqodala	Grass Aloes Sand Forest Rivers Dams	Building Farming Dressmaking Poultry farming Pig farming Beadwork Knitting Carpentry	Sewing projects Poultry projects Agriculture Association Sheep-shearing shed Community hall
Vaalbank	Streams Rivers Land Grass	Dressmaking Building Sheep-shearing Farming	Community hall Sheep-shearing shed

Table 11

It is apparent from the Table 11 that there is a wide range of resources that can be accessed by communities. These range from natural resources (grass, forests, land), to human resources/skills (thatching, construction, plastering, building, farming, poultry breeding) and economic resources (trust funds, grants, projects). The optimum use of these resources coupled with appropriate support would almost certainly lead to an improvement in LED and can be said to be facilitating factors for LED.

In analysing the resources and skills that community members have identified, it is clear that there are many opportunities for LED if these skills and resources are used effectively.

3.3.2 Local Economic Development

The information presented by the focus groups reveals an understanding of only certain aspects of local economic development such as poverty alleviation and job creation. In their responses to the questions related to the concept of LED the focus groups linked local economic development to project development and refer to project identification, group formation and resources needed for projects. In addition, none of the communities that participated in the study have received any training or awareness raising regarding the concepts of LED.

As far as the relationship between LED and water services is concerned, the focus group responses included the following:

- Sanitation provision to improve health and save spending on health services
- Increased water supply for agricultural purposes
- Water services development to assist with productive activities
- Access to water during dry seasons for livestock and agriculture

Responses did not indicate a clear understanding of the linkages between water services and economic development of the community. During the implementation phase of projects only short - term jobs were created and there was thus little impact on LED in the medium to long – term.

3.3.3 Water Services Development

(A) Water services needs

Each village (focus group) identified water services needs to meet their development challenges and these included the following:

Coffee Bay

- Bicycle-like machines are needed to pump water from the river to water drums for garden projects

- Toilets for health and hygiene purposes

Dwesa

- A dam needs to be constructed to channel water from the river to the fields (especially during rainy seasons)
- Developing of infrastructure for brick making projects

Qunu

- Extension of water supply from original sources
- Design of catchment areas within villages for brick making, garden projects, piggery and poultry activities
- Irrigation supply system from the river to fields

Peddie

- Repairs and reconstruction of dams for food production
- Irrigation schemes for fields

Qoqodala

- Dams to be constructed for livestock
- Engine needed to channel water supply to garden projects

Vaalbank

- Construction of dams for supplying water to fields
- Water supply for sheep shearing shed
- Dip infrastructure needs large quantities of water
- Boreholes for livestock

(B) Community roles and responsibilities

The community focus groups were asked to discuss their roles during the planning, implementation and operations and maintenance phases of their water projects. They were also requested to list the challenges related both to their roles and responsibilities and to the water project generally. The responses from the groups can be summarised as follows:

Coffee Bay

The community was consulted about the project and women, men and youth were employed to dig trenches, lay pipes and construct tap stands. This was essentially short term employment for the duration of the project.

The challenges noted by the groups were that they were receiving insufficient water for non – domestic use and that the quality of the water provided was

poor. They claim that the water contains too much chlorine and causes skin rashes.

Dwesa

The focus groups at Dwesa reported that women, men and youth were employed during the implementation of the project to dig trenches, lay piping and construct treatment works and tap stands.

The groups also noted that they believed that they had been properly consulted about the project during the planning stages. The O&M of the project is carried out by treatment works operators.

Qunu

The focus groups noted that the contractors employed to implement the water project had ignored community suggestions on the best design for the scheme and that two different contractors both failed to implement the project successfully. The community members at Qunu were then employed to dig trenches, lay pipes and construct tap stands. Community members also monitored the implementation of the project and were responsible for appointing labourers.

Challenges facing the community during the O&M phase of the project are the misuse of water by certain individuals and ongoing problems with the engine used for pumping the water.

Peddie

During the planning phase of the water project, research was conducted on common illnesses and diseases in the community and the PSC was involved in decisions regarding the siting of the tap stands.

The focus groups reported that a number of community members who were employed to work on the project during the implementation phase became ill and were forced to withdraw. In addition, there were problems with payments to community members working on the project.

The Amathole District Municipality pays a Water Services Provider to operate and maintain the system.

Qoqodala

The focus groups at Qoqodala noted that the community had made cash contributions to the project and had also assisted with the design of the project and the siting of the tap stands during the planning phase.

Community members were employed to dig trenches, lay pipes and construct tap stands and a small dam.

The community is expected to pay a monthly fee for the purchase of diesel for the pump and for the payment of village operators. The focus groups claim that there is a high rate of non-payment and that in the absence of any assistance from the Water Services Provider this causes problems for the smooth running of the scheme.

Vaalbank

The focus groups at Vaalbank noted that due to the changes in Implementing Agents for the project, there had been substantial delays in implementation and community consultation had not been effective.

During implementation community members were employed to dig trenches, lay pipes and construct tap stands.

The focus groups also reported that community members had received training as operators and were trained to monitor water usage. However, they claimed that misuse of water had led to community conflict, vandalism and delays in repairs to the infrastructure and the engines.

The focus group results reveal that some community members could not provide information with regard to their involvement during project implementation. According to Nel (2000), communities need to be involved in and own the process of development from planning through to implementation. This approach stresses the use and potential of local human, physical, social, natural, financial and institutional resources.

(C) Water needs and sources

The focus groups were also asked about their projects which need water, their household water needs and the related water sources. The results are presented in Table 12:

Village	Household Needs	Productive Activities/Needs	Suggested Water Source	Challenges
Coffee Bay	Cooking Bathing Washing	Agriculture Livestock Brick making Dip	Boreholes Rivers	Tap stands far from houses Chemicals in water destroy the crops
Dwesa	Cooking Washing	Poultry Brick making Livestock Irrigation	River Catchment areas Dams Tanks	Shortage of water for food production. Yard connections restricted.
Qunu	Cooking Cleaning Washing Bathing	Vegetable gardens Brick making Poultry Piggery Agriculture	Boreholes Dams (self-made) Rivers Groundwater Streams	Dams dry up, limited water supply from groundwater. Tension in the community as a result of water restrictions.

Peddie	Cooking Irrigation Washing Flushing toilets	Agriculture Livestock Brick making Poultry	Dam Tap Water	Dam needs to be repaired Extreme shortage of water for livestock.
Vaalbank	Washing Cooking Mud-making for plastering	Agriculture Sheep shearing Dipping Brick making	Hand pumps Catchment areas Dams Streams Rivers	Mismanagement of funds from water project. No monitoring of the scheme
Qoqodala	Cooking Washing, Gardening, Mud for plastering	Projects Livestock	River Constructed dam Hand pumps Merry-go-round	Dams need expansion and renovation.

Table 12

The focus groups also gave information regarding the amount of water needed/used for the activities mentioned in the table above and it is clear that basic water services do not cater adequately even for household needs.

Moreover, although there are a number of water sources in each of the villages surveyed, there are no strategies in place to address the accessing of water from these sources to meet community needs for productive and economic activities.

(D) Resources and services

The focus groups were asked to analyse their existing situation in terms of the **forces that hinder** development and **what can help to improve the situation**. The community members were then asked to identify the **most important resources and services that are needed** to improve the standard of living in their areas. They were then requested to explain how these services or resources could have a positive impact on development in their areas. Some of the indicators or factors identified are both directly and indirectly linked to water services and most are related to LED.

Table 13 outlines the responses of the focus groups:

Village	Most needed resource/service	Benefits/Objectives	Hindrances	Enhancers
Coffee Bay	- Sanitation - Engines for water supply - Supply of equipment for agriculture - Fencing - Communication facilities - Schools	Prevention of diseases Food production Protect crops from animals External communication Improve literacy levels	Lack of water supply Lack/no funding Lack of equipment for natural resources Control of natural resources Prevalent animal diseases Embezzlement of funds	Agriculture Dip infrastructure Fencing of fields Access to tractors & boats Training in development projects Permits for fishing

Dwesa	• Sanitation • Water supply • Supply of equipment & fertilizers	Improve health & hygiene Yard connections for control & ownership Food production for households	Non-usage of the fields (wild pigs destroy fields) Control of natural resources (within nature reserve) No access to existing funds	Access to natural resources Development awareness & initiatives Employment opportunities
Qunu	• Project development (poultry, piggery, sewing & farming) • Project management training • Sanitation • Soil testing • Agriculture equipment	Poverty alleviation initiatives Identification and sustainability of projects Health and hygiene Type of crops and seasons Food production	Limited water supply Unavailability of resources No support from government officials No employment benefits from government resources Misuse of community funds Long distance for dip infrastructure (cattle, die, lost and affects health)	Availability of water Agriculture Job opportunities Access to or supply of tractors Dip infrastructure Relevant skills and training for development
Peddie	• Recreational facilities • Fencing of fields • Water supply • Agriculture equipment (tractors) • Sanitation	Youth development Protection from animals Yard connections for gardening Livestock consumption Food production Health, hygiene and prevention of diseases	No fencing Lack of water in dams Lack of skills Lack of funding	Availability of funds Government support Training in project management Clinic / health services Sanitation
Qoqodala	• Proper infrastructure (buildings, roads, bridges, dams) • Equipment (tractors), fertilizers and feeds • Playing fields for youth & mobile policing	Project development and poverty alleviation Food production & feeding livestock Reduce crime	No recreation center Increased crime rate	Water supply for agriculture Fencing Proper infrastructure Project development Training on use of available
Vaalbank	• Project-related services: piggery, shed facilities • Fencing • Water supply • Training	Sheep shearing for economic development Garden and field projects Irrigation for food production Financial and project management	Drought seasons Non-availability of water Soil type is rocky and hard Lack of monitoring and accountability	Project management training (agriculture and farming) Water supply for irrigation Monitoring of projects

Table 13

3.3.4 Water Services: Factors Facilitating and Impacting on LED

A synthesis and summary of the household survey and focus group results show the following common factors in water services that each of these groups understand as **facilitating** or having a positive impact on LED:

Households	Focus Groups
• Buying locally produced products • Transfer of skills amongst locals • Proper consultation and communication • Provision of equipment and services needed for agriculture • Water supply (irrigation schemes) • Specific project for specific village • Awareness and training on group projects • Knowledge of LED-capacitate villagers • Proper infrastructure	• Funds • Government support • Training on project management/ training in development projects • Water availability • Proper fencing • Proper infrastructure and resources • Use of available skills (job creation) • Facilities like community halls • Proper housing and roads • Crop growing (Agriculture) and equipment e.g. tractors • Relevant skill training (education on development) • Grazing land • Toilets • Employment

Table 14

It needs to be highlighted that the **facilitating** factors identified in Table 14 above are not all related to water services but do reveal that there is generally a problem with lack of infrastructure and agricultural inputs.

The synthesis of the household survey and focus group results also show the factors in water services that each of these groups understand as **impacting negatively** on LED. These factors are indicated in Table 15 below:

Households	Focus Groups
• Lack of knowledge, skills and competency in project management • Unavailability of funds to kick start projects • Division amongst villagers • High levels of illiteracy • High dependency on government grants • Corruption of community developers • Lack of internal financial management skills • Communication and hierarchical problems • Nepotism/ favoritism • No human resources to monitor projects • Lack of commitment from community members • Drought, theft of livestock and crops • No follow up on projects after implementation	• Theft • Unemployment • Financial, social and technical factors • Scarcity of water • Unavailability of resources/ equipment • No support from government officials • Misuse of community funds by individuals • Long distances to dip animals • Animal diseases • Embezzlement of funds • No control of natural resources • Lack of access to existing funds • No training in agriculture • Drought • Sandy soil • Lack of monitoring and accountability • Lack of knowledge about development

• Insufficient water for projects and food production • Lack of youth participation in development • Underutilisation of available skills	
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Table 15

Once again the factors identified by the respondents do not link directly to water services but do show the factors that community members understand to impact negatively on LED.

3.4 Municipalities, DWAF, Consultants, Implementing Agents

Questionnaires were sent to selected implementing agents, service providers and District Municipalities.

A total of eight people completed the questionnaire and the table below lists the organisations and institutions that participated in the research:

Organisation/Institution	Job Title	Department
Amathole DM	Deputy Director Planning and Construction	Engineering
Amathole DM	LED Manager	Municipal Manager's office
Mbhashe LM	Superintendent	Engineering
Mbhashe LM	Portfolio Councillor	
Amanz'Abantu	Project Manager	
Chris Hani DM	Deputy Director Water Services	Engineering
Emalahleni LM	Project Manager	Water Division
DWAF	Senior Community Development Facilitator	Institutional and Social Development

Table 16

Sections 3.4.1 to 3.4.5 highlight the responses from the completed questionnaires.

3.4.1 Project implementation and service delivery

The respondents were asked to identify the scope of projects that they are involved in from the following list:

- Water only
- Water and Sanitation

- Sanitation only
- LED
- Poverty Alleviation

The scope of projects in which the 8 officials are involved differed between organisations. Table 17 below indicates the scope of projects that the participating municipalities and private organisations are involved in. As reflected in the table, all the organisations/institutions are involved in the implementation of water and sanitation projects. DWAF is involved in a wide variety of projects and Amathole DM and Mbashe LM both have LED components in the projects that they work on. However the Chris Hani DM and Emalahleni local municipality's scope of projects revolve around water and sanitation only.

Institution	Water & Sanitation	LED	Poverty Alleviation
Amathole DM	√	√	√
Mbashe DM	√	√	√
Chris Hani DM	√		
Emalahleni DM	√		
Amanz'Abantu	√		
DWAF	√	√	√

Table 17

A) Role in Water/ LED Projects

Respondents were asked to outline their involvement and the role they play in the implementation of water services and LED projects.

The 8 respondents indicated their involvement in the different stages of water services and LED projects as follows:

- Five were involved in the initiation and identification of new projects and project planning
- Four were involved in feasibility studies for new projects
- Three of the respondents were involved in the technical design of projects
- Six respondents managed and supervised the implementation of projects
- Three were involved in planning and supervising O&M on completed projects
- Three respondents provided post – implementation support
- Four were involved with the development of policy for water services and LED projects

The respondents were asked to indicate the organisations and institutions that they worked with to deliver services. Responses are shown in Table 18:

Who they work with	Role
Departments: DEAT, DPLG, DPW, DHLG, TA, DALA, Public Works, Health and DWAF	Monitoring and providing project funding
Community: Community members (beneficiaries, ward councillors and PSCs)	Project identification, implementation, and community liaison
Other NGOs, Consultants	Planning, design and project management

Table 18

When asked how the communities who receive services are chosen. The following selection criteria were mentioned:

- After regional feasibility studies have been done
- Through a needs analysis conducted by the Local Municipalities
- Through IDPs

According to the respondents community involvement in project planning is as follows:

Water	LED
• Election of committees • Attending meetings. • Mobilising community members for participation. • Approving conceptual reports and business plans. • IDPs (needs identification)	• Ensuring labour intensive methods • Through project steering committees

Table 19

(B) Approaches / models that are used to implement projects

Table 20 indicates the approaches identified to implement projects:

Water	LED
• Appoint professional service providers to prepare designs and tender. • Call for tenders through newspapers. • The contractor appoints local people for implementation. • ISD and training forms part of the scope of work and communities are part of the process. • Professional service provider manages the work.	• Labor-intensive methods (ensure jobs are created.) • Ensure empowerment through community ownership. • SMME development. • Eliminate backlogs.

Table 20

The respondents listed the successes and limitations of the above approaches as follows:

Successes

- If the community members are involved from the beginning of the project they will participate fully in the implementation
- Community members will not vandalise the new infrastructure if they are involved in the planning process
- Community members are able to access jobs

Limitations

- Service provider must always know what to do.
- Water committees do not always have the capacity to fulfil their functions effectively
- Limited resources and equipment
- Insufficient long term job creation
- Materials not readily available
- Slow implementation
- Scarcity of relevant skills in the communities

According to the respondents the major role players who support and sustain the projects are community members, technical consultants, local government and national government.

(C) Decision makers on projects

When asked to describe the governing body (decision makers) on projects, the respondents listed the following:

- The DM in consultation with the PSC
- The Council through specific departments

- Councillors
- The PSC and the community
- Technical engineers who design the projects and obtain approval from the community through ISD consultants.

(D) Services and resources needed for projects to be implemented successfully

The respondents were asked to explain what services and resources they thought were needed to ensure that projects were successfully implemented. Their responses were as follows:

- Sufficient capacity at the DM
- Committed community representatives (PSC)
- Skills in pipe laying and O&M
- Competent ISD officers and social consultants
- Good project management skills are required from the main contractor to manage SMME sub contractors and labour
- Sufficient funding
- Direct participation of the beneficiaries (community)

(E) Key challenges in providing services and resources

The respondents identified the following challenges both internal and external in providing services and resources:

- Lack of communication especially from the Department of Labour
- Limited capacity in terms of human and capital resources
- Problems in obtaining full involvement from all stakeholders
- Lack of funds to appoint sufficient human resources
- No proper M&E systems within the DMs for tracking project progress

(F) Support

Although a number of challenges were identified, the respondents indicated that support is provided by various institutions. This is outlined in Table 21 below:

Support	Institution
Training workshops	DWAF
Finance/funding and infrastructure development	DMs, CMIP & DWAF
Operations and maintenance	Local government (municipality)
Supervision	Municipality
ISD training and community mobilisation	IDT, NGOs, Social consultants
Policies and guidelines	SALGA National Department

Table 21

3.4.2 Policy Development and Planning

When asked to list the policies and the criteria used to plan and implement both LED and water projects, the respondents identified the following:

Policies	Criteria
IDPs	The prioritisation of the project in the IDPs
RDP level of service	The extent of the backlogs
Free basic water policy	The availability of funding
Strategic framework for Water Services	Feasibility study/ analysis
Local Economic Development Strategy	
Water services policies	

Table 22

3.4.3 Technology Design and Construction

According to the respondents the following issues informed the choice of technology design for water projects:

- Feasibility studies
- Environmental impact assessments
- Initial capital costs
- Operations and maintenance costs
- Source of water
- Water demand
- RDP standards
- Funding/subsidies available

3.4.4 Linkages between Water Services and LED Projects

In order to ascertain whether the respondents had an understanding of the linkages between Water Services and LED projects, a number of related questions were asked. The questions and responses are summarised below:

Understanding of LED

When asked to describe their understanding of the concept of LED the following answers were given:

- LED is about local people taking charge of their economic destiny through initiating activities that will facilitate economic development and job creation
- LED is about job creation
- LED is the core element for local government
- LED is part of water and sanitation projects
- LED is about sustainable economic growth

Ensuring that LED plans are integrated with water services projects

Most of the respondents were unable to answer the question on how they ensure that LED plans are integrated into water services projects and could only identify the use of labour intensive strategies for the implementation of projects in this regard.

Strategies used to inform the community of development plans

When asked to identify the strategies that were used to inform the community of development plans for their areas, the respondents identified:

- IDPs
- Ward Councillors
- Project Steering Committee meetings
- Village Water Management Committees
- IDP road shows
- Imbizos

Plans or strategies in place for water demand management in villages

The following strategies for water demand management were identified:

- Village Water Management Committees were set up and introduced to the DM on transfer of projects from DWAF to the DM
- Feasibility studies
- Water sector plans

The respondents were asked to list the challenges faced with regard to water demand management and LED and their responses are summarised in Table 22 below:

Water demand management challenges	LED challenges
Drought	Provision of infrastructure
Ongoing operations and maintenance	Water source and backlogs
Vandalising of infrastructure	Insufficient local skills and capacity
Illegal connections	Lack of funding
Lack of technical expertise	Lack of local resources

Table 22

Indicators which can be used for linking water services with LED

The following were identified as possible indicators that could be used to link water services projects to LED:

- Agriculture projects
- Integrated planning as LED is cross cutting in all development programs
- Capacity building on LED
- Policy development

3.5 Key Findings Emanating from Desk and Field Studies

Literature Review

The term 'local economic development' generally refers to a process of creating wealth through the mobilisation of human, financial, social, physical and natural resources or capitals. The core issue in LED is about the creation of wealth and jobs. The aim of local economic development ultimately is to produce higher standards of living, improve the quality of life, alleviate poverty, create more and better jobs, advance skills and build capacity for sustained development in the future.

The key principles that underlie the concept of local economic development are:

- Poverty and unemployment so, prioritisation of job creation and poverty alleviation is essential.
- LED must target marginalised communities to enable them to participate fully in the economic life of the country.
- Each locality is unique so it needs to develop its own approach best suitable to the local context.
- It promotes local ownership, community involvement, local leadership and joint decision-making.
- It involves local, national and international partnerships between communities, creates joint business ventures and builds local areas.
- Maximises local resources, skills and opportunities for multiple purposes.
- It involves integration of multiple and diverse economic initiatives in a comprehensive approach to developing a local region.
- LED relies on flexible approaches to respond to changing circumstances at local, national and international levels.

LED - type ideas are now enshrined in the national Constitution and various important policy documents in South Africa, including the Reconstruction and Development Programme (RDP) and the Local Government White Paper.

In addition, a range of provincial documents placing emphasis on LED and LED training are starting to emerge.

The Strategic Framework for Water Services (September 2003), notes the following: "Economic development and sustainable livelihoods. Water and sanitation programmes will be designed to support sustainable livelihoods and local economic development. The provision of water supply and sanitation services has significant potential to alleviate poverty through the creation of jobs, use of local resources, improvement of nutrition and health, development of skills, and provision of a long-term livelihood for many households".

The Strategic Framework goes on to outline a vision for providing water for more than just basic services and states that: "Water services authorities do not, and should not, only provide water services necessary for basic health and hygiene. It is important that municipalities undertake gender-sensitive health communication, facilitate the provision of higher levels of services for domestic users where viable and provide services which support sustainable livelihoods and economic development".

The IRC (2003), have produced a document on the Productive Use of Domestic Water Supply which looks in particular at productive activities and micro-enterprises within households in villages, towns and cities in developing countries. This document examines how domestic water supplies can become productive and how this can contribute to peoples'

livelihoods, particularly those of women and the poor, thus increasing the impact of an intervention. This approach challenges the traditional assumption that water delivered to people's homes should be for domestic purposes alone.

At the heart of this approach lies the belief - supported by a rapidly increasing body of empirical evidence – that by adopting a broader perspective the WATSAN sector can more effectively contribute to tackling rural and urban poverty and at the same time better address perennial WATSAN problems such as sustainability and cost recovery (IRC International Water and Sanitation Centre: 2003).

Until recently, the multiple benefits of domestic water supplies had not received as much attention as they deserved. The traditional view of domestic water as largely a 'public health' benefit persisted even beyond the 1980s when international agencies continued to focus on 'clean drinking water and adequate sanitation' as a key right and development goal.

Now a broader range of non-health benefits have started to be recognised and targeted in an increasing number of studies and reports. Linkages between water and livelihoods have been explored in a series of meetings and initiatives. A recent evaluation by WaterAid – an NGO specialising in domestic water supply and sanitation (WATSAN) – of some of their older water supply projects, found that a much wider range of benefits were reported by beneficiaries than had been expected or targeted at inception.

Productive uses of domestic water often relate to the less-visible informal sector and do not fit neatly into the categories in which most sector professionals have been trained. These uses may fall between domestic needs – invariably given highest priority – and the needs of industry or agriculture which come next and are typically represented by powerful well organised bodies. Productive users of domestic water on the other hand are scattered, poorly represented, and therefore easy to overlook.

It is argued that productive uses of water for the rural poor should be given the same priority as domestic uses. They should not normally be subject to the same allocation processes as water for 'commercial' use – provided of course that appropriate demand management and water saving measures are in place. A proportion of water for productive use should therefore be included in rights based allocations. This argument is based primarily on principles of equity but it is also underpinned by the hypothesis that a proper economic evaluation of water use will – as is already acknowledged to be the case with clean drinking water – show that small scale productive uses are far more economically important than other uses (IRC: 2003).

Business Plans (BPs)

The BPs reviewed during the study refer to the poverty and unemployment in the areas for which the water supply projects are planned and also note

that some employment/jobs will be created during the implementation phase of the projects. There is, however, nothing in either of the BPs that mentions LED as anything other than short term job creation. The BPs do not examine how domestic water supplies can become productive and how this can contribute to peoples' livelihoods, particularly those of women and the poor, thus increasing the impact of the intervention. In fact it is clear from the review of the BPs that the projects are intended to deliver water only for domestic purposes.

It seems clear from the review of the BPs for both Vaalbank and Peddie water supply projects that LED in the beneficiary communities was not an issue that was either expected (by DWAF) to be covered, nor was it an issue that the authors of the BPs considered.

Both DWAF and WSA's should ensure that an LED component is introduced into all feasibility studies and business plans.

Household Surveys

Agriculture was identified as one of the priorities in all the areas surveyed and the lack of sufficient water was given as the main challenge to developing sustainable agricultural projects and schemes. Other factors identified include the unavailability of ploughing services and lack of finances to hire such services.

Many of the respondents noted that small scale irrigation schemes would assist with the successful implementation of agricultural projects. It is clear from the research that LED issues were not taken into account during the planning phase of the water schemes that were implemented in the villages and that community members were not adequately consulted about their water needs.

Although the communities under study have numerous skills and resources that range from natural to technical, it was found that these skills and resources are generally not used for economic development and this is a clear **weakness**. The lack of infrastructure in all the villages surveyed makes the situation worse.

It is clear from the research that there is little or no understanding of the sustainable livelihoods approach to LED where livelihoods is defined as "comprising the capabilities, assets and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base" (Chambers and Conway: 1992).

All of the respondents claimed that they do not receive Free Basic Water. This is an issue that is directly related to the lack of capacity within Water

Services Authorities to implement the policy in rural areas and should be addressed as a matter of urgency.

The majority of the respondents stated that they need more water than the amount which is provided through the schemes. Due to the restrictions on the amount of tap water available, community members are still using traditional sources of water for the following:

- To “mud” their houses
- Brick making
- Watering gardens
- Dipping tanks
- Sheep shearing projects (to clean the wool)
- Watering of livestock

The survey reveals that the communities under study have in the main benefited from the implementation of the water schemes. Benefits noted by the respondents relate to having access to water at all times, less time wasted on fetching water and improved safety and security (particularly for women).

However the respondents also noted that they still have a number of expectations regarding water services that have not been met. These include access to sufficient water for household gardens, irrigation of fields, stock watering and for projects such as brick making.

A number of questions were asked regarding access to support for both water needs and LED. The responses to these questions indicate that a number of local structures do exist and while some of these structures have clearly identified roles that can help in development planning and implementation, others have had no impact since their inception.

It was identified that there is a gap between the role that these structures are “expected” to play and the actual role played in assisting with development. In addition, there is a communication barrier between external service providers and institutions and the communities, leading in some cases to the collapse of projects.

Focus Groups

Based on the data analysis, the focus group results show that there is a general perception that there is a serious infrastructure backlog and linked to the unsustainable nature of services within the communities under study these are major constraining factors for the development of the local economy. People in the villages continue to vandalise the limited resources that they have due to the common perception that the infrastructure in the communities is sub – standard. This is partly due to the lack of participatory, responsive and empowering approaches on issues of LED

The focus groups identified a wide range of resources that can be accessed by communities. These range from natural resources (grass, forests, land), to

human resources/skills (thatching, construction, plastering, building, farming, poultry breeding) and economic resources (trust funds, grants, projects). The optimum use of these resources coupled with appropriate support would almost certainly lead to an improvement in LED and can be said to be facilitating factors for LED.

The focus group results reveal that some community members could not provide information with regard to their involvement during project implementation. This is problematic given both DWAF and local government's stated commitment to community participation in development.

The focus groups also gave information regarding the amount of water needed/used for various household and economic activities and it is clear that basic water services do not cater adequately even for household needs.

Moreover, although there are a number of water sources in each of the villages surveyed, there are no strategies in place to address the accessing of water from these sources to meet community needs for productive and economic activities.

4 FACTORS FACILITATING AND IMPACTING ON LED IN WATER SERVICES

Two of the objectives of this study were to identify:

- i) the factors that facilitate or assist LED in water services and
- ii) the factors that impact or have a negative impact on LED in water services

Based on the analysis of both the desk research and the field research a number of these factors have been identified. These factors can be summarised as follows:

A) Facilitating Factors

These are elements that should be in place in order to ensure that LED is successfully integrated into water services projects.

- Understanding of the concept of LED
- Understanding of the concept of IDPs and community roles and responsibilities in terms of their drafting and implementation
- Supportive local government
- Committed development structures within communities
- Access to sufficient water for productive use
- Access to land
- Access to credit
- Access to markets
- Access to funding for development initiatives
- Linkages between water related institutions and LED institutions both within and outside the community
- Political support
- Lines of communication between communities and local authorities
- Accountable and transparent local authorities
- Availability of local skills and resources
- Availability of training on project management and monitoring and evaluation for community members

B) Impacting Factors

Impacting factors would impede the successful integration of LED into water services projects.

- Lack of understanding of the concept of LED
- Lack of understanding of the concept of IDPs and community roles and responsibilities in terms of their drafting and implementation
- Non - supportive local government
- Ineffective development structures within communities
- Lack of access to sufficient water for productive use

- Lack of access to land
- Lack of access to credit
- Lack of access to markets
- Lack of access to funding for development initiatives
- No linkages between water related institutions and LED institutions both within and outside the community
- Lack of political support
- No communication between communities and local authorities
- Local authorities which are not accountable and transparent
- Lack of local skills and resources
- No access to training on project management and monitoring and evaluation for community members

5 COMMUNITY ACTION PLAN – A CASE STUDY OF CISIRA

Most of the communities that participated in the research study were unable to formulate action plans for LED due to the fact that they did not fully understand the concept. It also became clear that the communities did not understand the IDP process or their roles and responsibilities in relation to the development of the IDP. It was therefore difficult to use the Framework that had been developed to draft action plans. It was decided to conduct a workshop with community members to introduce them to the concept of both LED and IDPs and assist with capacitating them to link their water schemes to local economic development and the drafting of an action plan. Owing to budgetary and time constraints only one community was identified to participate in this process.

The identified village was Cisira in Peddie. A total number of 25 community members attended the LED and IDP awareness workshop. The attendees were chosen at a general community meeting to represent the community at large. Amongst the 25 attendees were ordinary community members, a ward councillor, PSC members and a number of officials from different structures within the community. The attendees were mandated by the community to give them feedback of what transpired at the meeting.

The topics covered during the workshop are described in the Workshop Presentation and Programme (APPENDIX B).

Workshop Activities

Based on the information presented to the participants by the workshop facilitators, community members were asked to carry out a SWOT analysis for their village. This was done to assist them in coming up with practical ways of planning for LED in their village. Table 23 below reflects the SWOT for Cisira community:

Strengths	Weaknesses	Opportunities	Threats
• Sewing skills • Business skills • Life stock (sheep, cattle, goat, chicken) • Agriculture and farming (fields and gardens) • Human resources • Recognised leadership • Infrastructure • Schools • Crèche	• No building skills • No water • No electricity • No roads • No cooperation • Lack of unity • Lack of funds • Lack of taps for water • Unemployment • The youth does not have much of a voice • Gender insensitivity • Poor attendance of meetings	• Ward councillor is residing in Cisira • Have a relationship with the municipality • Have fenced fields • Have business	• Crime (e.g. theft) • Violence • Jealousy • Lack of unity • No electricity • No water • Conditions of roads are bad • Vandalism • Lack of transport

Table 23

Even though the Cisira water scheme was implemented some years ago, the community continues to have problems and challenges related to water.

A number of these challenges were identified:

- No household taps
- The dams are dirty
- Drinking unclean water
- Water is not available all the time
- Travelling long distances to fetch water.
- Struggle to buy prepayment water cards because the machines are not always operational.

The participants were then asked to develop an action plan to link their water scheme to LED. Table 24 reflects the Action Plan for Cisira:

Activity	By Whom	When
• Establishment of LED forum within Cisira village	Community, Local Municipality and other stakeholders	1 Month (September 2005)
• Facilitation of the process for each household to have taps in their yards for their gardens.	Ward councillor, LED forum and community	Ongoing (from September 2005)
• Facilitate the process of getting equipment for the fields and gardens (cleaning of dams and fertilizers for the land)	LED Forum	
• Facilitate the process of building of dams in the fields for watering the fields	LED Forum	
• Identification of resources within Cisira	LED Forum	Ongoing
• Link resources and infrastructure to IDP	LED Forum and ward councillor	Ongoing
• Link LED action plans to IDP	Ward councillor, LED Forum, LM and other stakeholders	
• Review of IDP	Local Municipality officials, Cisira committee and LED Forum	Ongoing

Table 24

Feedback from the workshop participants:

- Participants were satisfied with the workshop content and are prepared to follow up on the action plan
- It was noted that awareness campaigns are critical so that community members are kept informed of development initiatives that they can be involved in
- The workshop had given them a clear understanding of both LED and IDPs.

Conclusion

It seems clear from this exercise that rural communities will be unable to formulate village action plans for LED and water services without having a clear understanding of the concept of LED. In addition, communities need to be included in IDP processes in order that they are able to communicate their developmental needs and priorities. It is important that community members understand that there are different stakeholders in these processes and these stakeholders have diverse roles and responsibilities.

It is only through ongoing awareness raising and communication that communities will be in a position to contribute positively to integrated development in rural areas.

6 DEVELOPMENT OF LIVELIHOODS/LED FRAMEWORK FOR PLANNING WATER SERVICES DELIVERY

6.1 Introduction

In order to develop a framework for planning the delivery of water services that ensures that the issue of local economic development is addressed for both community members and Water Service Providers a number of issues arising from both the desk and field research were taken into account.

For people living in poverty, water is needed for a multitude of purposes. However, water of a safe enough quality to drink is not needed for a multitude of purposes but only for drinking and cooking. Drinking water provision captures only the household's need for water for survival and health; it omits its total livelihood needs, particularly the critical need of a high proportion of people, especially rural people, for water in economic productivity, including farming, horticulture, livestock, and micro-manufacturing. The focus on drinking water, which absorbs a minute proportion of total water consumption, also ignores the need to conserve the environment, for which water is also required, to ensure livelihoods over the longer term.

"A livelihood is ...the capabilities, assets and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base" (Chambers & Conway, 1992).

Perhaps the greatest value of a livelihoods approach to water supply is that the inherent analytical framework will provide an understanding of the complex ways in which supply improvements *have the potential* to affect lives. Building on the strengths of poorer groups and households, the facilitation and prioritisation of actions aligned with people's needs are more likely to achieve real impacts on poverty.

The **livelihood framework** provides a means for stakeholders to engage in constructive debate with development practitioners from diverse backgrounds about the many factors that affect livelihoods, their relative importance and the way they interact. Livelihoods analysis may also for example help to identify areas where the performance of external agencies or inhibiting policies need to be changed to improve the sustainability of water supply schemes.

What follows is a flexible guide or framework that will help project and programme managers and planners to ask the right questions and to identify the key indicators to allow them to take a more livelihoods and LED sensitive approach to implementing water services projects.

(It should be noted that much of the framework that follows was adapted from the IRC International Water and Sanitation Centre Thematic Overview Paper: ***The productive use of domestic water supplies. How water supplies can***

play a wider role in livelihood improvement and poverty reduction.
(Moriarty and Butterworth: 2003).

6.2 Planning Framework

It is not intended that planners undertake an exhaustive assessment of the entire livelihoods framework of a community, from which decisions could be made as to the best combination of investments and other activities to reduce poverty. The approach outlined assumes that planning institutions (Water Services Authorities) need to maximise the impact of a limited number or range of interventions and as such, the need to collect data is reduced and the planning exercise is focused on a concrete goal “*the sustainable improvement of peoples’ livelihoods through appropriate water services interventions*” (IRC, 2003)

The framework is therefore designed to help planners of water services projects ensure that links are made to LED when deciding on various options.

The planning framework is based on the output of five core activities that should therefore form the basis of the approach:

- Which of the available approaches (interventions) is best suited to improving the livelihoods of key target groups
- What is the likelihood of achieving a *sustainable* improvement in livelihoods in the group using this approach
- What are the key activities to ensure both sustainability and maximum impact
- What quantifiable improvements can be expected and monitored for
- Right of access to water, land etc

6.3 Community Profile and Demographics

The concept of achieving the best fit between peoples’ livelihoods and possible water services interventions requires a thorough understanding of both the complexity of people’s livelihoods and the demands of *the system* in the same livelihoods focused terms. The aim of the approach is to achieve a good match between the strengths and needs of communities and proposed or planned interventions.

- **Stakeholder identification** (to identify focus groups within the community). A livelihoods approach can be applied at many levels: individual, household, community etc. Water Services interventions typically deal with ‘communities’. If one is to use a practical approach it is not necessary to use detailed household surveys unless particular detail is

essential (for example to monitor the impact of projects on a particular target group such as poor or female headed households). But it is essential in some circumstances to disaggregate the community if the needs of key groups such as women are to be addressed.

Because of the nature of the livelihoods based approach it is also important to identify distinct groups of water users (beer brewers, livestock owners etc).

- **Wealth ranking** (which can help inform the stakeholder identification). Wealth ranking is often seen as controversial, and if badly presented it can become so. Many people feel it is unnecessary as 'the entire community is poor'. This is a serious error that can lead to distortion of project aims, capture of benefits by elites, or complete failure. Every community has relatively poor and less poor members. Local elites such as retired civil servants, teachers, and traditional leaders tend to be in the latter category, female headed households in the former. It is crucial to disaggregate the community so that the particular needs of different groups within it can be addressed.
- **Community mapping** - showing the location of houses, water supplies, natural resources, etc. Community mapping can also help inform stakeholder analysis.
- **Community histories or timelines** - capturing key changes, shocks etc. in the life of the community, especially relating to water
- What and whose **existing livelihood activities** would you expect the water services intervention to build on and strengthen?
- What **assets and institutional structures** are necessary to make it sustainable (particularly with regard to O&M)?
- What assets will be added to by the intervention and what will be the **impact of shocks and trends on the system**?
- What assumptions come with the intended technology and **what level of skills is needed** to maintain it?

6.4 Policy, Processes and Institutions

Policy, processes and institutions both within and beyond the community will be critical to the sustainability of any new or improved water supply scheme. For the poor, in particular, to benefit from the scheme the policy, processes and institutions must be supportive and effective, and importantly the poor must have an adequate voice in them. Finally, for complex water supply systems it is essential that community managers have adequate external support (technical, managerial, financial).

The following questions should be asked:

- What water related institutions already exist in the community? Do they have the necessary skills to support the proposed interventions? Are they representative of all key groups? How effective/accessible are they?
- What non-water related institutions exist in the community? Could they play a role in the proposed activities? Do they represent all existing target groups? How effective/accessible are they?
- What linkages are there between water related institutions and LED institutions both within and outside the community
- How do the identified community institutions relate to key district and national level institutions? Do they receive effective support from these? With which non-water related institutions could increased collaboration lead to greater impacts and benefits?
- What are the traditional rules, tenure law and practice which might impact on water services and related LED projects?
- Which policies, legislation and guidelines are relevant and appropriate for use in the planning of water services projects that are sensitive to LED
- Is there extension support for production and marketing?

6.5 Assessment of type and quantity of water required

The following issues need to be addressed:

- Source protection/recharge
- Drinking water requirements
- Other household requirements
- Livestock requirements
- Horticulture requirements
- Irrigation requirements
- Micro-enterprise requirements
- Are mixed use water supplies officially recognised by the district authorities and who will be responsible for O&M of the system?

6.6 Planning for Sustainability

An assessment of the intervention in terms of the requirements to make it sustainable must be made. This would include an assessment of the implications and assumptions associated with the chosen technology options, and the strengths and weaknesses of the community and would need to take account of the following:

- *Livelihood strategies* – Fund raising, training, capacity building
- *Livelihood assets* – Availability of labour, relevant skills and knowledge, markets, funds, access to land
- *Vulnerability context* - Sustainable groundwater yield, uninterrupted access to markets, reasonably predictable prices, realistic costs, access to credit

If the framework described above is used by the relevant authorities when planning water services projects it is likely that LED issues will be adequately addressed and projects will be more likely to be integrated, appropriate and sustainable.

7 CONCLUSION AND RECOMMENDATIONS

The findings from this research project reinforce a number of the key issues raised in the literature and provide further information in support of the positive impacts that can be expected if water services projects were viewed as part of an integrated development programme rather than as one-off projects that are seen as an end in themselves. It is clear that there is an ongoing need for local economic development in rural areas and that this is an issue that should be addressed in both the planning and implementation stages of any project with the full participation of community members.

Improved water supplies can lead to both direct and indirect opportunities for improved productivity. More water, of better quality and provided more reliably, can provide the water needed for productive activities such as irrigation of a backyard or community vegetable garden or for micro-enterprises such as hair salons or brick manufacture. Indirect gains may sometimes be even more important than direct benefits in that they can apply to both water-based and non-water-based activities where saved time and money can be invested in activities that bring positive returns to capital or labour.

The factors that affect access to water supply in the rural areas include the availability of a suitable water source and the affordability of the scheme for the community. Most rural communities are still not benefiting from the free basic water policy due to the problems of implementation of this policy in rural areas. Other challenges are introduced by changes in water and sanitation policies developed by the Department of Water Affairs and Forestry. The financial contribution required by rural communities also raises the question of affordability. There is a need to establish tariffs according to affordability in each community and how these may impact on or facilitate the LED component in water services delivery. Planners and local government institutions need to take into account how water services delivery can be engineered towards ensuring that local economic development principles are catered for.

There is a need for appropriate, well maintained infrastructure in communities in order to achieve equity and efficiency in service delivery and ensure sustainability. It is recommended that this aspect of water services projects be addressed by the relevant authorities.

It is apparent that without specific training being provided to rural communities on LED there is unlikely to be a significant shift in the understanding of LED and the improvement of rural economies. It is recommended that community members are exposed to awareness raising and training on the importance and meaning of LED. In addition, community members should be capacitated to understand the IDP process and their roles and responsibilities in relation to the development of the IDP.

Poor service delivery by both government and the private sector continues to hamper appropriate development in rural communities and this is an obvious threat to LED. The main constraining factors for economic development in the communities under study are poor infrastructure, lack of access roads, insufficient water and extreme poverty.

In order for LED initiatives within the water services sector to have a meaningful impact such initiatives should consider the following:

- Targeting of marginalised communities
- Developing approaches suitable to local circumstances
- Promoting local ownership, community involvement, local leadership and joint decision-making.
- Maximising local resources and skills

The aim of developmental LED is to promote the local economy but also to integrate disadvantaged communities into the formal economy. This means that a wide range of stakeholders have to be included in the process and although local government is a major actor, the inclusion and participation of other stakeholders is key to the sustainability and success of LED initiatives. Partnerships with the private sector and other civil society groupings are important if jobs are to be created and economic activity stimulated.

While pumps and taps have been installed in many areas there has been growing concern by communities about the failure to meet water needs and security in the poorest villages. Although these technical solutions are important, villages need to develop their own vision for water use and security and to become more actively involved in planning and management. What is needed is a more holistic and integrated approach to water planning that is based on an understanding of peoples' livelihood strategies and the role of water within them. In order for this to happen the following needs to be taken into account:

- Communities need to be involved in and own the process of development from planning through to implementation
- Active, respected local leadership is key to the LED process
- Community plans must be realistic and practical, taking into account short-term achievements as well as long-term goals so that communities have a clear vision of what they want that is attainable
- A partnership and a shared vision with other role-players is important
- Communities need to organise themselves, and to achieve this they can use external skills and resources by linking up with NGOs and other development institutions

- Municipalities must identify a clear vision and objectives within a strategic implementation framework for LED. These objectives will be set within the municipal Integrated Development Plan

It is clear that there is an ongoing need for local economic development in rural areas and that this is an issue that should be addressed in both the planning and implementation stages of any project with the full participation of community members. Discussions have begun within the water sector as to how water can further contribute to rural development. Planners and government institutions need to be looking in particular at productive activities and micro-enterprises within households in villages and towns.

It is hoped that the planning framework that has been developed as part of this research project will go some way to ensuring that linkages between water services projects and LED are made during the planning phase of projects and that this in turn will lead to the facilitation and promotion of economic development in marginalised and impoverished rural areas.

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APPENDIX A

LOCAL ECONOMIC DEVELOPMENT

HOUSEHOLD QUESTIONNAIRE

Name of Interviewer	
Name of Village	
District	
Administrative Area	
Local Municipality	
Date of interview	

1. Demographic Information

Kindly provide us with the following information about the people who live in this household.

Code No.	Relation to HOH	Age	Gender	Highest educ. level	Employment Status	Occupation Current/last	Field of Employment	Other skills

Employment status codes

1. School going 2. Receives pension 3. Formally employed
 (wage/salary)
 4. Casual work (jobbing) 5. Seeking employment 6. Unemployed but not
 seeking employment Other(specify).....

2. SOURCES OF INCOME

2.1 External Income

2.1.1 How much income do you get from the following sources in your household?

Source	Rands/month	Rands/year
Salaries & Wages		
Remittances (Cash)		
Remittances (Kind)		
Child maintenance (from parent living outside the home)		
Private pensions related to former employment		
Pensions (old age)		
Disability grant		
Child support grant		
Retirement annuities		
Other.....		

2.2 Local sources of income

2.2.1 How much income do you get from local activities as indicated below?

Sources of income	Specific activity	Water use (√)	Water quantity (litres)	Rands/month	Rands/year
Making and selling goods					
Buying and selling goods					
Doing jobs for local people					
Transport of goods or people					
Any other local activities					
1					
2.....					
3.....					
4.....					
5.....					

2.2.2 What are your daily tasks? (Please √ and estimate the average time it takes everyday)

TASK	√	Estimated time spent per day (hours)
Formal employment		
Fetching water		
Fuel/Wood collection		
Cooking		
Visiting Friends		
Employment outside home		
Community Meetings		
Food Production		
Livestock		
Childcare		
Other housework		
Other – please specify		
.....		
.....		
.....		
.....		

3. LIVESTOCK & CROPS

Please provide the following information about the livestock owned by your household.

3.1 Does this household own livestock?

Yes	
No	

3.1.1 If yes, which of the following do you own?

Type of livestock	No. owned presently	Amount received from selling during past year	Estimated amount of water used for them per day	Water source	Water challenges/problems
Cattle					
Goats					
Sheep					
Pigs					
Chickens					
Turkeys					
Geese					
Other (specify)					

3.2 Do you have a garden at your home?

Yes	
No	

3.2.1 What is the approximate size of your garden (s) ?.....

3.2.1 When last did you plant your garden(s)? (season & year).....

3.2.2.1 If not this season, why not?.....

3.2.3 What crops do you plant and at what time of the year?

1.
2.
3.
4.

3.2.3.1 What water source do you use to water your garden?

1. 2.
3. 4. None

3.2.3.2 What challenges do you face when using that water source? **(as an individual/community)**

.....

.....

3.2.4 Who conducts the following activities in your garden/field?

ACTIVITY	GARDEN(S)	FIELDS
Ploughing		
Planting		
Weeding		
Other(specify).....		
.....		

3.2.5 Do you have your own field?

Yes	
No	

3.2.5.1 If no, do you rent a field?

Yes	
No	

3.2.5.2 If yes, how much do you pay per year? R.....

3.2.5.3 What is the approximate size of the field?.....

3.2.5.4 When last did you plough the field(s) you own or rent? (season and year)

.....

3.2.5.5 If not this season, why did you not plough the field/s?.....

.....

3.2.5.6 How do you normally plough the field(s)?.....

3.2.6 Please provide the following information about the crops you planted in your garden/fields?

Name of crop	Which season	Yield obtained ⁹	Yield sold	Yield used for h/h	Price per unit	Water used (litres)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

3.2.7 How much do/did you spend on the following? (for each item, fill in amounts in the column that is most appropriate, i.e per month of year)

Item	Rands/month	Rands/year
Purchasing of crop inputs e.g fertilizer		
Paying for crop related services e.g hiring a tractor		
Purchase of livestock inputs e.g medicines, feed, etc		
Paying for livestock related services e.g herding, animal doctor, etc		
Purchase of livestock		

⁹ For each crop indicate unit, e.g 5 bags of maize, bunches, etc.

3.3 INCOME GENERATING ACTIVITIES

3.3.1 Are you a member of any income generating project/s (as an individual or as part of a group)?

Yes	
No	

3.3.2 If yes, please provide information about the project(s) you are involved in?

Type of project	When did it start?	Water source for activity	How many people involved?	How much profit do you make? person/group	Source of funding
1. Brick making					
2. Sewing					
3. Baking					
4. Wire-making					
5. Beer brewing					
6. Candle-making					
7. Pottery					
8. Sea fishing					
9. Other					

4. HEALTH-RELATED QUESTIONS

4.1 Did you have any deaths in your household during the last 12 months?

Yes	
No	

4.1.1 Is there any member of the household who has been sick during the last 12 months?

Yes	
No	

4.1.2 If yes, what illness were they suffering from?

.....
.....

4.1.3 Where do you get medicines to treat them/.....

4.1 4 Are you and the members of your household aware of how HIV/AIDS is contracted and treated?

Yes	
No	

4.1.4.1 If yes, how did you learn about HIV/AIDS?.....

.....
.....

4.1.5 Have you had any incidents in the household/community that affected your lifestyle, during the last 12 months?

Yes	
No	

4.1.6 If yes, please describe
.....
.....

4.1.7 What did you do to cope/change the situation (livelihood strategies)?
.....
.....

5. WATER SERVICES AND SUPPORT

4.1 When was the water project in this village implemented?.....

5.2 What were the respective roles played by women and men in the water project?

Activity	√ Women	√ Men	Don't know	Comments
<i>Institutional</i>				
• Representation on PSC				
• Access to Training				
• Access to Committee Training				
<i>Planning</i>				
• Comment on / input into Feasibility Study/ Business Plan etc.				
• Location of supply infrastructure (standpipe, handpump, well, etc.)				
<i>Implementation</i>				
• Supervision				
• Labour				
• Financial control				
• Quality Assessment / Control				
<i>Post-Implementation</i>				
• O&M Supervision				
• O&M Labour				
• Tariff Collection				
• Monitoring & Evaluation				
<i>Other</i>				
•				
•				

5.3 Were you consulted during the planning phase of the water project?

Yes	
No	

5.4 If yes, which of the following issues were you consulted about?

	Yes	No
1. Need for a water scheme		
2. Amount of water needed per household		
3. Location of standpipes		
4. Allocation of tasks on the project		
5. Payment for working on the project		
6. Other water needs (apart from domestic use)		
Other:		
.....		

5.4.1 What do you think was the main reason that this community needed the water scheme to be implemented? *Please describe*

.....

5.4.2 Does the water scheme operate smoothly?

Yes	
No	

5.4.3 If not, what is the problem?

.....

5.4.4 Do you pay for water from the water scheme?

Yes	
No	

5.4.4.1 If yes, how much do you pay per month?

.....

5.4.4.2 Who do you pay this money to?

.....

5.5 Do you still use traditional sources for your water needs?

Yes	
No	

5.5.1 If yes, please answer the following:

Source	Purpose	How often	Why do you use this source
Dam/pond			
River/stream			
Spring			
Hand dug well			
Other:.....			

5.6 How did you benefit from the implementation of the water scheme in the village?

.....

.....

5.6.1 Now that the water scheme has been implemented, what do you see as potential benefits beyond household use?

.....

.....

5.6.2 Does the water from the scheme meet your current and future water requirements?

Yes	
No	

5.6.2.1 If not, why not?

.....

.....

5.6.2.2 What expectations do/did you have about the water scheme that have not been met?

.....

.....

5.7 Have you started any income generating activities since the implementation of the water scheme?

Yes	
No	

5.7.1 If yes, please describe.

.....

.....

5.7.2 Did the water scheme (availability of water) help with this/these projects?

Yes	
No	

5.7.2.1 If no, why?.....

5.7.2.2 If yes, how.....

6. WATER AND LED

6.1 What do you understand by the term “Local Economic Development?

.....

.....

6.1.1 What kind of support do you need in relation to:

Water needs.

.....

.....

LED.....

.....

6.1.2 What support do you get for:

Water needs.....

LED.....

.....

6.1.3 From where do you get the support (*e.g. organisations, structures*)

Water needs.....

LED.....

6.1.4 If you encounter any problems with the support that you get/need, please describe:

.....

6.2 What community structures exist in this village and what is their role in planning for the development of this community?

Name of structure	Role played in development planning

6.3 What do you think the relationship is between water and local economic development?

.....

6.4 Do you have any ideas for further LED for this community?

Yes	
No	

6.4.1 If yes, please describe:

.....

6.5 What do you think are the factors necessary to facilitate local economic development?

.....
.....

6.6 What do you think are the factors that constrain local economic development in your community?

.....
.....

THANK YOU FOR YOUR COOPERATION

LOCAL ECONOMIC DEVELOPMENT

Community Focus Group Questionnaire

Name of Facilitators :

Name of Village :

Date of Facilitation :

The research is aimed at identifying factors that facilitate and impact on local economic development in water services. This will help in developing a framework for planning the delivery of water services that ensures that LED is addressed for community members and Water Service Providers. The end result is capacitating the communities involved in the projects to link their water schemes to LED.

The facilitation process aims to obtain information on LED and water services in the community and how communities can develop a strategy to link the water schemes to local economic development.

INFRASTRUCTURE AND CAPACITY DEVELOPMENT

1. Are the following facilities available in the area? If yes, what type and how are they used? (detailed information). If not available what is the problem?
 - Communication facilities (e.g. telephones, post offices, etc)
.....
.....
 - Water Infrastructure (e.g. boreholes, windmills, etc)
.....
.....
 - Energy Infrastructure (e.g. electricity, solar)
.....
 - Road Infrastructure (e.g. tarred roads, etc)
.....
.....
- 1.1 IF YES, who participated in the development of the above facilities? (*Please specify what activity performed for each development activity*)
2. What resources does the community have that can be used to develop the community (*including the ones used presently*)

Natural Resources (e.g. grass, forests, etc)
.....
.....

Human Resources (e.g. Skill, expertise, etc)
.....
.....

Economic Resources (e.g. Trust, donors, projects, etc)

.....
.....

Other Resources.....

- 2.1 What do you think are the most important resources/services needed to improve the standard of living in the village? How can they benefit the community?
3. Please identify trainings and workshops conducted for the village? By whom? when? For whom?

Training/Workshop	Service Provider	When	Beneficiaries (target group)	Benefits (why training)

INSTITUTIONAL SUPPORT AND DEVELOPMENT

4. What institutions are available that give support to the community, both for water and LED related services?
- 4.1. How accessible are these institutions and what kind of support do they offer?
- 4.2 What strategies do/did they use to deliver the support? (*Including channels of communication in the village*)
- 4.3 What are the existing Institutional structures in the village and what role do they play in developing the community?
- 4.4 What are the challenges faced by the structures?

LOCAL ECONOMIC DEVELOPMENT

5. What do you understand about local economic development?
- 5.1 How does it relate to water services in the community both now and in the future?

6. What are project-related activities or economic-led activities that took/take place in the village? (especially water-related activities)
- 6.1 If none, what steps, plans and strategies have been designed to undertake economic-led activities (or small businesses) in this village/area?
- 6.2 Do you prefer communal or individual projects? Why is that?

6.3

Individual		Communal	
Benefits	Constraints	Benefits	Constraints

7. Which projects/activities are you engaged in that need water?
What source do you use at the moment? How much water do you use?

Project	Water Source	Water Quantity (L)

8. During which season do you get rain? What time of the year do you plant your gardens or fields? What do you plant (according to seasons)?
9. Which crops do you think can produce maximum yield in the village? Why do you think so?
10. What do you think are the factors that are critical to the economic development of this village? How can they be overcome?

Enhancing Factors	Constraining/Hampering Factors

WATER SERVICES DEVELOPMENT

11. What is/has been the role of the community in water-related activities? What has been their specific role in water activities since the planning stages?

Planning.....

- Implementation.....
- Operations & Maintenance.....
- 11.1 What challenges has the community experienced in each of these activities?
- 12. What are the water needs in this community?
 - Household needs.....
 - Economic related.....
- 13. List all water sources in the village and what they are used for and why such activities?
- 14. What challenges related to water does the community face since planning stages of the water scheme?
- 15. What can be done to link water services to develop economic activities of the community?

LOCAL ECONOMIC DEVELOPMENT

INTERVIEW QUESTIONNAIRE: NGOS, MUNICIPALITIES & CONSULTANTS

INTRODUCTION:

Participants/Organisation Information

Name of Participant	
Organisation	
Job Title/Responsibility	
Department	

1. Type of Organisation

- Government 1
- NGO 1
- Consultancy 1
- BOTT 1
- Other 1

1.1 Scope of projects

- Water only 1
- Water & Sanitation 1
- Sanitation only 1
- LED 1
- Poverty Alleviation 1
- Other..... 1

1.2 Type of projects

- Rural 1
- Peri-urban 1
- Other..... 1

1.3 Funding of projects (*specify project for each...*)

- DWAF
- EU
- Water Boards
- Mvula Trust
- National Development Agency
- Local Government
- Other.....

B. PROJECT/PROGRAMME IMPLEMENTATION & SERVICE DELIVERY

2.1 What is your role in the water/LED projects?

.....
.....

2.2 In what stage/s of project/programme delivery are you involved in:

- | | | |
|---------------------------------------|---|---|
| ▪ Identification | | ↑ |
| ▪ Feasibility | | ↑ |
| ▪ Design | ↑ | |
| ▪ Implementation | ↑ | |
| ▪ Operation and Monitoring | | ↑ |
| ▪ Post-implementation | ↑ | |
| ▪ Possible Extensions | | ↑ |
| ▪ Policy development, sector planning | ↑ | |
| ▪ Other..... | ↑ | |

2.3 How many people are you working with, directly, from your department and your community to deliver such services?

Department

Community

Other (*Specify*)

2.3.1 What are their specific roles in the project?

.....
.....

2.4 How was the community involved in the planning stages of the project?

Water.....

LED.....

2.5 What approaches/modes do you use to implement your projects? (*Explain in detail*)

LED

Water

.....
.....

2.6 What are the limitations of such approach/es to rural service delivery?

.....
.....
.....

2.7 Who are the major role players that support and sustain the project?

- | | |
|-----------------------------------|---|
| ▪ Community | 1 |
| ▪ Social Consultants | 1 |
| ▪ Technical Consultants/Engineers | 1 |
| ▪ Local Government | 1 |
| ▪ National Government | 1 |
| ▪ Other..... | 1 |

2.7.1 What is the formation of the governing structure (decision-making body) of such projects/programmes and how does this structure link with the communities?

.....

.....

2.8 How do you communicate the project/s or programmes with the communities?

.....

.....

2.8.1 How do you/community communicate with other role players that take part in the project?

.....

.....

2.9 What services/resources are needed for such programmes/projects to be implemented successfully?

.....

.....

2.9.1 What are the key challenges both internal and external in providing such services/resources?

.....

.....

2.10 What kind of existing support is provided? By who? And how?

.....

.....

C. POLICY DEVELOPMENT AND PLANNING

3.1 What are the policies used to plan and implement both LED and water projects? (including poverty alleviation projects)

.....

.....

3.2 How are these policies implemented in this area? (in accordance with how they are listed above)

.....

.....

.....

3.2.1 What are the criteria /indicating factors used for implementing such programmes/projects as per the policies in place?

.....

.....

D. TECHNOLOGY DESIGN AND CONSTRUCTION

4.1 What informed the choice of technology design for water in this specific area/s?

.....

.....

4.2 What are the specific features of this scheme & how can it influence, both negatively and/or positively the sufficient supply of water in the short and long-term in the village?

.....

.....

4.2.1 What implications does this have for the economic development of the village/s?

.....

.....

4.2.2 **Who designed the technology? Why was it perceived relevant for the specified community?**

.....

.....

4.3 **What do you foresee as the limitation/s of the scheme to current/future economic development of the villages?**

.....

.....

4.4 **How can this situation be manipulated, technologically/otherwise to address poverty/job creation problems in the village areas?**

.....

.....

E. LINKAGES OF WATER SERVICES TO LOCAL ECONOMIC DEVELOPMENT

5.1 **What is your understanding of Local Economic Development and how is it relevant to the work that you do?**

.....

.....

5.2 **Which areas of development have you identified for these villages that need water?**

.....

.....

5.2.1 **What kind of plans have you made to achieve such development?**

.....

.....

5.3 **Which other sectors/departments are you working closely with and what is their involvement in addressing poverty reduction and job creation in these villages?**

.....

.....

- 5.4 **How integrated are your plans with LED/Water sector? Elaborate WHAT plans you are talking about**
.....
.....
- 5.4.1 **How are these plans communicated to the communities? What strategies are used to inform the community of the development plans?**
.....
.....
- 5.5 **What are the plans or strategies in place for water demand management in the area? If none, what are the challenges?**
.....
.....
- 5.6 **Specifically, during planning stages of the water project, how did you ensure that LED is linked to your water services delivery strategy?**
.....
.....
- 5.6.1 **With the communities you worked with, what do you perceive as challenges, both short and long-term, both on water and water demand management?**
.....
.....
- 5.6.1 **What are the challenges that you are facing for Local Economic Development in as far as water services is concerned, and *vice versa***
.....
.....
- 5.7 **How do/did you evaluate or assess the impact of the water/LED projects in these communities?**
.....
- 5.8 **In your opinion what indicators could be used to link water services with local economic development?**
.....
.....

THANK YOU FOR YOUR CO-OPERATION

APPENDIX B

PRESENTATION ON LED TO CISIRA VILLAGE

1. SYNOPSIS OF LOCAL ECONOMIC DEVELOPMENT

WHAT IS LOCAL ECONOMIC DEVELOPMENT

- Local Economic Development (LED) is an approach towards economic development that allows and encourages local people to work together to achieve sustainable economic growth and development thereby bringing economic benefits and improved quality of life for all residents in a local municipal area
- As a programme, LED is intended to maximise the economic potential of all municipal localities throughout the country.
- To enhance the resilience of the macro-economic growth through increased local economic growth, employment creation and development initiatives within the context of sustainable development.

WHAT DOES PRACTICING LOCAL ECONOMIC DEVELOPMENT MEAN

- Practicing LED means working together directly to build up the economic capacity of a local area to improve its economic future.
- Prioritizing the local economy and increasing the productive capacity of local firms, entrepreneurs and workers.
- The ability of the communities to improve the lives of their members depends upon them being able to adapt to the fast changing and increasingly competitive market environment.

HOW TO BUILD STRONG LOCAL ECONOMIC DEVELOPMENT

- Each community has unique local conditions that can help or hinder its economic development.
- These local attributes will form the basis for designing and implementing an LED strategy.
- To build a strong local economy, each community can undertake a collaborative process to understand and act on its own strengths, weaknesses, opportunities and threats (SWOT).

WHO DOES LOCAL ECONOMIC DEVELOPMENT

- Successful private enterprises create wealth in local communities.
- Private enterprises however depend on favorable local business conditions to achieve prosperity.
- Local governments have an essential role in creating favorable environments for business success.
- LED is thus a partnership between local government, business and community.

WHY DO LOCAL ECONOMIC DEVELOPMENT

- Establish a job-creating economic growth path
- Embark upon sustainable rural development and urban renewal.
- Bring the poor and disadvantaged to the centre of development.

2. THE ROLES AND RESPONSIBILITIES OF NATIONAL, PROVINCIAL AND LOCAL SPHERES OF GOVERNMENT IN LED

ROLES AND RESPONSIBILITIES OF GOVERNMENT IN LED

To ensure the success of LED, **national government** must:

- Co-ordinate and align support to municipalities for LED through the IDP process.
- Provide support to municipalities to implement their developmental mandate.
- Provide the overall legislative and regulatory framework for LED.
- Maintain strong inter-governmental relationships and institutions.
- Provide the necessary resources to municipalities for the implementation of LED.
- Disseminate information to provincial and local government about LED.
- Monitor the outcomes and impact of municipal-led LED activities.

The constitutional duties of **Provincial government** with regard to local government imply the following duties in relation to LED:

- Align LED initiatives with national and local priorities.
- Strengthen and support the capacity of local government.
- Make available financial and technical resources to implement and sustain LED.
- Share information regularly (provincial economic trends, land use, investment, new developments) with municipalities.
- Monitor and evaluate the impact of LED initiatives provincially.

District municipalities can play an important role by taking advantages of economies of scale within a broader geographical region. The **Districts** have the following responsibilities:

- Plan and co-ordinate LED strategies within the framework of IDPs.
- Establish an LED structure, representing the districts and local municipalities, to foster co-operation and co-ordinate LED policies, strategies and projects within the district.
- Identify lead LED sectors that can kick-start development within Districts by undertaking economic research and analysis.
- Promote joint marketing, purchasing and production activities.
- Promote networking of firms within the District (for example, tourism routes).
- Collect and disseminate information to assist local municipalities with LED policies.
- Identify resource availability (grants at provincial level, land, infrastructure, etc.).
- Maintain a strong relationship with the province, and
- Provide the necessary training to municipalities.

As the key LED implementation agencies of government, local municipalities have the following responsibilities:

- Ensure that social and economic development is prioritised within the municipal Integrated Development Plans.
- Conduct local economic regeneration studies as part of the IDPs.
- Establish capacity within the municipality to promote interdepartmental collaboration.
- Establish an LED Forum within the community to mobilise the efforts and resources of local stakeholders around a common vision.
- Build and maintain an economic database to inform decisions and act as an 'early warning system' for the municipality.
- Identify and market new economic opportunities.

- Create an enabling environment for local businesses through efficient and effective service and infrastructure delivery.
- Improve the quality of life of and facilitate economic opportunities for people living within the municipality by addressing infrastructure and service delivery backlogs.
- Develop an understanding and communicate the complex local economic relations, limitations and advantages to key role players.
- Network with key sectors and role players to create partnerships and projects.
- Motivate and support individuals, community groups and local authorities to initiate and sustain economic initiatives.
- Mobilise civil society to participate in LED and encourage public participation.

The role of civil society in LED

Local residents must be fully involved in the local development process. For successful LED processes to become community driven:

- A community must have a core of local, capable and respected leaders who are prepared to commit time and energy to LED. The active engagement of women and young people in the leadership group is essential.
- Community leaders need to have or acquire the necessary skills, knowledge and attitudes necessary to manage economic change.
- Leaders must operate in a transparent manner and be accountable.
- Leaders must be willing to report, listen and ensure the support of the community.
- Leaders should provide inspiration and participate in developing new layers of leadership.
- The community must adopt a practical development agenda which focuses on realistic and sustainable goals, long term plans and achieving some small visible improvements by getting people involved.
- The goals must be realistic and address the community's needs. To achieve this, there needs to be constant evaluation and adjustment of the action plan.

Co-operative governance

Appropriate partnership mechanisms between government, the private sector and civil society can enhance the ability of the private sector to accelerate job creation within an LED programme. This is to ensure that social capital is nurtured at the local level, empowered and drawn upon.

3. LED STRATEGIC PLANNING PROCESS

- The Local Economic Development Policy paper (June 2001) identifies six LED strategies that municipalities can adopt in order to achieve the developmental outcomes of poverty reduction, job creation, broadening local economies, and the redistribution of incomes.
- LED strategies must reflect sensitivity towards the needs of the most vulnerable:
 - Including rural inhabitants and those living in newly demarcated municipalities,
 - Women and children,
 - The elderly,
 - People with disabilities,
 - People living with HIV/AIDS.

When selecting an LED strategy, the following needs to be remembered:

- An LED strategy should encompass diverse interventions.
- The optimal LED strategy will vary depending on local circumstances and can be used in combination of other strategies.
- The strategy will in part reflect what has been inherited, and apartheid era biases must be addressed.
- The strategy must take into account constitutional mandates and political priorities.

LED strategies

The six developmental LED strategies are:

- Developing and maintaining infrastructure and services.
- Retaining and expanding existing businesses.
- Preventing a drain of resources from the local economy.
- Developing human capital and productivity.
- Focusing on community-based economic development

Characteristics of a 'good' LED plan

Any LED Plan can be measured against the following indicators to assess its credibility and worth:

- An LED plan should be in the form of a partnership, including leading figures in local government and in the private sector, other local institutions and the community
- The planning process should provide an opportunity to build a common economic vision and trust within the community
- The economic plan originates at the local level, even if some of the resources harnessed come from elsewhere
- The goal of the plan is to facilitate new business formation and small business expansion
- The plan should demonstrate an in-depth understanding of the local economy, preferably identifying a lead sector
- Commitments of other stakeholders need to be reflected, as the success of an active local government depends on its ability to create trust in its initiatives and on its skills of soliciting contributions from other stakeholders.

Exercise: What would you do (or which aspects to consider) when linking your water scheme to LED?

4. PLANNING FOR LOCAL ECONOMIC DEVELOPMENT WITHIN THE IDP

DEFINITION OF IDP

- Integrated Development Planning (IDP) is a process by which municipalities prepare 5-year strategic plans that are reviewed annually in consultation with communities and stakeholders.
- These plans seek to promote integration by balancing social, economic and ecological pillars of sustainability without compromising the institutional capacity required in the implementation, and by coordinating actions across sectors and spheres of government.
- It draws together all the development objectives of a municipality including Local Economic Development, and formulates strategies to realise those objectives in an integrated manner. This means that everyone is working towards the same goal.
- The IDP is a comprehensive plan for the development of the local area. It includes a long-term vision, an assessment of the existing level of social and economic development, the setting of development priorities and objectives, spatial framework and land development objectives, operational strategies, municipal budgeting and other resource allocation.
- By drawing together the development objectives, priorities, strategies and budgets in this way, the IDP helps to ensure co-ordination between LED and other initiatives of government.
- The IDP is now the basic unit of planning for government as a whole.

THE IDP PROCESS

- The first step in the planning process is the drawing up of an IDP process plan.
- This will ensure the proper management of the planning process and requires close co-ordination between those responsible for the IDP, and those responsible for the LED in a municipality.
- The district council, in consultation with its local municipalities, must adopt a framework for integrated development planning:
 - To determine procedures for co-ordination, consultation and alignment between the district and the local municipalities and therefore bind them together
 - To guide each local municipality in preparing the process plan.
 - To include a time schedule for the planning process.
 - To define roles and responsibilities.
 - To identify how the process will be monitored.
- Integrated development planning is an interactive and participatory process.
- The municipality must allow and encourage public participation.
- It must facilitate consensus around the vision of the LED within the locality and within any network or linkages that are promoted.
- Due to the participatory nature of the IDP process it takes a municipality approximately 6-9 months to complete an IDP.
- This timing is closely related to the municipal budgetary cycle. During this period delivery and development continues.
- The IDP is reviewed annually, which could result in necessary amendments to the IDP plan.

WHO IS RESPONSIBLE FOR MANAGING THE IDP PROCESS?

- The Municipal Systems Act assigns responsibility for managing the preparation of the IDP to the Executive Committee or Executive Mayor (who can assign this responsibility to the municipal manager).
- In many municipalities an IDP co-ordinator, reporting directly to the municipal manager and the Executive Committee or Mayor, is appointed to manage the process.
- This responsibility for the IDP is in line with the Constitution, which gives municipalities the responsibility to ensure that the quality of life for residents is improved.
- The new role of local government includes the provision of basic services, creation of jobs, promotion of democracy and accountability and the eradication of poverty.
- Preparing and having the IDP enables the municipality to manage the process of fulfilling its developmental responsibilities.

INSTITUTIONAL ARRANGEMENTS AND CAPACITIES

- The elected council is the ultimate decision-making forum on the IDP, but the integrated development planning process is participatory in nature and requires input from various role-players.
- For this reason the municipality must adopt an appropriate approach and also put in place structures to ensure effective participation by all stakeholders.
- Integrated development planning is an intergovernmental system of planning, which requires involvement of the three spheres of government. Some contributions have to be made by provincial and national government to assist municipal planning.
- This promotes intergovernmental co-ordination by facilitating a system of communication and co-ordination between local, provincial and national spheres of government.
- The metros, the local municipality and the District municipality need to prepare and adopt an IDP.

- The District municipality must also provide support to under-capacitated local municipalities and facilitate the preparation of a framework, which will ensure co-ordination and alignment between local municipalities and the District.
- District Councils play a key role in the co-ordination of the IDP process, and can facilitate the development of regional LED strategies through the IDP process.
- The District Council can access technical and financial support from national and provincial government, as well as regional developmental institutions.
- The Provincial Department of Local Government is responsible for:
 - Coordinating training
 - Providing financial support
 - Offering general IDP guidance
 - Monitoring the process in the province.
 - The province is also responsible for facilitating co-ordination and alignment between District municipalities including facilitating resolution of disputes between municipalities.
 - The province is also responsible for assessing IDPs and facilitating the alignment of IDPs with sector department policies, programmes and budgets.
 - The various sector departments must provide relevant information for this. They need to contribute their expertise and technical knowledge to the formulation of municipal policies and strategies. They must be guided by municipality's IDP in the allocation of resources at the local level.
 - The National Department of Provincial and Local Government must issue legislation and policy in support of IDPs, including IDP guidelines.
 - They are responsible for providing financial assistance and a national training framework. It is their responsibility to establish a Planning and Implementation Management Support System.

PUBLIC PARTICIPATION

- Many of the new municipalities are too large to allow for the direct participation of all residents in complex planning processes.
- Participation and integrated development planning, therefore, needs clear rules and procedures specifying who is to participate or to be consulted, on behalf of whom, on which issue, through which organisational mechanism, and with what effect.
- All municipalities must promote public participation, but they also need to create the conditions for public participation.
- This should be done with a view to the needs of disadvantaged or marginalized groups in accordance with the conditions and capacities in a municipality.
- Public participation has to be institutionalised in order to ensure that all residents of the country have a right to participate.
- Public participation has to be structured to provide sufficient room for diversity in styles and cultures. Institutionalising participation means setting clear minimum requirements for participation procedures, which apply to all municipalities by means of regulations, and providing a legally recognised framework.

BENEFITS FOR DIFFERENT STAKEHOLDERS

The IDP provides specific benefits for different groups:

- It enables a municipality to obtain access to development resources and investment
- It provides a clear and accountable leadership
- It provides a development direction, and
- It is a basis to monitor the performance of officials.

Councillors have to play a leading role in the IDP process. They have to:

- Make decisions
- See that the needs and aspirations of their constituencies are dealt with
- Communicate with constituencies through the IDP
- Represent their constituencies effectively by making informed decisions, and
- Measure their own performance.

The IDP provides municipal officials with a mechanism to communicate with the councillors. It allows the officials to contribute to the municipality's vision and to be part of the decision-making process. Everything that departments do has to be guided by the IDP. As a result, all departments have to become involved in the integrated development planning process.

IMPORTANCE OF IDPs

- The IDP is about determining the community's needs and priorities, which need to be addressed in order to improve the quality of life.
- The IDP gives the community an opportunity to inform the council what are their development needs.
- This gives them an opportunity to determine the municipality's development direction and provides a mechanism through which to communicate with councillors and government. Community and stakeholders participation in determining those needs is at the heart of the IDP process.
- A significant amount of financial resources for the implementation of projects lie with sector departments.
- The IDP provides guidance to sector departments as to where their services are required and hence where to allocate resources at local government level.
- By participating in the integrated development planning process sector departments ensure an alignment between their programmes and those of municipalities.
- The IDP serves as a guide to the private sector in making decisions with regard to areas and sectors in which to invest, and allow a co-ordinated local policy.

ADVANTAGES OF AN IDP

Every municipality should have an IDP. Advantages include:

- An informed municipality regarding the problems affecting its area and, having current information on available resources: This enables municipalities to develop and implement appropriate strategies and projects to address the problems.
- The municipality can focus on identified and prioritised local needs, taking into consideration local resources and can make more effective use of scarce resources.
- Municipalities search for more effective solutions by addressing causes, rather than merely by allocating budgets to deal with symptoms.
- Delivery is speeded up by providing a tool which guides where investment should be directed.
- Public participation is encouraged and decision-making mechanisms are identified that will arrive at realistic project proposals, taking into consideration limited resources.
- A clear municipal development plan, facilitating investment by private investors and sector departments.
- The strengthening of democracy and institutional transformation through transparency and inclusiveness.

LED, IDPs and WATER

WORKSHOP PROGRAMME

AWARENESS RAISING ON LED, WATER AND IDPs		
Time	Item	Presenter
10h00-10h05	Welcome	Mrs Mhlakane (Ward councillor)
10h05-10h35	Introductions and expectations	Vuyo Dube
10h35-11h00	Overview and introduction of the program for the day	Vuyo Dube
11h00-13h00	1. Synopsis of LED • What is LED • What does practicing LED mean? • How to build strong LED? • Who does Local Economic Development? • Why do Local Economic Development? 2. The roles and responsibilities of national, provincial and local spheres of government in LED • Roles and responsibilities of national government • Roles and responsibilities of provincial government • Roles and responsibilities of DMs and LMs • Roles and responsibilities of Civil society 3. LED strategic planning process Exercise: Linking Cisira water scheme to LED	Motlatso Phaswana
13h00-14h00	LUNCH LUNCH LUNCH	
14h00-15h50	4. Planning for LED within the IDP • Definition of IDP • IDP process • Who is responsible for managing IDP process • Institutional arrangement and capacities • Public participation • Importance of IDP • Advantages of IDP 5. Ngqushwa IDP (Linking LED to IDP)	Motlatso Phaswana and Mr Khaulela
15h50-16h00	• Rounding up and Closure	Ms Vuyo Dube & Mrs Mhlakane