



environment & tourism

Department:
Environmental Affairs and Tourism
REPUBLIC OF SOUTH AFRICA

URBAN ENVIRONMENT MANAGEMENT PROGRAMME

UEMP COMPONENT 1: National + Provincial

12 month Progress Report

Budget year 2007- 2008
(APR 2007- MAR 2008)

**Endorsement in principle by
PSC # 9 [2008 – 06 – 04]**

Revised 080721

This report is based on:

- Reporting from the National and Provincial Partners
- Meetings, telephone calls and correspondence with staff members of the partners.

Based on RSA government reporting schemes this feeds into the format for Progress Reports (Danida's Management Guidelines, Annex 11 B)

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1. Fact sheet

Programme:	Urban Environment Management Programme , South Africa. Component 1: National and Provincial UEMP partners
Component 1, National & provincial partners: Department of Environment and Tourism (lead partner) Department of Health Gauteng Province Kwa-Zulu-Natal Province Western Cape Province Component 3, Municipal Partners Cape Town Ekurhuleni eThekweni Johannesburg Sedibeng	
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Reporting period:	Year 2 April 2007 – March 2008
Programme duration	5 years total Currently year 2 3 years remaining
Programme starting date	1 January 2006
Programme completion date (expected)	1 January 2011
Previous reports	Component 1 UEMP Component 1, Inception Report Endorsed by PSC 24 April 2006 UEMP Component 1: Progress report no. 1, Endorsed, PSC, 31 Jan 2007 UEMP, Components 1 + 3 Progress report no. 3 Endorsed, PSC, 30 June 2007 UEMP, Component 1+3 Progress report. Endorsed, PSC 2008-03-25 Component 3 UEMP Component 3 Inception Report Endorsed by the PSC, 28 June 2006 UEMP Component 3: Progress report no. 1, Endorsed, PSC, 07 Mar 2007 UEMP, Components 1 + 3 Progress report no. 3 Endorsed, PSC, 30 June 2007 UEMP, Component 1+3 Progress report. Endorsed, PSC 2008-03-25

2. Summary

Overview of the progress and budget spent during 2007 – 2008 of the UEMP National and Provincial partners

Total Projects completed :	47 %	7 out of total of 15 projects were completed
Total UEMP budget spent :	49%	R 6,8 mil was spent from a total budget of R 13.9 mil <ul style="list-style-type: none">• DEAT spent 59 % of their total UEMP budget• Dept of Health spent 54 % of their total UEMP budget• Gauteng spent 0% of their total UEMP budget• Kwazulu Natal spent 16 % of their total UEMP budget• Western Cape Spent 82 % of their total UEMP budget

Annex 1: National and Provincial 12m Financial Overview (2007 – 2008)

Annex 2: National and Provincial 12m Progress Overview (2007 – 2008)

3. Executive summary

3.1 Background

The Urban Environmental Management Programme (UEMP) includes cooperation between 10 government institutions of South Africa, from all three spheres. It is funded by the Danish Development Agency (Danida).

Component 1 in the programme comprises 5 National and Provincial government institutions as partners, and Component 3 comprises 5 municipal institutions, see the fact sheet.

This is the 4th progress report of the Component 1 in the programme, prepared after the completion of year 2, 31 March 2008. The programme will run for another three budget years.

Previous reports incl. partner reports, manuals and other documents which defined key principles of the programme and describe the implementation of the principles of the Paris Convention, i.e. of "On budget support" principles of South African governance and responsibility for execution and overall progress.

This report will focus on follow ups on these and on other developments. It is based on reportings from and discussions with the partners, listed in the end.

The UEMP supports the partners in poverty alleviation (development objective) through increased service delivery in the 5 environmental management fields of Air Quality, Environmental Health, Energy, Planning and Waste management.

Two modalities of support are active in the programmes Component 1 and 3:

- "On budget support"
- Short Term Technical Assistance facility, STTA.

This report will focus mainly on "On budget support", a separate report has been compiled that deals with the STTA progress.

3.2 Progress period (Apr 07 – March 08)

The Financial overview of the national and provincial partners based on their Chief Financial Officers reports is shown in Annex 1. The spending to a large extent reflects the activities conducted but not in all cases. In certain cases activities have been concluded but Danida funds were not applied for this, as funds have not been drawn down in time for spending, such as in the case of Western Cape and Gauteng Province. Department budgets was used to pay for the activities.

Overall, after a first year of start up delays, many activities are now rolling. The average spending over the 2007-2008 budget year averages **49 % of the allocated budgets (R 6.6 mil spent from a R 13.6mil budget)**. This indicates spending that range from 82 % in WC to 0 % spending in GP, with the other partners in between. For more details see the financial reporting table, summarised in the excel sheet, **Annex 1** the Progress report, **Annex 2**.

The activities have been in the environmental fields of the programme, Air quality, Environmental Health, Energy, Planning and Waste.

In the field of Air quality the Programme has successfully supported:

- DEAT's hosting of the National Air quality Lekgotla involving municipalities around the country;
- DEAT's establishment of the South African Air Quality System, SAAQIS;
- Province of KZN's development of an Air Quality Database which is now operational.

All of these accomplishments now inform government decisions and support the service delivery of institutions.

In the field of spatial planning, the production of Environmental Management Frameworks (EMF) is in progress:

- In DEAT/Sedibeng there is progress on the production of an EMF for the Sedibeng (Vaal Triangle air quality hot spot area).
- An EMF is getting off the ground in KZN/Umlathuze, activities planned to be started after the required political endorsements of the EMF, which took more time than was anticipated. The KZN EMF project will run over more than one year.
- The GP Regional EMF which includes areas in Tshwane and Johannesburg was initiated with the appointment of a service provider in Jan 08, GP anticipates having this completed in the coming financial year.

In the field of waste management, the Programme is supporting

Nationally

- The completion and implementation of the Waste Management Act (currently a Bill in RSA's Parliament)
- Investigation of the possibilities of Incineration of High Caloric Waste
- Land fill sites backlogs
- STTA projects supporting the legal work with the IWM Bill

All of these national activities are in progress in DEAT, though in some (planned) delays.

Provincially

WC has developed Hazardous Waste Management Plans in the chemical sector, conducted a pilot project on Household Hazardous Waste and is in the process to finalise a Feasibility Study on the on household waste streams.

In KZN a rollout of the municipal production of integrated Waste Management Plans has been prepared and contracted with various municipalities.

The 2006-2007 projects on Gauteng Hazardous Waste Management Plan and the Waste Minimisation Plan have started and will continue in the UEMP for the 2008 -2009 year.

For more details, please refer to the partner reports and progress meetings held with each partner.

3.3 NEW challenges or plans emerged

2.3.1 Funds and disbursement.

As will be presented and discussed in a separate point on the PSC # 9 (2008-06-04), it is estimated that the programme has as of currently a substantial amount of funds, not yet planned for (R 241 mil). This estimate will be confirmed in further discussions and depends on updating of the budget, exchange rate windfall and possible savings. *Taking this into account, the following assumed predictions can be made.*

When including the grant of R 60 mil for the municipalities of 2008-09 and assuming same levels of budgeting for year 3-5 as year 1-2, this will result in a remainder of R 88 mil at the end of the programme with no planning in place. If one assumes that the spending will average 50 % during all 5 years the remainder not spent will be R 152 mil.

The background for this situation is largely due to i) development of the exchange rate between Danish Kroner (DKK) and South African Rands, which causes for surplus of funds and ii) 'C4' items not planned for at all (this includes funds stipulated for program coordination, innovative projects, program reviews, contingencies and allocated funds) iii) also non-spent funds contribute significantly already.

At the original budgeting of the programme (2005) the exchange rate was about 1 DKK = 1 ZAR. Now, May 2008 it is 1 DKK = 1.67 ZAR. The scope for development of the rates is believed to follow this trend.

As a response to this situation the RDE made available the offer of grants of 4 x R15 mil to the 4 metro partners (CT, Eku, eTH, and JHB) which are to be used for a thematic roll out of Energy and Climate Change measures in the cities. See the following section.

As another response the RDE in dialogue with a group of partner representatives has intensified the planning of Research activities (component 2 of the programme).

More responses to the situation are relevant and the PSC will discuss this in upcoming meetings.

Annex 3 Financial overview of UEMP programme since 2006

2.3.2 Programmatic approach

The programme approach as described in previous reports, has been discussed and recommended by the Programme Progress workshop, Sep 2007, the Review in Nov 2007 and several times by the PSC.

As an action in this regard, in the light of the upcoming COP 15 to be hosted in Denmark in Dec 2009, the Programme announced 16 April 2008, that each of the UEMP metro partners, Johannesburg, Ekurhuleni, eThekweni and Cape Town, may have an option of additional R 15 mil to boost their projects for reduction of green house gas emissions.

These projects are to

- be a roll out or up scaling of existing planned energy or Climate Change projects of the metros.

- be practical “on the ground” demonstration initiatives.
- reduce emission of greenhouse gasses starting within the Programme period and thus, tangibly contribute to the South African profile of in relation to COP 15

On 15 May 2008 a workshop was held (back to back with the SACNs Renewable Energy City Summit) where the business plans from the metro partners were discussed in terms of the thematic year: Energy and Climate Change. The Business plans were developed based on these discussions to be endorsed on PSC # 9, 080604.

2.4 Follow ups since the last progress report

As described in the previous reports, a number of issues has ongoingly been addressed, most of which with positive effect. Some of these issues are restated below, along with comments on the developments:

2.4.1 *Joint annual review, Nov. 2007*

The 10 recommendations were largely adopted at the PSC # 8 in March 2008.

2.4.2 *Rollover economy*

A proposal to limit the amount of roll over allowed will be discussed at PSC # 9

2.4.3 *Draw-down and management of Programme funds*

Procedures still specified in the **Manual for draw-down and management of funds**, edited by the National Treasury in collaboration with the PSC Secretariat. This manual includes the necessary templates. Likewise a **Manual & templates for the access to STTA funds** are available. **Documents on www.uemp.org.za** or via the PSC Secretariat.

The professional planning and dialogue between Programme managers and financial managers is still a pitfall in some partner administrations, leading to unnecessary delays.

2.4.4 *Capacity constraints and staff shortage.*

It remains a crucial factor.

In some partner institutions, programme activities and "main stream activities" are not treated in the same way in relation to performance contracts etc., which may lead to non-programme activities getting priority.

2.4.5 *Capacity of Programme coordination*

This capacity has been strengthened through the appointment of the **national & provincial advisor** in January 2008.

Municipal advisors are in place in Ekurhuleni, Sedibeng, Johannesburg and eThekweni (in-staff coordinator, now supplemented with an assistant). In **CT** the advisor has not yet been employed.

Following the first advisors meeting, Feb 2008, other meetings are conducted or planned. Meetings can be physical or e. g. phone meetings.

2.4.6 *Year planning, procurement and delays*

Timely production & preparation of realistic Business Plans at the beginning of a financial year is essential in order for processes to start without delays.

Follow up of time plans etc. are also essential in this respect.

2.4.7 *Short Term Technical Assistance (STTA) & CV – data base*

A total of 28 specific projects, each providing 10-60 working days of either Local or international technical expertise have been successfully completed, are in execution or are

in the pipeline. Separate STTA Progress reports are presented to each PSC. Manual, templates, reports, products, etc, can be found on www.uemp.org.za

The web site also includes a CV-database of 165 CVs from RSA and the World.

2.4.8 *Communication.*

Website: Since August 2007 the programme web site, www.uemp.org.za has been operational to partners, since November 2007 to the public. The site is being populated by the partners via the programme Administrator.

UEMP Programme Review was conducted in Nov 2007 with group of Danish and SA consultants

UEMP Progress Review Workshop was held in Sept 2008 with all the partners

2.4.9 *UEMP Secretariat.*

This is situated in DEAT. The staff is Programme Administrator, Ranjini Pillay, the International Programme Advisor (Bo Leth-Espensen) and the National and Provincial Programme Advisor (Emmarie Otto) and the soon to be appointed administrative support.

The International Programme advisor will leave the Programme by end of May 2008.

3.4.10 *PSC*

There have been four meetings: PSC # 5, 24 May 2007, PSC # 6, 7 July 2007, PSC # 7, 7 Nov 2007, PSC # 8, 25 March 2008.

List of Annexes

- Annex 1** Financial report Overview 12m 2007-08 UEMP, Component 1
- Annex 2** Progress Overview report 12m 2007-08 UEMP, Component 1
- Annex 3** Financial Overview of UEMP programme since 2006

List of References

1. **Financial reports**, all National and Provincial partners by end of year 2
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6. **PSC # 8 Minutes + meeting document**
7. **Proceedings**, WS 15 Apr. 2008: Rollout of Energy and CC – measures leading to practical accomplishments for presentation etc. at COP 15
8. **Minutes**, Partners progress meetings
9. www.uemp.org.za (After processing/endorsement documents of the programme are published here)

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
EMF	Environmental Management Framework
GP	Gauteng Province
IPA	International Programme Advisor
KZN	Kwa-Zulu-Natal (Province)
MA	Municipal Advisor
NPA	National and Provincial Advisor
PSC	Programme Steering Committee
PWM	Pollution and Waste Management
RSA	Republic of South Africa
SDF	Spatial Development Framework
STTA	Short Term Technical Assistance
UEM	Urban Environment Management
UEMP	Urban Environment Management Programme
UEMP Sec	Secretariat of the UEMP (or the PSC)
WC	Western Cape (Province)
WS	Work Shop

ANNEX 1: 12 MONTH FINANCIAL

ANNEX 2: 12 MONTH PROGRESS

ANNEX 3: UEMP FINANCIAL ANALYSIS