

DRAFT for PSC #4 2007-03-07

**URBAN ENVIRONMENT
MANAGEMENT PROGRAMME
(UEMP)**

**COMPONENT 3
Municipal UEMP**

**6 month progress report
JUL-DEC 2006**

This report is a summary of:

- 6 m progress reports from the programmes five municipal partners (see annexes)
- Meetings, telephones, emails etc. with staffs of each partner

The format is elaborated to convey the content of the five reports and to follow the guidelines for Progress Reports of Danida's Management Guidelines, Annex 11 B.

Contents

1.	Fact sheet, Component 3 of the Urban Environment Programme	2
2.	Executive summary	3
2.1	Background	3
2.2	Developments in output/expenditure since last report	3
2.2.1	Problems encountered	4
2.2.2	Other issues raised by or discussed with municipal partners	4
2.3	Lessons learnt and solutions	5
2.4	Status of outstanding issues and follow-up	9
3.	List of Annexes	10
1	6 m report, City of Cape Town	10
2	6 m report, Municipality of Ekurhuleni	10
3	6 m report, City of eThekweni	10
4	6 m report, City of Johannesburg	10
5	6 m Report, District municipality of Sedibeng	10
6	Table: Overview of partners 6 month reporting	10
7	Partner representatives (PSC) and contact details	10
8	New Guideline and Template for STTA	10
9	PSC # 3 2007-01-31 Minutes	10
10	“Urban Environment Management Programme” Booklet published by Danida, 2006	10 10
4.	List of Acronyms	11
1.		

Fact sheet, Component 3 of the Urban Environment Programme

<p>Programme:</p>	<p>Component 3: Municipal UEMP Urban Environment Management Programme South Africa Supported by Danida</p>
<p>National and Municipal partners: Department of Environment and Tourism, Government of South Africa (lead partner and coordinator of C1 +C3 of the UEMP)</p> <p>Implementing partners of C3:</p> <ul style="list-style-type: none"> • Cape Town City Municipality • Ekurhuleni Municipality of • eThekweni City Municipality • Johannesburg City Municipality • Sedibeng District Municipality 	<p>Programme Managers Joanne Yawitch, JYawitch@deat.gov.za</p> <p>Osman Asmal, osman.asmal@capetown.gov.co.za</p> <p>Mandla Sithole mandlas@ekurhuleni.com</p> <p>Soobs Moonsammy MoonsammyS@durban.gov.za</p> <p>Flora Mokgohloa FloraM@joburg.org.za</p> <p>Sorrius Manele sorrius@sedibeng.gov.za</p>
<p>Reporting period:</p>	<p>JUL 2006 to DEC 2006</p>
<p>Programme starting date</p>	<p>1. JAN 2006 (1. JUL 2006 for C3)</p>
<p>Programme completion date (expected)</p>	<p>30. JUN 2011</p>
<p>Previous reports (all relevant, also to C3)</p>	<p>UEMP - Inception Report – Component 1, endorsed by PSC 24 April 2006</p> <p>UEMP – Inception Report – Component 3, endorsed by the PSC, 28 June 2006</p> <p>UEMP – 6 m Progress Report – Component 1, endorsed by the PSC, 31 January 2006</p>

2. Executive summary

1 Background

The Urban Environment Management Programme (UEMP) started 1 Jan 2006 and is scheduled for five years. Ten partners of government institutions from all three spheres of government of South Africa run the programme in collaboration, with the national Department of Environment (DEAT) as the lead coordination partner. The programme is supported by the Danish International Development Agency, (DANIDA).

This is the first progress report of **Component 3 (C3)** of the programme. This component deals with UEMP in five (5) municipal government departments in the following cities of South Africa: **Cape Town, Ekurhuleni, eThekweni, Johannesburg and Sedibeng.**

In South Africa the **budget year** of the municipalities runs from 1 July to 30 of June, the following year. (National and provincial institutions runs from 1 April to 31 March.) Thus, the first budget year of component 3 is in reality **1 July 2006 to 30 June 2007**, and the component of the programme will in effect run from 1 July 2006 to 30 June 2011.

A list of previous reports is included in the fact sheet.

The Inception Report for Component 3, endorsed by the PSC on 28 June 2006 was based on intensive dialogue with each partner and on the business plans of the institutions. It summarized the business plans and budgets of 2006-07 (total of 35 line items), and clarified procedures.

The Progress report for Component 1, endorsed by the PSC on 31 Jan 2007 lists a number of issues, common to both components (1 and 3) and proposes a number of solutions already in implementation or implemented.

As described in programme documents and the inception report, the activities of UEMP are planned and managed as *on budget support – implying that all planning, management and reporting follow the procedures, guidelines, timeframes and other procedures of the institutions proper*. This is implemented by the partners by – in principle - cut-paste-and-edit from the institutions own BP-reporting into a UEMP-template.

Accordingly this report is a summary of reports from the five municipal partners' internal business plan reportings. The reportings can be seen in full as *Annexes 1-5*.

2 Developments in output/expenditure since last report

An overview (35 budget line items) is shown in the table, *Annex 6*. This table provides for each line item: the original and amended figures, predicted spending by the end of the budget year, and figures for brief comments to progress and measures to be taken, now or later.

Overall: Most activities are in good progress. A few are ahead to schedule, most are on track. Some are delayed and have revised time plans in place. A few have revised time plans under way.

A key figure is the *total rollover* (by 30 Jun 2007), as predicted (in Jan 2007): **20 %** of the total budget. In other words 80% of the money is predicted to be spent during the first programme year, as budgeted. (The corresponding figures for C1 of the programme is 10

spending during the first budget year and a *rollover of 90%*. As this is the first project year, this relative low spending is understandable).

The average rollover spans some diversity, as starting up the activities has met more difficulty in some of the institutions than others. Most of these difficulties were predicted in the programme document. All have been discussed with the relevant partners and most of them have now either been sorted out or are currently being addressed, as indicated in the right columns in the table, *Annex 6*.

A number of general issues have already been resolved in the progress report for Component 1. They have been jointly re-visited in connection with this report. The following is a general presentation of these issues and the solutions which are either in place or materializing.

1 Problems encountered

The problems as highlighted *by the municipality administrators* are listed below, and the solutions implemented or envisioned are described in further details in chapter 2.2

- 1. Restructuring of administrations + staff changes.** These changes take place in most municipal administrations, taking up substantial time and energy. Especially small administrations are vulnerable to this. Is being addressed / improving.
- 2. Capacity constraints** have delayed UEMP activities in some institutions. Is improving.
- 3. Procedures (for decisions and for procurement)** often appear to take more time than predicted in Business plans. This goes for all types of institutions. Actions have been taken.
- 4. Advisors.** Lack of technical advisors (provided for, but not as yet employed) is a bottleneck. In progress.
- 5. Funds transfer.** Although the procedure for this has been available in a note, endorsed at the PSC # 1 (26 April 2006) many partners had initial difficulties in drawing down funds. Action has been taken.
- 6. Budget changes.** There have been needs for budget changes with several partners. Principles have been established by the PSC.
- 7. Roll over of funds for the following budget year.** A gap of knowledge with regard to procedures has raised concerns and questions. Has been addressed.
- 8. Communication.** All is made by email, telephone, meetings and at the Introduction Seminar in Mageliesburg. No comprehensive strategy for internal and external communication is in place. Actions taken/will be taken.

2 Other issues raised by or discussed with municipal partners

- 9. Collaborative activities.** An action plan for the promotion of collaborative activities in the programme is still to be drafted and discussed by the PSC (agreed on PSC # 1 26 April 2006). Pending
- 10. Short Term Technical Assistance facility.** This short cut to technical expert assistance (UEMP procures and pays on the request from the partner). Established as by August. Procedures are on-goingly made more flexible.

11. Database of CVs made available to the partners also on CD-Rom in January 2007. It is on-goingly built out with more CVs of SA'an and international technical experts.

12. PSC. There have been three meetings.

1 on 26 April 2006; # 2 on 28 Jun. 2006; # 3 on 31 Jan 2007

3 Lessons learnt and solutions applied

Re. 1: Reconstruction of administrations and staff changes.

4 of the 5 municipalities have been through or are currently in the process of basic re-structuring of their administrations. Many key staff persons, also of the UEMP have been through a process of re-applying for their positions (in new contexts) followed by reconstructions of the objectives, staffing and ways of operation of their departments. New persons have been appointed in key positions (in relation to the UEMP) in several departments.

In keeping the momentum of the programme the following *solutions* have been pursued (as from the PSC Secretariat and the advisors): Reinforcement of the agreed activities in meetings etc. Practical advice and reminders on key steps of activities, such as draw down of funds etc. Flexibility to budget changes and other solutions, which can make the activities fly.

As indicated - *table, Annex 6* - this has come across better in some Cities than in others. Some have also been through more comprehensive processes and changes than others. For the particular situation in Sedibeng, a plan is currently being designed to catch up with the activities which the district municipality want to pursue.

Re. 2: Capacity constraints.

Like all National and Provincial partners some Municipal partners have met technical capacity constraints in executing the agreed activities. In part this is predicted by the Programme documents, which in response prescribe the advisors be employed at the very beginning of the project, after 1 Jan 2006. Still the National Advisor and the municipal advisors of Cape Town and of Sedibeng are not appointed.

This has been discussed and the employments are being pursued. Further *solutions* already discussed by the PSC are careful and realistic planning which takes the actual capacity, the special threshold and the pitfalls, into account. (Such as setting up a time table at the beginning of the year). As institutions are reconstructed and re-populated, the capacity is generally expected to enhance.

Re. 3: Procedures (for decisions and for procurement)

This has often take more time than predicted in business plans. This goes for all types of institutions. There is a specific need for realistic planning of time frames if activities are to be delivered as wanted and predicted. Typical pitfalls in many institutions are lack of exact knowledge about internal decision procedures and timing, as well as about procedures for procurement of expertise. In some cases the department will pass on the funds to other government departments or other partners, the timing of which are not known. This can jeopardize the time plans.

The *solutions pursued* include making realistic time tables, on a more informed basis, and perhaps to set up some courses, and guidelines for this, based on each institution.

Re. 4: Advisors.

Lack of technical advisors, which are provided for by the programme documents, but as yet not employed is a bottleneck.

Where advisors have been in place - Johannesburg and Ekurhuleni and EThekweni (in-house coordinator) activities have in general been more progressive than elsewhere. This goes for Municipalities as well as national and provincial partners who still are short of the National Advisor.

Re. 5: Funds transfer.

Although the procedure is available in a note (endorsed at the PSC-meeting 26 April 2006) many partners have experienced initial difficulties in drawing down funds. Several municipal partners have not been able to advertise for advisors and tenders, as the funds were not drawn down and available on the accounts of the institution.

In all discussions the actual problem is not the procedure as such but the initiative to actually execute it. A frequent pitfall is the communication between the executing units and the financial units of the administration. Timely initiatives by project managers have been institutionalised in every institution, solving the problem.

Re. 6: Budget changes.

Due to new knowledge, unexpected figures in quotes, political changes, and lack of initiation of spending etc. several partners have asked the PSC to approve re-allocations of their UEMP budgets for 2006-07 (see annex 6). In response to the needs, the PSC (#3) has agreed on these flexible principles on budget re-allocations:

- Partners can at their own discretion (without approval from PSC) re-allocate budget figures from one budget line to another. (Both lines previously endorsed by PSC)
- Such re-allocations must follow the objectives and guidelines of the institution proper as well as of UEMP-programme and must be reflected in changes in the BP and budgets of the institution.
- Such re-allocation must be specified and transparent in progress reports and in financial reports of the institution and of the programme.

It follows from this that partners can not establish new budget lines without PSC approval.

Re. 7: Roll over of funds for the following budget year.

There have been some slight gaps of knowledge in regard to the exact procedures for this, which have raised a number of concerns with all partners. There three sides of this, the concerns of the UEMP as such, the concerns of the national Treasury and the concerns of the institution proper.

With regard to the programme: There are no impediments from the side of Danida, that funds not spent during the budget year are rolled over to the next budget year in order to

complete the activity originally agreed on the particular budget line. Also the PSC has applied the principle that once endorsed an activity should be completed, if not in the budget year then - as a primary priority - in the following budget year.

With regard to the National Treasury: It is the position and the management praxis of the NT that money from a donor, once assigned (in this programme by PSC-endorse-ment) should be spent for the purpose assigned. The practical implication of this is that the money will stay in the NT until drawn down by the institution for the purpose (either in the first budget year or the next), and once drawn down the money will stay in the implementing institution until used for the purpose. If not used for the purpose the money must be transferred back to the donor.

With regard the institution proper: This will follow the management guidelines of each institution.

It follows from the above that there is neither from the side of the programme (including the donor) nor from the National Treasury any impediment to rollovers, provided the money is spent in accordance with the purpose. It is up to each partner to follow the rules of ones own institution on this.

Re. 8: Communication.

All communication is (still) conducted by email, telephone, meetings and a yearly seminar (Mageliesburg, 1-3 Aug 2006. A similar seminar is planned for September 2007).

A home page has been designed by the PSC Secretariat and is to be technically established by the IT Department of DEAT. It will be populated by the partners via the IPA. Currently the partners are collecting/submitting relevant info, documents etc, according to a request from the advisor. The programme is awaiting progress in the technical setting up of the page.

Other issues raised by or discussed with the municipal partners.

Re. 9: Collaborative activities and UEMP-Synergies:

The programme's potentials for these are, in principle, obvious: The programme offers bottom-up budgeting procedures, technical assistance and communication channels between 10 partners from 3 spheres of government of South Africa. It has been expressed by partners that the opportunities of collaborative activities of the Programme may appear to outshine the financial value of the budget support proper.

An action plan for the promotion of collaborative activities in the programme is still to be drafted and discussed by the PSC (agreed on PSC # 1 on 26 April 2006). Among the collaborative activities discussed between some partners and between some partners and the Secretariat are

- Joint EH education programmes
- Joint undertaking to streamline procedures and legislation in spatial planning
- Joint undertaking to support the solutions to in-door air pollution in townships
- Joint exploration and mutual learning about Energy strategies

The possibilities also comprise sharing of Knowledge and know-how or joint actions in all fields of Urban Environment Management. The UEMP has a major research programme (its Component 2), which may be further designed to this. In general the

UEMP has various funds for the support of such synergetic collaborations, and partners are on-goingly encouraged to submit proposals, ideas and comments to Osman Asmal, CT, Sharon Lewis, SACN, or Bo Leth-Espensen, PSC Secretariat.

Re. 10: Short Term Technical Assistance facility.

This is the UEMP's short cut to technical expert assistance available to all 10 partners. On the request from the partner, the Secretariat simply procures and pays for the expert wanted.

The facility is open (by phone and mail) for procurement services from day to day or from week to week and is on-goingly being made more flexible. New, very simple guidelines and templates were disseminated in Feb. 2007 as a follow up to PSC#3.

The PSC Secretariat also offers technical assistance with procurement proper, i.e. including assistance with procurement financed by the partners themselves, either as part of their UEMP budgets or their budget proper.

Since the establishment in August 2007 three (3) procurements have been made for City partners

- M2006-1 eThekwini: Monitoring scheme for flaring from refineries
- M2006-2 eThekwini: Renewable Energy tailor-made for the city to be included in E-Strategy
- M2006-4 Johannesburg: IT modelling training course for staff on ambient Air pollution

Currently the following have been announced by city partners

- M2006-3 Ekurhuleni: LA21 master plan for the city municipality
- M2007-5 eThekwini: Master plan for sustainable spatial planning, services and water management for each of the cities 4 districts
- M2007-6 CT: Financial schemes to combat energy poverty

In addition a number of other procurements are considered but not as yet officially announced from the cities.

Re. 11: The UEMPP-Database of Expert-CVs.

Collection of CVs started in July 2006, and CVs have been available on request since then.

Since February 06 all CVs are directly accessible on a CD-Rom sent to all partners. (Copies available on request). It contains currently 124 South African and international experts in the themes of Air, Energy, Environmental Health, Planning, Waste, Water, General Management, Project design and management, Processing of workshops and decisions, and Journalism. CVs are sorted and can be searched by field of expertise, name company, nationality etc.

When the home UEMP-home page is available, Partners will be able to access the base via passwords. This will also enable easy update of the CV Database

Re. 12: PSC: There have been two meetings, see annexes 6 and 7.

1 on 26 April 2006

2 on 28 Jun 2006

3 on 31 Jan 2007 (see Annex 9)

4 Status of outstanding issues and follow-up
- of decisions made by the Programme Steering Committee

Issue	Decision (incl. timeframe agreed for follow-up)	Responsible	Status on follow-up
Communication	Home page to be established.	PSC Secretariat, Partners (content) DEAT (technical)	Partners are collecting and submitting information according to joint guideline/format DEAT IT-department is considering how and when to set up the page
Collaborative activities	Draft framework for enhancing and guiding coordination among cities	CT, SACN and IPA	Draft plan to be provided for discussion at the next PSC. Could feed into Joint programme review, Aug. 2007
Advisors	To be engaged to support the technical management and developments, as informed by national departments, provincial departments and municipalities	Partners	IPA: Since 28 Jun. EKU: Since Sep. eTh: Since <ul style="list-style-type: none"> • NA: To be engaged • CT: To be engaged • SED: To be engaged

3.

List of Annexes

- 1** *6 m report, City of Cape Town*
- 2** *6 m report, Municipality of Ekurhuleni*
- 3** *6 m report, City of eThekweni*
- 4** *6 m report, City of Johannesburg*
- 5** *6 m Report, District municipality of Sedibeng*
- 6** *Table: Overview of partners 6 month reporting*

- 7** *Partner representatives (PSC) and contact details*
- 8** *New Guideline and Template for STTA*
- 9** *PSC # 3 2007-01-31 Minutes*
- 10** *“Urban Environment Management Programme”
Booklet published by Danida, 2006*

List of Acronyms

AQMCC	Air Quality Monitoring and Climate Control
BP	Business Plan
C1	Component 1 (of the UEMP)
C2	Component 2 (of the UEMP)
C3	Component 3 (of the UEMP)
CD	Chief Directorate
CT	Cape Town
DANIDA	Danish International Development Agency
DEAT	Department of Environment and Tourism
DK	Denmark
EMF	Environmental Management Framework
GP	Gauteng Province
IPA	International Programme Advisor
KZN	Kwa-Zulu-Natal (Province)
MA	Municipal; Advisor
NA	National Advisor
PSC	Programme Steering Committee
PWM	Pollution and Waste Management
SA	South Africa
SDF	Spatial Development Framework
STTA	Short Term Technical Assistance
UEM	Urban Environment Management
UEMP	Urban Environment Management Programme
WC	Western Cape (Province)