

Governance Observations and Lessons from the Establishment of Catchment Management Agencies

International Conference on Freshwater Governance
5th November 2012

Dr Guy Pegram



What are the key issues?

- * Local interest and stakeholder representation
- * Corporate governance and fiduciary responsibility
- * Institutional development and legitimacy
- * Financial viability and self-sufficiency
- * CMS supporting water for growth and development



Some Context to CMAs in SA

- * Early 1990's global discourse around IWRM & RBOs
 - * Basin management experience was
 - * Europe transboundary (Rhine, Danube . . .)
 - * Australia (Murray Darling)
 - * US watersheds
 - * Africa, Pakistan, Turkey – often infrastructure focused
- * South Africa
 - * Fledgling democracy
 - * Emerging ecological and water quality focus
 - * Jukskei Umgeni WQMP



NWA (1998) proposed CMAs

- * “purpose . . . is to **delegate** water resource management to the **regional or catchment level** and to involve local **communities**, within the framework of the **national** water resource strategy” Chapter 7 Preamble

- * following initiative by local stakeholders
- * stakeholder representatives on Board
- * expectation of up to 300 CMAs
- * Schedule 4 procedures, not governance



1999 Reality Check

- * Definition of Water Management Areas (19)
- * Complexity of driving the proposal process
 - * DWA took the lead with consultation
- * Public Finance Management Act promulgated
 - * Public entities (schedule 3A)
- * CMAs only one of the TINWA priorities
 - * NWRS, Resource Directed Measures, Authorisation, Institutions, Information, Infrastructure, Public safety



Next 5 years

- * DWA Planning and consulting
 - * Guidelines for organisation, financing, etc
- * National Treasury / DPSA Governance Framework
 - * Motivate form following the function / mandate
 - * Introduce strong governance controls
- * DWA Restructuring to reflect the NWA
 - * Engaged the WR institutional arrangements
- * Adoption of similar models in
 - * Mexico, Zimbabwe, Kenya, Tanzania . . .



AC process

- * Discussion of:
 - * Size – 8 up to 24 members
 - * Expertise – appointment or selection from nominations
 - * Evolution – first board for credibility
- * Led to the establishment of CMA Governing Board
 - * About 14 member board representing various interests / sectors
- * Balance of:
 - * Current and future users
 - * Local and provincial government
 - * Environmental interests



The First 6 Months

- * Enthusiastic Board Members, but no staff
 - * Business plan within 6 months
 - * Strategic direction and budget
 - * Organisational design . . . structure, remuneration
 - * Recruitment of the CEO . . . staff
 - * Establishing systems . . .
- * Relatively small portion of Board was able to contribute actively
 - . . . typically from commercial representatives
 - . . . through Board committees
- * Board more suited to advising CMS and technical issues



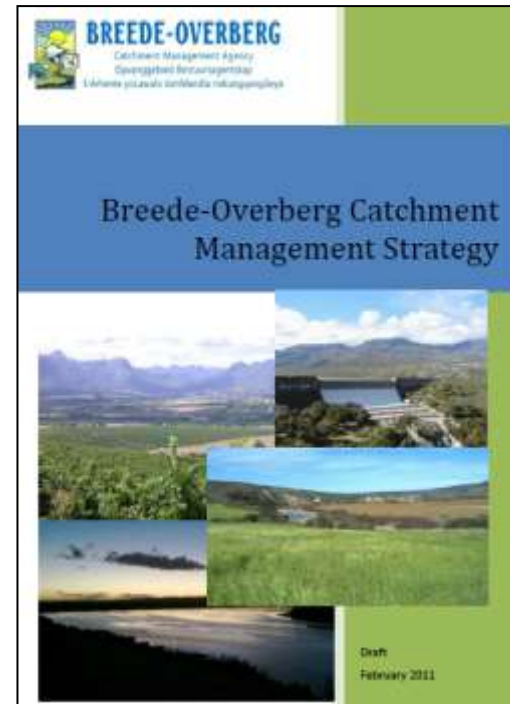
Building the CMA

- * Staffing approaches
 - * Inkomati CMA recruited quickly
 - * Breede Overberg CMA recruited more steadily
- * Delegation of functions delayed
 - * Users are frustrated and looking for action
 - * Establishment builds expectation
 - * Delays erodes credibility
 - * Without certain powers, CMA legitimacy is constrained
- * CMA bridges the Government – Stakeholder gap



Catchment Management Strategy

- * Opportunity:
 - * build stakeholder legitimacy
 - * institutional strengthening / development
 - * intent around water for growth and development
- * Distinct from water planning processes:
 - * built around a coherent vision / statement
 - * more reflective of other sectors / spheres
 - * first edition built on limited information
 - * integrate protection, allocation / use, disaster, institutional
- * Stakeholder board worked well
 - * Balancing interests and responsibility
- * Delay in approval again erodes credibility



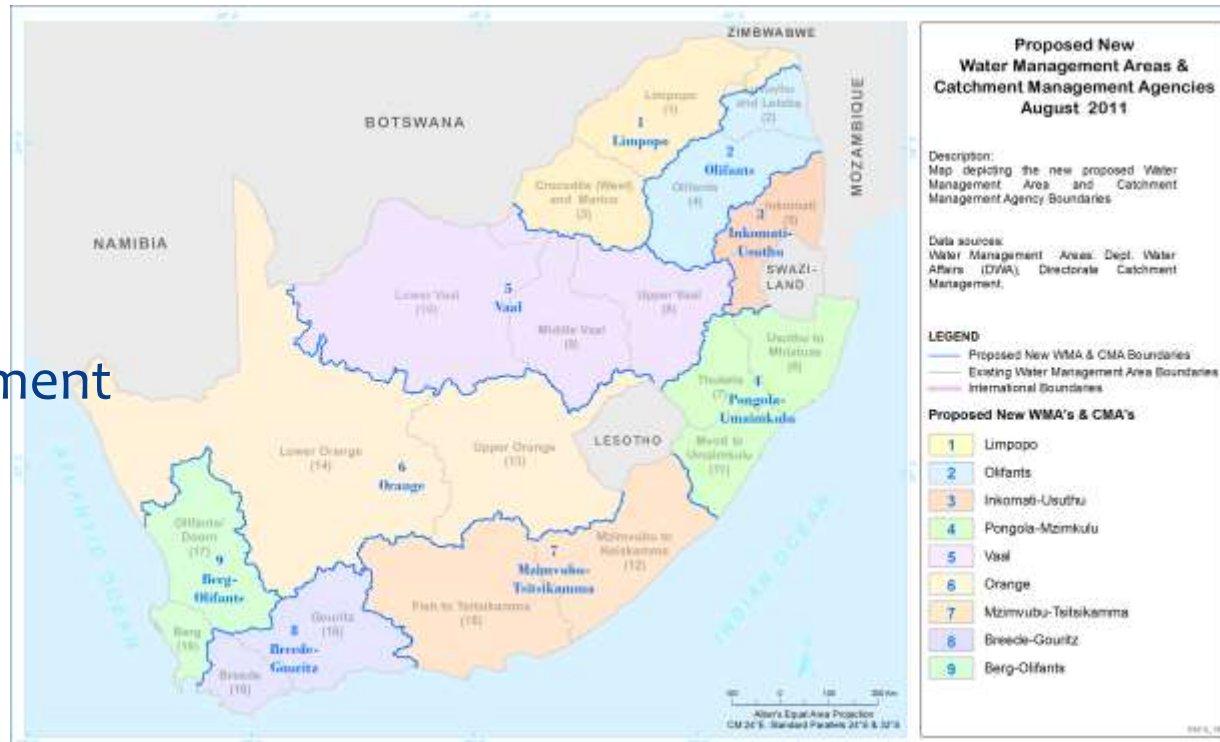
Financing the CMA

- * Balancing
 - * User pays & self-sufficiency
 - * Public interest & viability / sustainability
- * Internationally experience (Blomquist et al, 2005)
 - * User contribution related to benefit / value / services
 - * local commitment, accountability and empowerment
 - * Government contribution related to public interest / “investment”
 - * Full establishment support
 - * Partial operational support – regulatory functions
- * Delayed delegation of revenue collection to CMAs
 - * Uncertainty in collection
 - * Under-recovery of charges
 - * Unrealistic budget requests

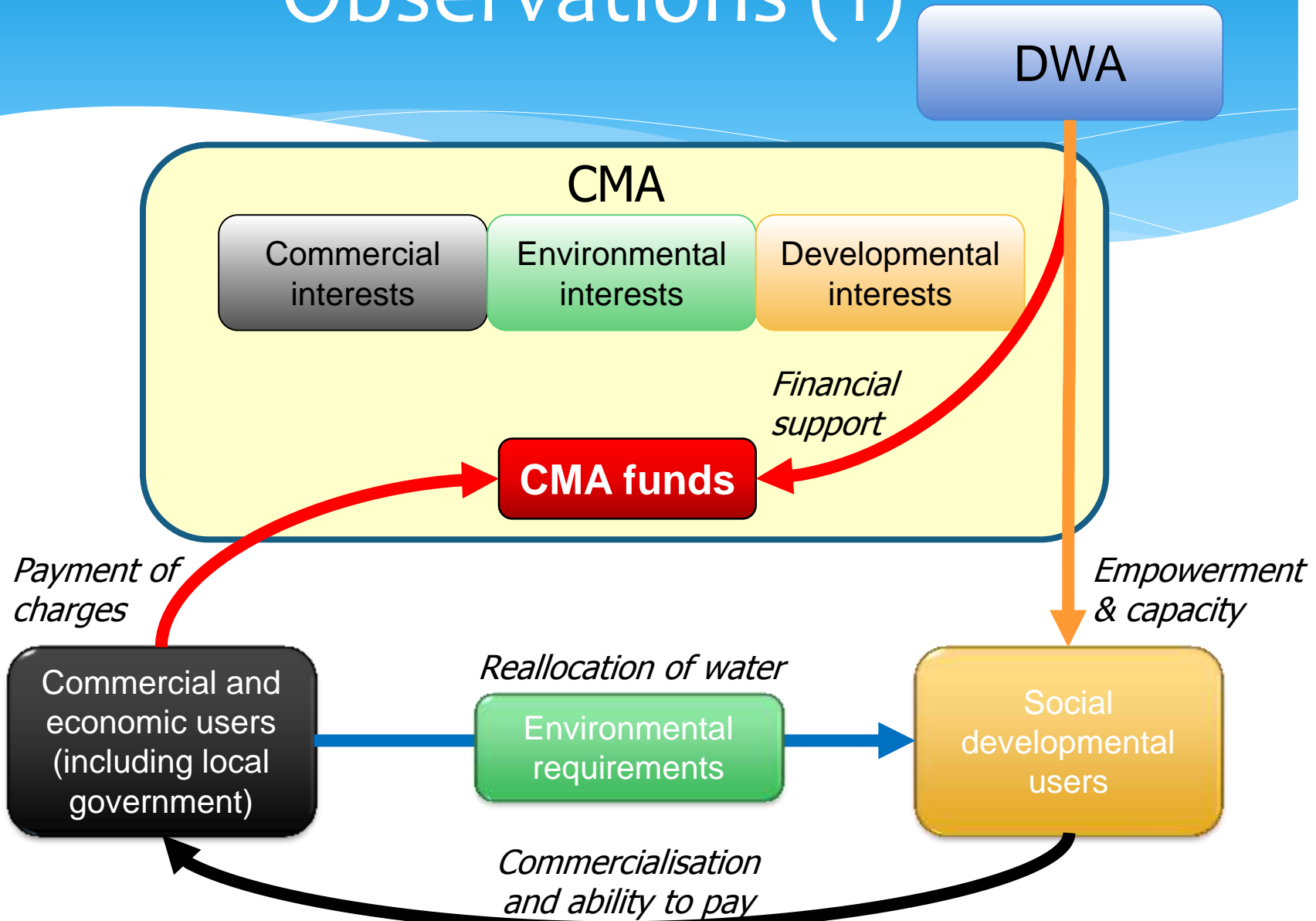


Establishing CMAs 2.0

- * Establish 9 CMAs
 - * This poses some challenges that may be guided by the past decade experience, together with international lessons
 - * Governance
 - * Representation
 - * Legitimacy
 - * Financing
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- * Accelerated establishment
 - * courage
 - * learning
 - * performance
 - * benchmarking

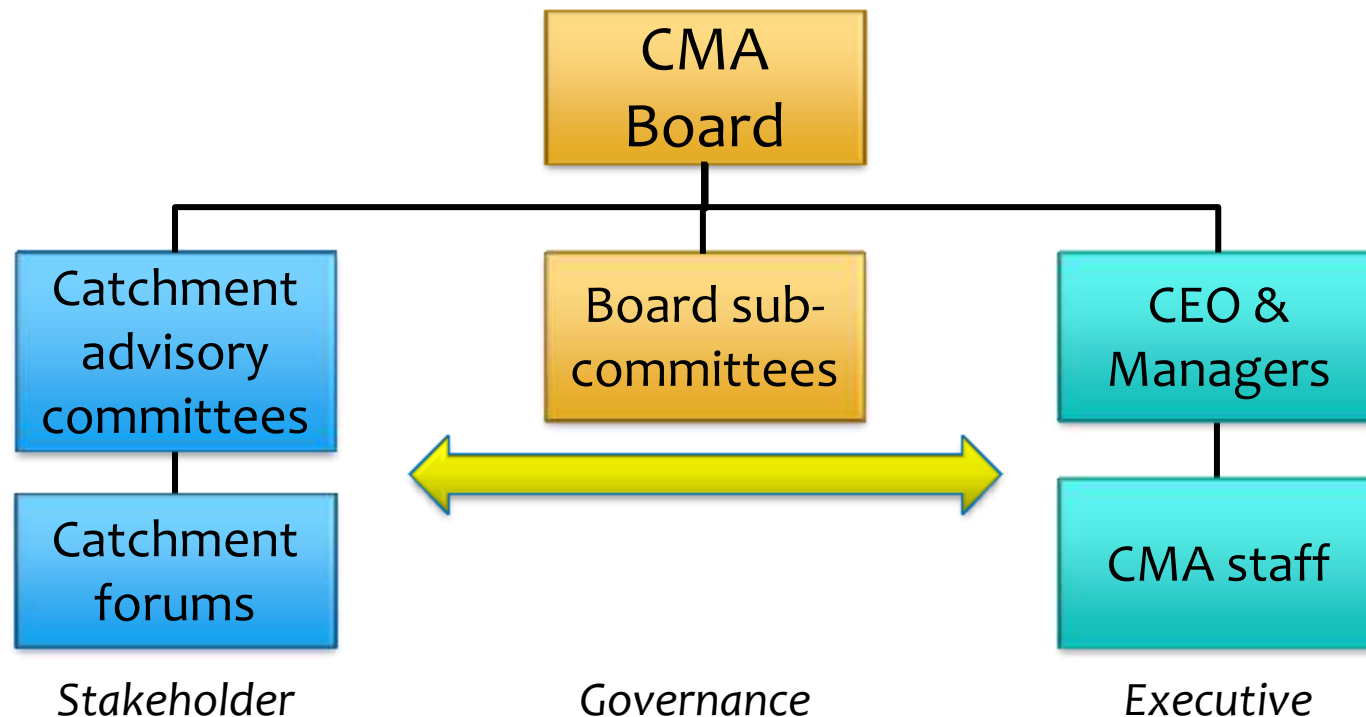


Observations (1)



Observations (2)

- * Distinguish governance from stakeholder representation



Observations (3)

- * Empower the CMA with accountability
 - * Delegation of water use authorisation / resource protection
 - * Clear service level agreement on performance
 - * Linked to the CMA BP and CMS
 - * Requires responsiveness from Minister / DWA
 - * BP & CMA submissions responded to according to clear rules
 - * institutional oversight / economic regulation
- * Financial autonomy within 2 years
 - * Recovery targets and financial support (BP)



Thank you

Watch this space – it will be interesting!

