

TERMS OF REFERENCE FOR A SOLICITED WRC PROJECT

KEY STRATEGIC AREA	Water Use, Wastewater Resources and Sanitation Futures
THRUST	1. WATER SENSITIVE AND RESILIENT SETTLEMENTS
PROGRAMME	<i>Programme 4: Water services Institutional and management programme</i>
TITLE	Examining the opportunities for community-based service providers/enterprises in water services delivery

Objectives

Exploring opportunities for Community based Providers/Enterprises in the local management of water services

General

Responsibility for water supply development rests on the State as part of a policy 'to ensure universal access to water and sanitation for all. As per the Constitution, the authority to develop water supply within their jurisdiction primarily rests on local governments, who must act consistently with national and provincial policies and strategies. Water supply development includes many aspects: planning, construction, operations and maintenance, and monitoring and control of services governed through the Municipal Systems Act and Water Services Act.

Due to the failures of many Municipalities to adequately render the services in South Africa, we have seen the advent on many interventions by communities themselves, through ratepayers' representations, community-based services provision, and partnership with private sector. With the right institutional, fiscal, and regulatory support community-based management models allow systems to be better maintained and operated over their lifetime. If CBPs or CBEs perform exceptionally, they could operate the infrastructure to generate income that may be used to expand services to new customers, who are usually willing to pay for better services.

CBOs have been operating for many years on an informal basis, as village-based committees, community interest groups etc. Why would CBOs consider formalizing and following regulations instead of going on as usual? Formality brings a level of security to community-based institutions – by following the legislations and regulations, it opens several new opportunities such as legality to function, fiscal support, access to financing, support etc. (e.g., water permits to extract and use

water), due process, limiting the personal liability of individual members and asserting to third parties the rights of the CBOs to continue to operate without disturbance. Formality and compliance also demonstrate to the public that a CBO is worthy of trust and acts responsibly, and therefore, should be given a degree of independence to operate continuously. Formality also opens more doors for the CBOs to deal with other businesses and support agencies, such as a bank, investors and other development/ government entities that have mandates to support micro- and small businesses. Importantly, CBO formality gives the community enterprise recognition as a professional.

Specific

The specific objectives are:

- Mapping community owned/private/self -supply/water services intermediaries' schemes to identify relevant socio-political and environmental drivers behind the emergence of such schemes.
- Extracting lessons to be learned from other examples of service delivery models/arrangements other than WSAs, globally and nationally.
- Examine the policy and legislative imperatives of community-based services provision.
- Developing strategies/models for community-based arrangements under the MFMA and guidelines to facilitate the use of community-based models, as well as recommendations for policy and legislation updates.
- South African handbook for community-based water services arrangements
 - include institutional frameworks for water services provision.
 - regulatory requirements to establish a water services community-based organization.
 - the organizational structure and management systems requirements
 - reporting requirements
 - investment development plans.

Expected outcomes and impacts:

- **Position paper**
- **Report of policy and legal review**
- **Database of case studies**
- **Guidelines and Handbook**

Lighthouse:

- Water-Energy-Food Nexus
- Climate Change

Impact Areas:

- Water and the Economy; Water and the Environment; Water and Society

Knowledge Tree

- Sustainable Development Solutions

Time Frame: 2 years

Total Funds Available: R 800 000.00 inclusive of VAT.