



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

STRENGTHENING STATE CAPACITY TO DELIVER WATER AND SANITATION SERVICES

BRIEFING TO THE NATIONAL COUNCIL OF PROVINCES

29 March 2022



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EXECUTIVE SUMMARY

INTRODUCTION AND BACKGROUND (1)

- Historically, DWS has focused more on the planning, delivery and operation of national water resource infrastructure (such as major dams and associated infrastructure) than on municipal water and sanitation services.
- DWS is in the process of planning and implementing a range of major projects to augment national bulk water resource infrastructure and is in the process of establishing the National Water Resource Infrastructure Agency (NWRIA) to finance and implement the large-scale investments in national water resource infrastructure that are required to ensure that South Africa has sufficient bulk water supply now and in future.
- This will ensure that challenges with municipal water and sanitation service delivery are not exacerbated by a shortage of bulk water, as has happened in the cities of Cape Town and Nelson Mandela Bay, amongst others.
- However, many municipalities are failing to deliver water and sanitation services to national norms and standards and the situation is generally deteriorating.

INTRODUCTION AND BACKGROUND (2)

- DWS will strengthen its role in supporting and intervening in municipalities where water and sanitation services are failing, in conjunction with provinces, COGTA, NT and SALGA - this will be done in the spirit of cooperative governance in the Constitution to avoid creating intergovernmental conflict.
- The new plan:
 - Optimal use of the Legislative framework
 - Reconfiguration of Boards
 - Positioning of reconfigured Boards to work closely with Municipalities with regards to capacity for service delivery
 - Partnership with the private Sector that includes funding
- This presentation identifies the key initiatives that DWS will be developing in this regard as well as summarizing the major water resource augmentation projects.

PLANNED AND CURRENT MAJOR WATER RESOURCE AUGMENTATION PROJECTS (1)

1. To increase water security in the west coast area of Cedeberg, DWS is resuming with the raising of Clanwilliam Dam at a cost of R 3,2 billion, the advance infrastructure is complete and work on the dam wall is starting in April 2022 with due completion late 2026
2. The Mzimvubu Water Project is aimed at providing water to 750 000 people in the Eastern Cape with water at a cost of R25 billion. The designs are 80% complete and the first-round fund raising began in early January 2022 through a Request for Information
3. The Berg River Voevlei Augmentation Scheme is aimed at increasing water supply to the City of Cape Town. DWS is currently completing the land acquisition process to begin construction at a cost of R1 billion
4. Lesotho Highlands Water Project (Phase 2) is aimed at ensuring long term water supply in Gauteng and the Vaal River System. the project is estimated to cost R32 billion and work packages for the Dam, Tunnel and Bridge are currently at procurement stage with anticipated completion in 2027.
5. The uMkhomazi Water Project is aimed at delivering long term additional water to the Ethekwini region at a cost of R23 billion by 2028. The project is at prefunding stage and construction is expected to start in 2024.
6. The Vaal GamaGara Water Supply Scheme is critical to mining and potable water supply in the Northern Cape. Phase 1 is 88% complete at a cost of R1,4 billion with Phase 2 starting later this year at a cost of R10 billion.
7. In northern Ethekwini, the Hazelmere Dam to ensure long term water supply to Ethekwini is 96% complete. The project is due to be complete in third quarter 2023 at a cost of approximately R800 million.
8. The Tugela-Goedertrouw Transfer Scheme to ensure long term water supply to the industrial area of Richards Bay is 64% complete with construction resuming in April 2022. The estimated cost of the project is approximately R800 million.

PLANNED AND CURRENT MAJOR AUGMENTATION PROJECTS (2)

9. The multiphase Olifants River Water Resources Development Project has been re-sequenced as public private partnership with mining companies to fast-track water delivery to everyone in the Sekhukhune and Mokgalakwena municipalities by 2028 at a cost of R22 billion. The project is at approval stage with some of the work packages at preconstruction stage and anticipated to begin late 2022.
10. The Giyani Water Services project has been repackaged and fast tracked to deliver water to 55 villages in a sequential order from March 2022 until December 2022 at a cost of approximately R4 billion. The project now also includes synchronization with Mopani District Municipality for provision of reticulation as the pipelines are commissioned per village. The project is currently at 67% completion.
11. The Gariep – Mangaung pipeline is a long-term water supply project to Mangaung at a cost of R10 billion by 2029. the project is currently at feasibility stage.
12. The development of Coerney Dam and Nooitgedacht Water Scheme are long term water supply assurance projects in Nelson Mandela Bay. The projects are at procurement stages for design and construction, at a cost estimate of R1.3 billion.
13. In the Northwest the Department is urgently upgrading conveyance infrastructure from Molopo Eye to Mafikeng to increase reliability of water supply. Construction is anticipated to start in mid-February 2022. The estimated cost of the project is R50 million.

Note: The projects listed above are not sufficient to ensure security of water supply in SA. The NWRIA is being established to enable much larger sums of money to be raised for additional augmentation projects.

CONSTITUTIONAL AND LEGISLATIVE IMPERATIVES FOR GOVERNMENT SUPPORT AND INTERVENTION IN MUNICIPAL WATER AND SANITATION SERVICES

- Local water supply and sanitation services are a function over which municipalities have executive authority in terms of section 156 of the Constitution read together with Schedule 4 Part B
- However, although municipalities have executive authority, other sections of the Constitution and legislation requires government (national and provincial) to support and intervene in municipalities where there is failure of municipal water and sanitation services:
 - Schedule 4 of the Constitution indicates that municipal water and sanitation services are a functional area of national and provincial concurrent legislative competence – therefore national legislation such as the Water Services Act provides for minimum norms and standards for municipal water and sanitation services
 - Section 27 of the Constitution requires government to take reasonable legislative and other measures within its available resources to achieve the progressive realization of the right to water
 - Section 10 of the Constitution provides that everyone has inherent dignity and the right to have their dignity respected and protected – this means that government has a duty to intervene where the provision of municipal water and sanitation services is resulting in people’s dignity not being respected and protected (such as the current situation with sewage spillages into people’s houses in the Vaal)
 - Section 139 of the Constitution enables government to intervene in the affairs of municipalities where there is failure to fulfill their Constitutional obligations
 - Sections 40 and 41 of the Constitution require all spheres of government to work in a cooperative manner
 - Sections 62 and 63 of the Water Services Act enable DWS to intervene in municipalities where monitoring of municipal water and sanitation services by DWS indicates failure to adhere to national norms and standards, subject to section 139 of the Constitution
 - Sections 19 and 20 of the National Water Act enables DWS to intervene and remedy pollution of water resources and to recoup the costs of such intervention from the polluters – this could enable DWS to intervene where municipal waste-water treatment plants are resulting in pollution of the environment, peoples’ homes and rivers

WHAT WE WILL DO

- Working together with SALGA, NT and COGTA, DWS will lead the development and implementation of a range of inter-related and coordinated support measures and interventions which will include doing the following differently:
 1. Strengthen and extend the roles, responsibilities and capacity of water boards so that they are able to provide water and sanitation services in instances where municipalities are failing to provide the services
 2. Review the geographical boundaries of the water boards to make them more sustainable, this already started with the disestablishment of Sedibeng Water
 3. Increase involvement of private sector financing and management in municipal water and sanitation services
 4. Strengthen regulatory interventions based upon the results of monitoring mechanisms such as Blue Drop, Green Drop and No Drop
 5. Strengthen the National Norms and Standards (Water Services Act) and put in place a framework to guide the provision of sanitation services
 6. Introduce longer term interventions such as for example taking over the management of wastewater treatment works from municipalities for a longer prescribed period where there is continued non-compliance with norms and standards
 7. More effectively link the allocation of municipal water and sanitation grants to enable support and interventions
 8. Use DWS internal construction capacity for rapid deployment to address urgent intervention needs
 9. Put in place appropriate financing frameworks and mechanisms for support and interventions
 10. Improve coordination and linkages of the interventions made in terms of sections of various legislation
- Some of these measures will start to have an impact on municipal water and sanitation services in the short term (within 3 months) and others will yield results in the medium term



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STRENGTHENING GOVERNMENT SUPPORT AND INTERVENTION IN MUNICIPAL WATER AND SANITATION SERVICES DELIVERY

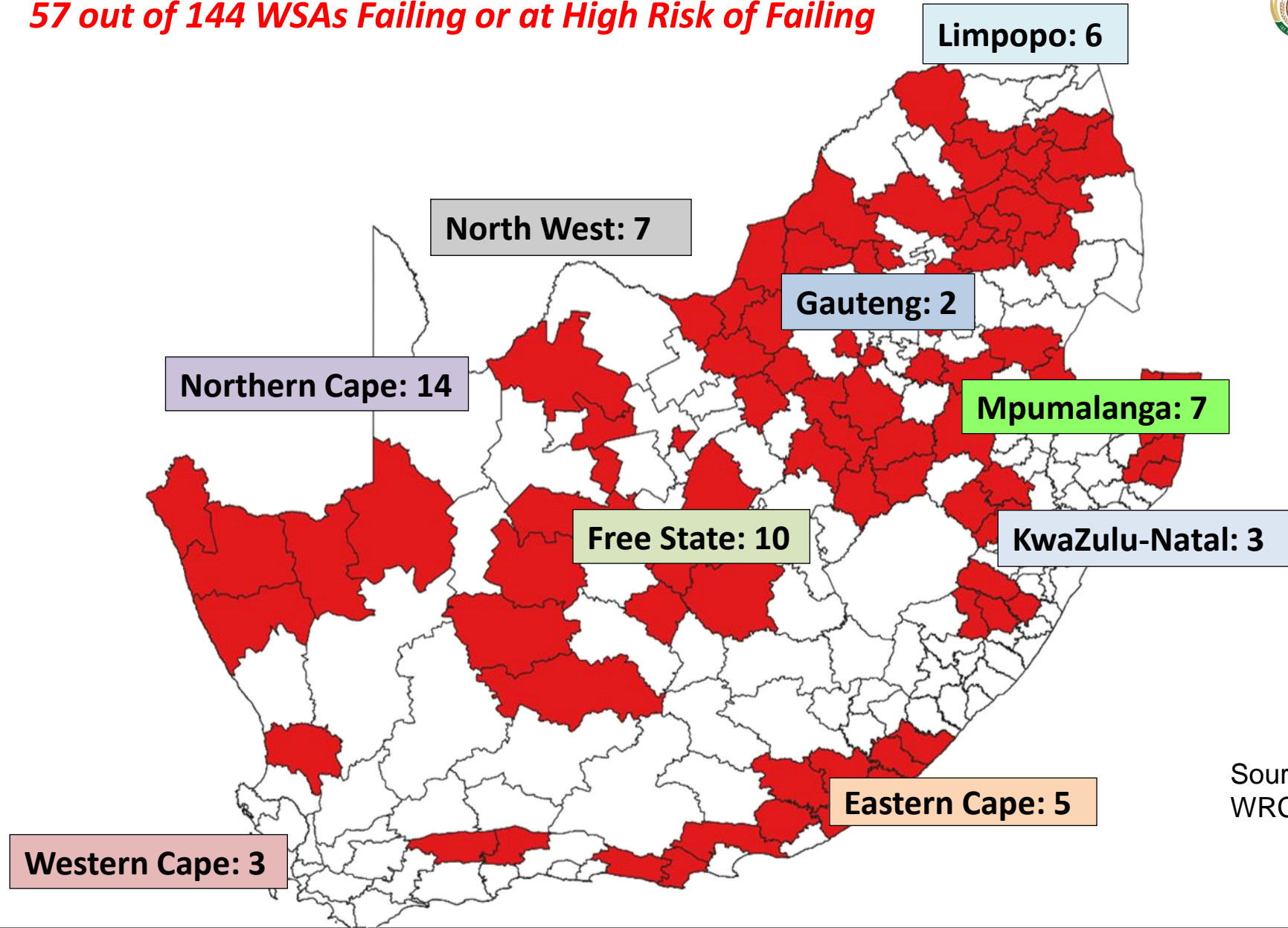
THE STATE OF MUNICIPAL WATER AND SANITATION

- In many municipalities water and sanitation services are in a poor state and deteriorating:
 - 5.3 million households (35%) do not have access to reliable drinking water.
 - 14.1 million people do not have access to safe sanitation.
 - 56% of WWTWs and 44% of WTWs are in a poor or critical condition, and 11% are dysfunctional.
 - 41% of municipal water does not generate revenue and 35% is lost through leakage.
- Underlying causes include weak asset management, billing and revenue collection, operations & maintenance; and lack of technical skills

Source: National Water and Sanitation Master Plan (2018)

STATE OF MUNICIPAL WATER SERVICES

57 out of 144 WSAs Failing or at High Risk of Failing



Source: MUSSA and
WRC/SALGA NBI

Failing Sanitation Services Causing Environmental Health Risks



Lack of Acceptable Water Services



CURRENT SUPPORT AND INTERVENTION MECHANISMS & THEIR LIMITATIONS (1)

- National and provincial interventions and support to date have been generally ineffective at halting the deterioration and turning it around
 - For example, despite repeated 6-month administrator interventions in Makana Municipality, the dysfunctionality of water and sanitation services remains
- DWS has regulatory instruments such as the Blue Drop, Green Drop and No Drop but these instruments are not optimally utilized:
 - Insufficient links between the results of monitoring and support measures and interventions
 - Lack of rapid response to emergency situations, such as sewage spillage in residential areas
 - Lack of integration and coordination of implementation of Section 19 (National Water Act), which allows DWS to execute remedial action and recover cost from polluters, and other interventions such as Section 139 of the Constitution, and Section 63 of the Water Services Act.
- DWS has published norms and standards for water and sanitation services but compliance, monitoring and enforcement has not been effective
- COGTA authorises municipalities to be Water Services Authorities (Municipal Structures Act) and Water Services Authorities appoint Water Service Providers (Municipal Systems Act) but these powers are not used to enforce compliance with norms and standards

CURRENT SUPPORT AND INTERVENTION MECHANISMS AND THEIR LIMITATIONS (2)

- COGTA is currently working on the Intergovernmental Monitoring, Support and Intervention Bill to address some of the challenges.
- The District Development Model is aimed at improving planning for water sanitation services, however many failures are caused by weaknesses in operations and maintenance
- There is great potential for having more effective support and intervention within the Constitution and existing primary legislative framework
- We need to do things differently if we expect a different result

TYPES OF INTERVENTION

DWS will use its regulatory monitoring mechanisms to discern between short-, medium- and long-term interventions:

- Project-based Interventions (short term):
 - Restoring water services infrastructure functionality
 - Emergency repairs (both water supply and sewerage systems)
- Programme-based (medium to longer term):
 - Water Conservation and Demand Management improvement with set performance targets
 - Longer term water services upgrade, operate and transfer concessions (Water Boards and Private Sector)
 - Joint longer term planning intervention between DWS and Municipality to enable local government to resume and afford water services function responsibilities in the most appropriate service model
- Use regulatory monitoring mechanisms to identify which types of intervention to use in which area and jointly scope solutions with Intervention partners and to measure the impact of interventions:
 - Green Drop and Blue Drop Regulatory monitoring information
 - MUSSA (Municipal Services Self Assessment)

CAPACITY AND FUNDING FOR INTERVENTIONS

- Identify capacity for interventions:
 - Identify Water Boards with intervention capacity and potential; match to intervention areas
 - Direct specific Water Boards through Section 41 (Water Services Act) with set intervention performance agreements
 - Identify possible Private Sector Partners to support prioritized interventions
 - DBSA and ISA establishing Water Partnerships Office to assist DWS to facilitate Private sector participation
 - The assets will remain the property of public sector, partnership limited to operations and management intervention towards improvement.
 - Use Section 76 of National Water Act to expand DWS Construction unit capacity to execute short term interventions

- Intervention financing mechanisms to be developed by DWS and NT in consultation with CoGTA & SALGA, and could include:
 - Reprioritizing existing grants
 - Blended finance instruments
 - Redirection of municipal service revenue
 - Dedicated funding from the fiscus

WAY FORWARD

- DWS will develop the above measures in more detail, including describing how they will work, in collaboration with SALGA, COGTA, NT, DBSA and Infrastructure South Africa, within the next three months
- DWS will start implementing some of the short- term interventions immediately