



# MINISTERIAL BRIEFING SESSION ON WATER AND SANITATION

## SUBJECT: PROGRESS IN ERADICATING THE GAPS IN THE PROVISION OF WATER AND SANITATION

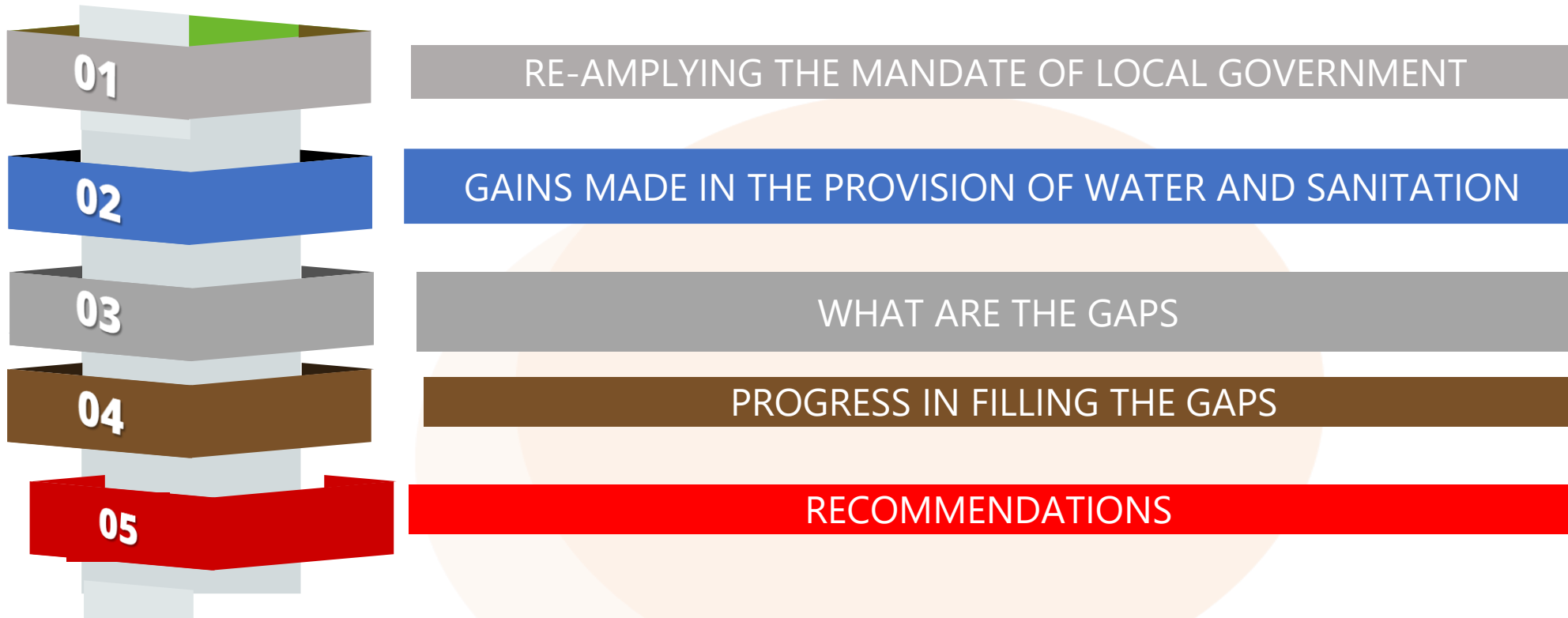
NCOP

*Date: 15 MARCH 2022*



[www.salga.org.za](http://www.salga.org.za)

# PRESENTATION OUTLINE



# Task of Local Government

## Objects of local government

### Section 152 of the Constitution

- to provide democratic and accountable government for local communities
- **to ensure the provision of services to communities in a sustainable manner**
- to promote social and economic development
- to promote a safe and healthy environment to encourage the involvement of communities and community organizations in the matters of local government

## Developmental duties of municipalities

### Section 153 of the Constitution

- A municipality must -
- Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community, and
- Participate in national and provincial development programmes

## Priority functions of municipalities

- |                              |                          |
|------------------------------|--------------------------|
| • Water (potable);           | Electricity reticulation |
| • Sanitation;                | Refuse removal           |
| • Cemeteries;                | Fire fighting            |
| • Municipal health services; | Municipal planning       |
| • Municipal roads;           | Storm water              |
| • Traffic and parking;       | Building regulations     |
| • Municipal public transport |                          |

Bill of rights is key

# The Value Chain and Legislative Framework

**Department  
of Water and  
Sanitation**

**1<sup>st</sup> Tier**  
National security  
of supply

Mandated by  
National Water  
Act 38 of 1998

**BULK  
PROVIDERS  
(Water  
Boards)**

**2<sup>nd</sup> Tier**  
Regional supply  
to WSA's  
(municipalities)

Mandated by the  
Water Services Act  
108 of 1997

**MUNICS  
(Water  
Services  
Authorities)**

**3<sup>rd</sup> Tier**  
Local service  
delivery and  
customer  
management

Mandated by the  
Constitution, Water  
Services Act, Municipal  
Systems Act and  
Municipal Structures Act

**Water resources**  
National responsibility

**NATIONAL WATER ACT**

**NATIONAL WATER ACT**  
(36 of 1998)

The **National Water Act** deals with the *water resource*. That is rivers, streams, dams, and ground water. It contains rules about the way that the **water resource** (surface and ground water) is protected, used, developed, conserved, managed and controlled in an integrated manner.

**Water services**  
Local responsibility

**WATER SERVICES ACT**

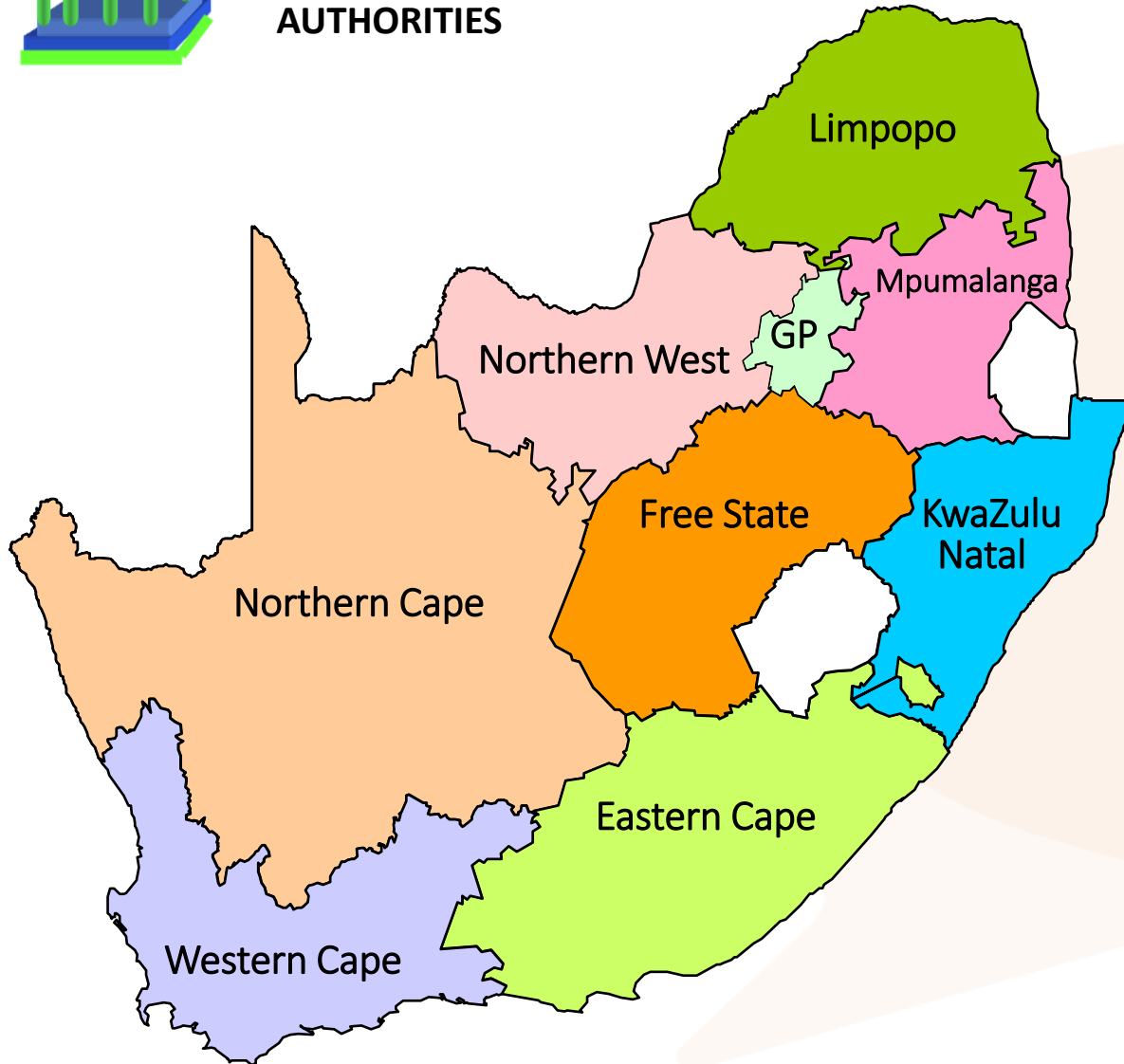
**WATER SERVICES ACT**  
(108 of 1997)

The **Water Services Act** deals mainly with **water services** or potable (drinkable) water and sanitation services supplied by municipalities to households and other municipal water users. It contains rules about how municipalities should provide water supply and sanitation services.



☐ 144 WATER SERVICES AUTHORITIES

## NUMBER OF WATER SERVICES AUTHORITIES IN SOUTH AFRICA

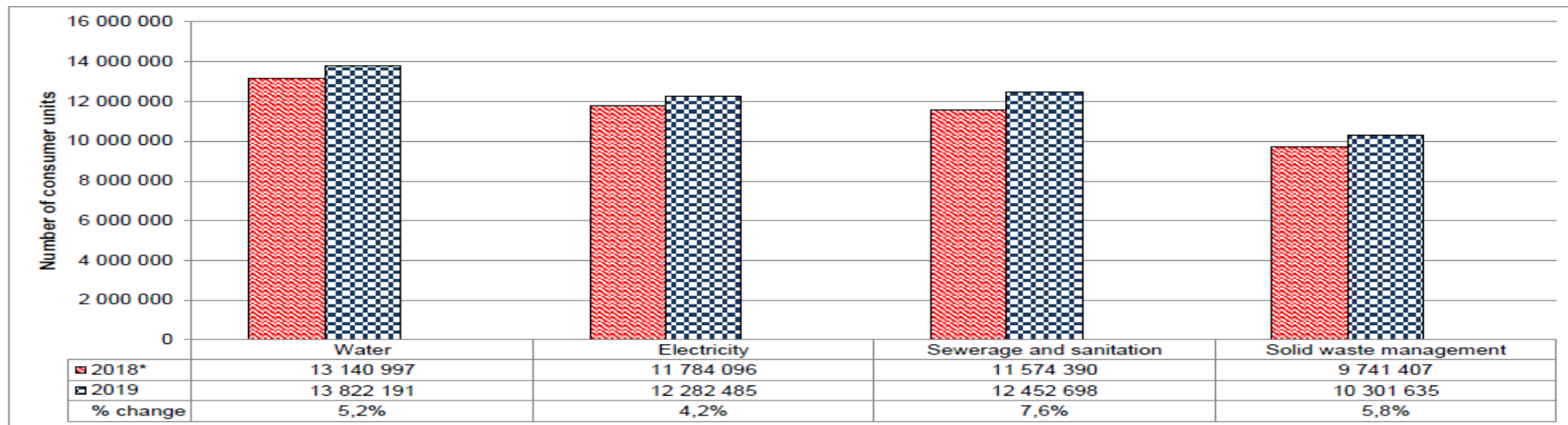


Province	Metros	Districts	Locals
EC	2	5	7
FS	1		19
GP	3		6
KZN	1	10	3
LP		4	6
MP			17
NC			26
NW		2	8
WC	1		25
<b>Total</b>	<b>8</b>	<b>21</b>	<b>115</b>

# Water and Sanitation Delivery

## Key findings

Figure A - Number of consumer units receiving services from municipalities: 2018 and 2019



\* Some figures have been revised.

The number of consumer units receiving services from municipalities increased between 2018 and 2019. For the period under review, sewerage and sanitation

showed the highest percentage increase (7,6%), followed by solid waste management (5,8%), then water (5,2%) and electricity (4,2%).

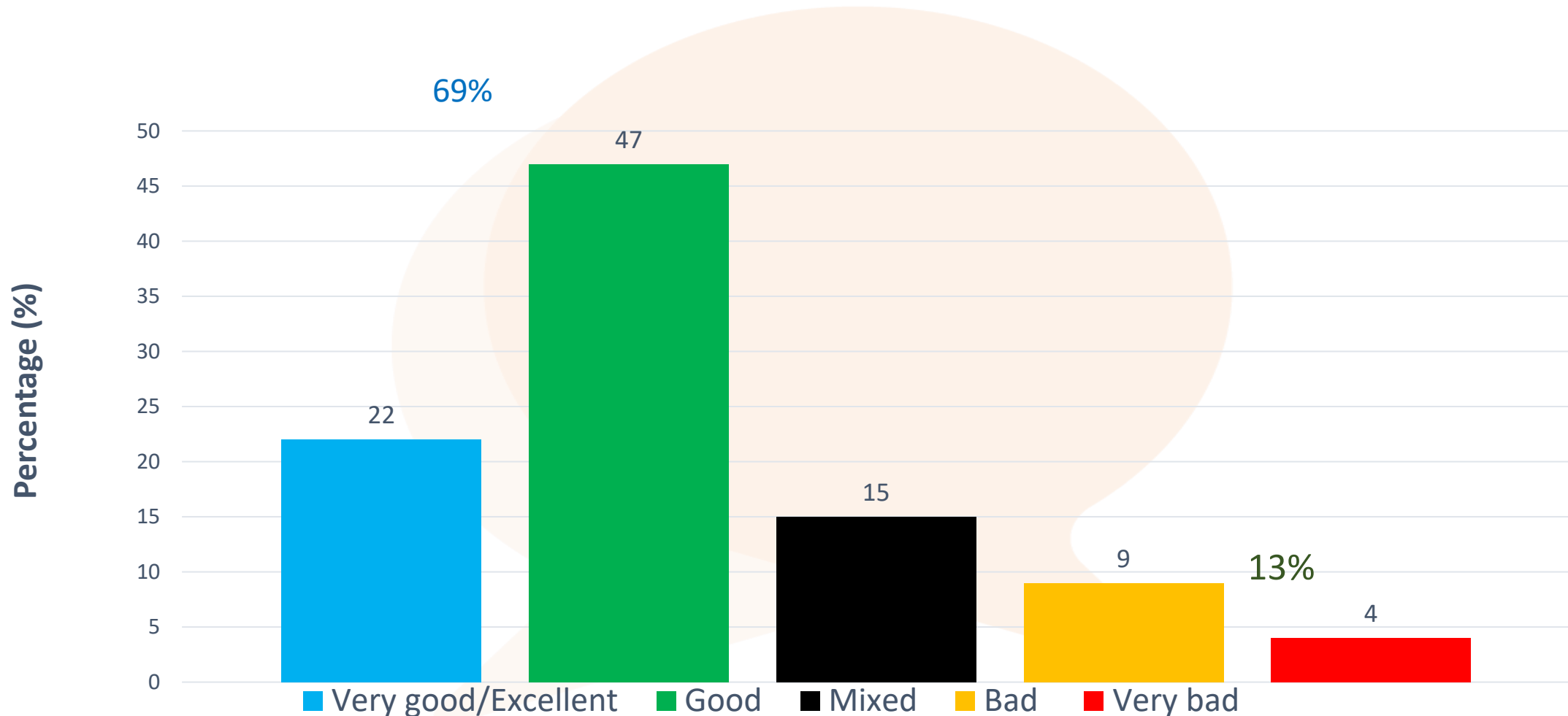
Non-financial census of municipalities for the year ended 30 June 2019

# Drinking Water Quality – Survey

- 2011
  - ✓ **81%** of South Africans believed their tap water is safe to drink
- 2015
  - ✓ **88%** of South Africans believed their tap water is safe to drink



# How would you describe the municipality's water and sanitation service in the area where you live?





# 4 Broad Misalignment in Relations to Service Delivery and meeting Municipal Communities Aspirations and Rights amongst others

## (1) Poor Management of Municipal water and sanitation services

- Skills to operate the infrastructure
- Poor state of Water and Sanitation infrastructure
  - Operations and maintenance
- Insufficient provision of free basic services
- unreliable services

## (2) Poor Financial Management and Accountability

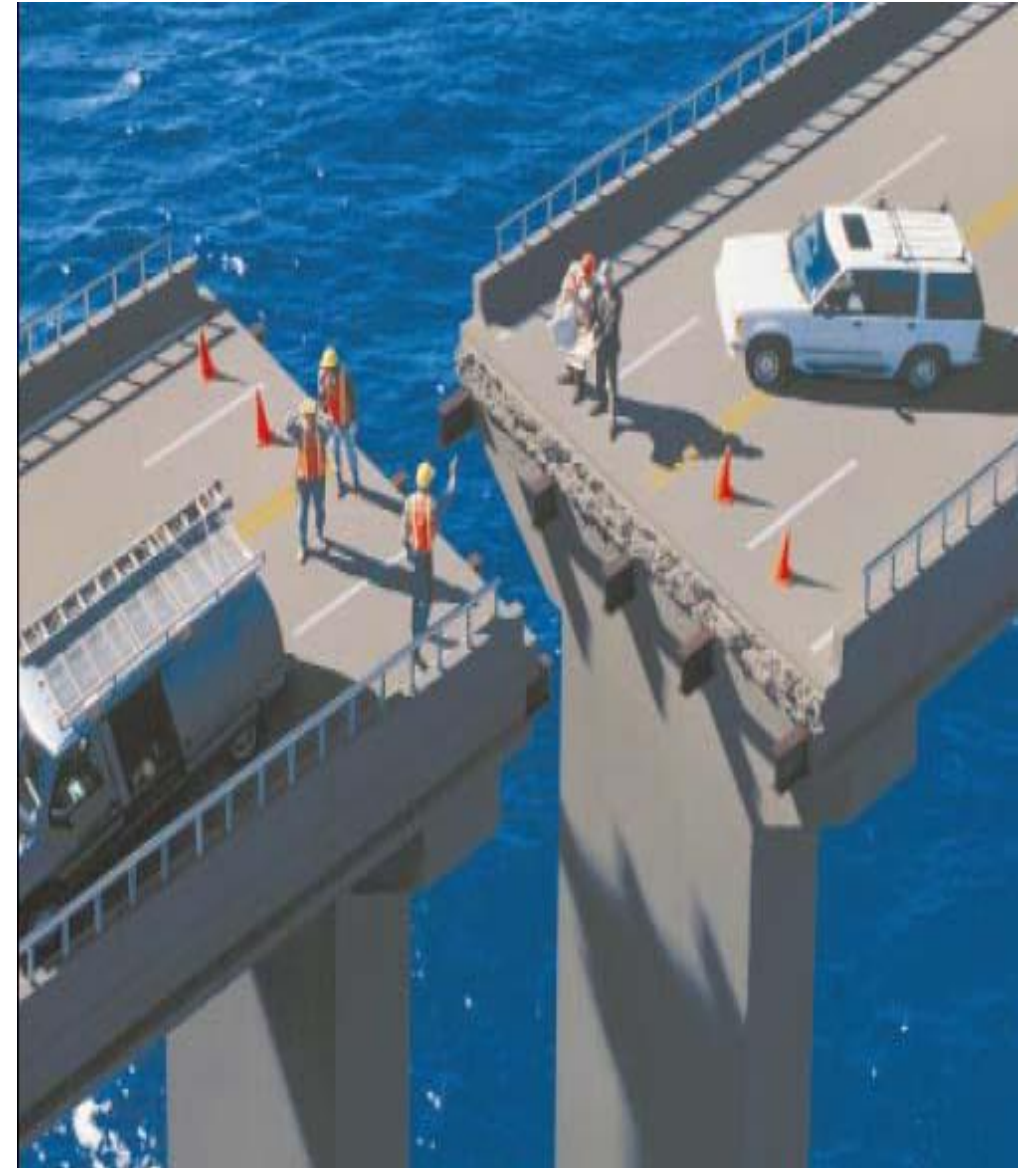
- Revenue Collection and Debt management
- Investment in Infrastructure
- Unfunded Budgets

## (3) Poor Planning of infrastructure and the delivery thereof

- Sound Planning Instrument ( Water Services Development Plan)

## (4) Poor Community Engagements

- Adherence to chapter 4 of the municipal systems act in relations to community participation



# WHAT ARE THE GAPS

## Backlogs

**3 million households** do not have access to reliable drinking water.

14.1 million people do not have access to safe sanitation

South Africa is facing a projected 3% water deficit by 2040 if it doesn't successfully implement the planned measures

Indecent Sanitation Facilities (Buckets)

Provision of water services in Unplanned Settlements

Bulk Infrastructure

## Water and Sanitation Management

41% of municipal water does not generate revenue. 35% is lost through leakage (R9 - R10 billion lost annually)

Only 64 % of households have access to a reliable water supply service

56% of waste water treatment works and 44% of water treatment works are in a poor or critical condition. 11% are dysfunctional

Impacts of Covid19 during and post the pandemic for the Water Sector

Provision of basic services and the funding thereof

## Funding

A R33 billion funding gap each year for the next 10 years must be closed through improved revenue generation and reduced costs

Water Tariffs are not cost reflective and water production costs are unknown in most cases

Reduce inefficiencies – Reflect on the cost of doing business

## Institutional Capacity and Skills

Lack of technical skills and non compliance to set regulations (Water Plant Operators)

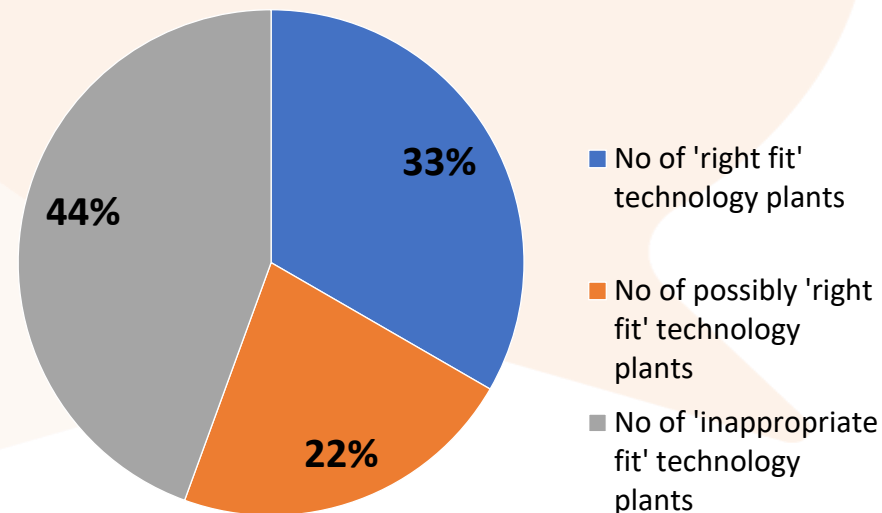
Lack of coherent institutional delivery mechanism(s)

These Challenges if not taken forward poses serious risks to South Africa's Social and Economic Development Initiatives

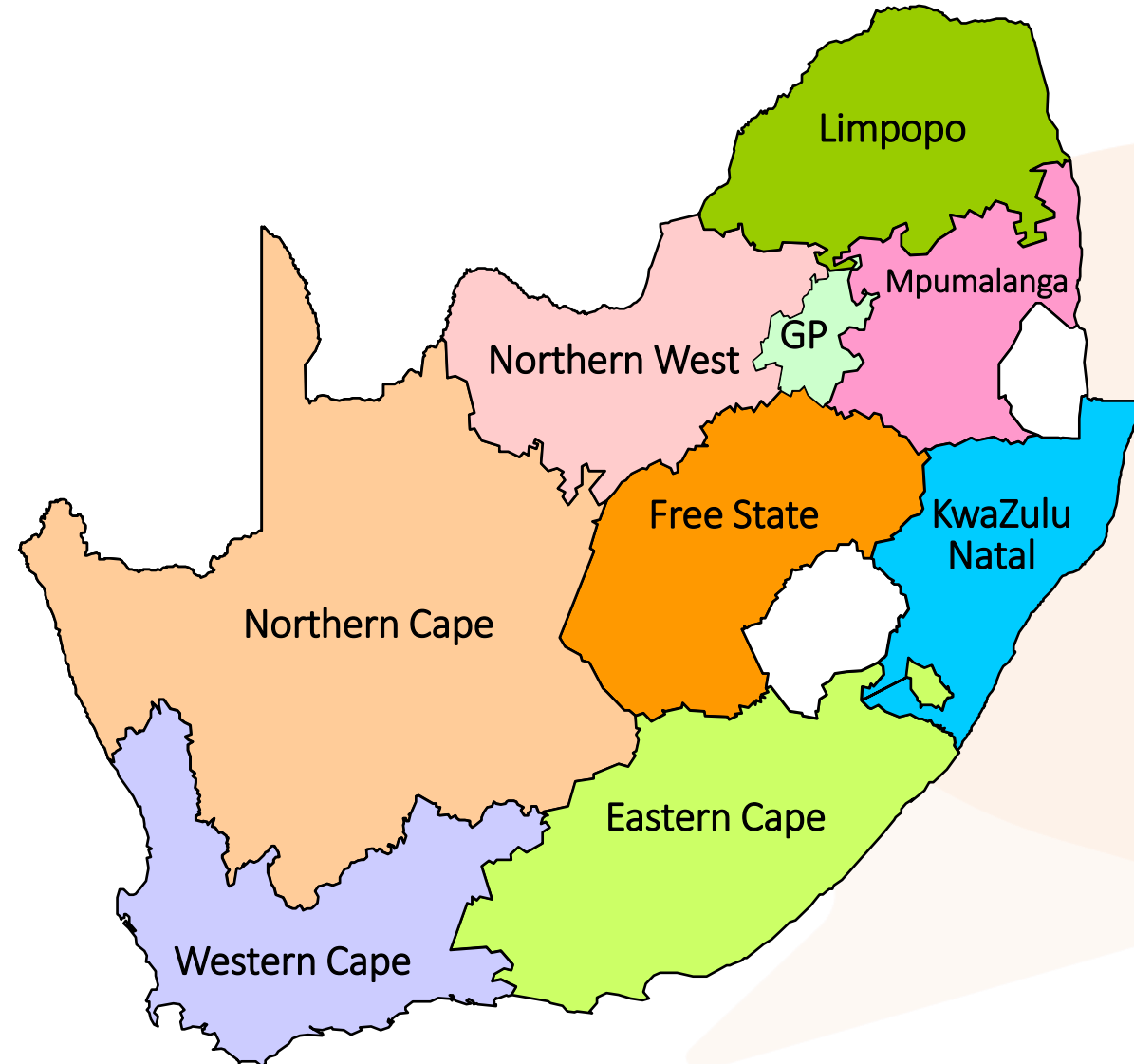
# Technology Research Results

– Analysis of 18 site specific decision scenarios indicate:

- **44%** of plants employ less suitable (inappropriate) technologies when matched to their resource base, capacity to manage and effluent quality requirements
- **33%** of plant technologies are questionable and may not be the best fit for the operational and management environment
- **22%** of assessment plant employ suitable and sustainable technology options



# WHERE ARE THESE MAJOR WATER AND SANITATION CHALLENGES



- 21 District Municipalities (LP, KZN, NW, EC)
- A total of 113 Local Municipalities
- Some Metros
- Most LMs in FS
- Some LMs in MP
- Most LMs in NW
- Few in WC
- Few in GP
- Some in NC

**For the purpose of effective co-operative government, organised local government must seek to—**

- (a) Develop common approaches for local government as a distinct sphere of government;
- (b) **Enhance co-operation**, mutual assistance and sharing of resources among municipalities;
- (c) **Find solutions** for problems relating to local government generally: and
- (d) Facilitate compliance with the principles of co-operative government and intergovernmental relations.



# FILLING THE GAPS (INTERVENTIONS AND SUPPORT)



# COVID 19 LOCAL GOVERNMENT RESPONSE WORKING IN COLLABORATION WITH DEPARTMENT OF WATER AND SANITATION

## WATER TANKS:

Capacity 2500L – 10 000L

19 011 water tanks allocated across all provinces with 2138 contributed by Municipalities

## WATER TANKERS:

Capacity 10 000L – 18 000L

1315 Tankers allocated across all provinces with 243 contributed by Municipalities

- Indications are that where water is provided during Covid 19, the impact for communities who were previously un-served is **enormous**;
  - Access to Water to vulnerable communities
  - Improved Frequency of water supply
  - “Free” Water Services
  - Protection of vulnerable communities during Covid 19



# RESPONSES TO COVID 19



## ADDENDUM NUMBER TWO

ENTERED INTO BY AND BETWEEN

THE SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION

(herein referred to as: "SALGA")

herein represented by: MR XOLILE GEORGE  
In his capacity as: CHIEF EXECUTIVE OFFICER  
and duly authorised thereto

and

WATER RESEARCH COMMISSION

(Hereinafter referred to as: "WRC")

Duly represented by MR DHESIGEN NAIDOO  
In his capacity as: CHIEF EXECUTIVE OFFICER  
and duly authorised thereto

FOR THE WATER AND SANITATION RESEARCH, DEVELOPMENT AND INNOVATION  
PARTNERSHIP

XG  
p  
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## 2. ADDITIONAL AREAS OF COOPERATION

### 2.1 COVID-19 partnership

- 2.1.1 Implementation of the COVID-19 wastewater research programme with SALGA will facilitate partnerships with municipalities for sample collection and supply.
- 2.1.2 Create awareness and capacity building for operational efficiency and effective Local Government's response to COVID-19 and beyond - joint events, dissemination of material and toolbox (manuals and guidelines).

### 2.2 Other research and innovation activities targeted at municipalities

- 2.2.1 *Water Technology and Innovation Forum* – joint planning and hosting of the annual forum and other related activities aimed at identifying and testing of disruptive technology and innovation needs including off-grid options for underserved or poorly served communities by municipalities.
- 2.2.2 *Research and Development Agenda Coordination Forum* – joint planning and hosting of an annual workshop to identify and drive a common and localised R&D agenda based on the municipal, water and human settlement entities needs.
- 2.2.3 *The WRC to provide technical and advisory support* – during planning and implementation of the Water Engineer Inspire Programme, Streamliner and the municipal water resources and service projects. The WRC support will be jointly identified and agreed by both Parties on a case by case.
- 2.2.4 *Other water research and innovation related activities* which may emerge and are of mutual benefit to both Parties and South Africa.

DHESIGEN NAIDOO  
XG  
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# BLUE DEAL SOUTH AFRICA A PARTNERSHIP BETWEEN SOUTH AFRICA AND THE NETHERLANDS



## Work package 1: Experience and knowledge

- Improved capacity for licencing/enforcement, enhanced performance WWTP, enhance revenue collection, improved awareness on water demand management,...

## Work package 2: Institutional aspect

- Improved institutional capacity for eg strategic planning and implementation, project management/financing, willingness to cooperate, improved awareness on water management role, .....

## Work package 3: Relational aspects

- Improved capacity to cooperate with water sector partners, effectively engage with stakeholders, identify living labs and learning pilots, .....



ANCHORED BY



**water & sanitation**

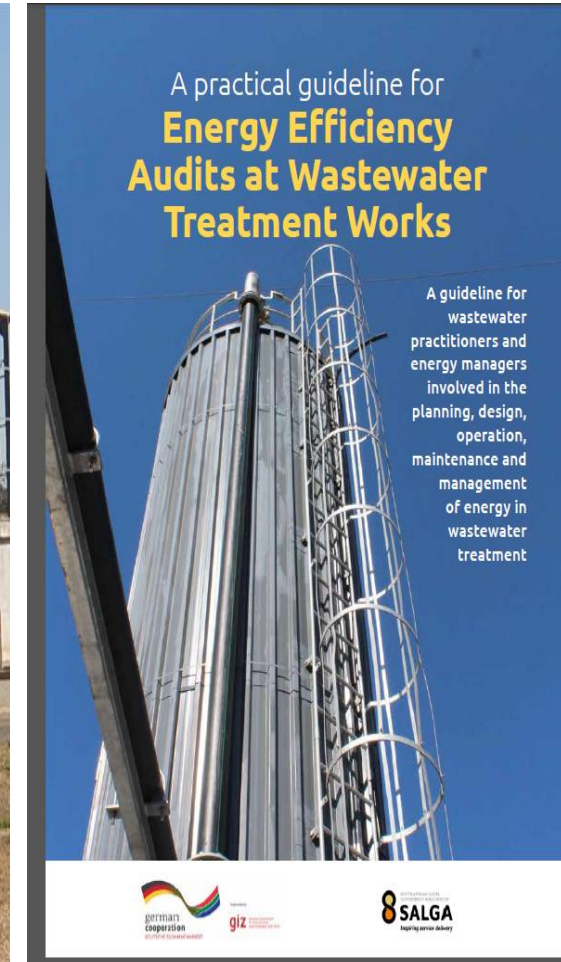
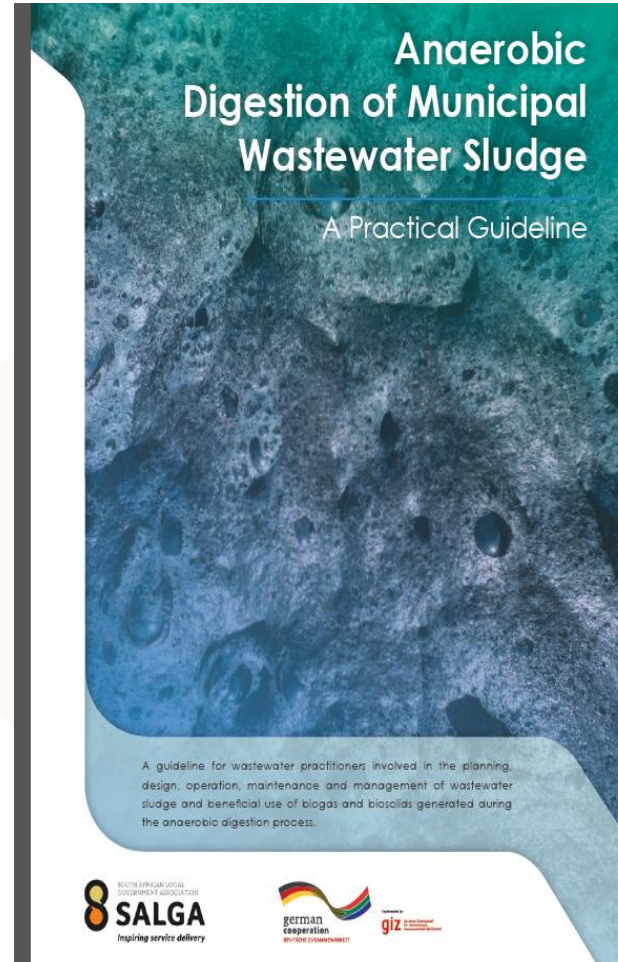
Department:  
Water and Sanitation  
REPUBLIC OF SOUTH AFRICA

SUPPORT BY



# Institutional Capacity and Skills Development

- **Accredited course**
- Targeting Municipal Official responsible for wastewater management
- **Aims to** enhance the management of digestors and importantly energy management in a wastewater plan



# TRAINING IN COLLABORATION WITH JAPAN INTERNATIONAL COOPERATION AGENCY AND DEPARTMENT OF HUMAN SETTLEMENTS WATER AND SANITATION



**Project Purpose**  
 NRW management skills are developed for participating municipalities through the NRW Training by Infrastructure Branch Training Centre.

**Overall Goal**  
 Non-Revenue Water (NRW) management skills are utilized in NRW reduction projects of participating municipalities.



Theoretical Training



Workplace Training

## Water Balance Analysis in YWWB

(FY 2019)

Revenue Water (92.6%)	Billed metered consumption (including fire fighting use)	92.6%
	Billed unmetered consumption (compensation for damage)	+0.0%
System Input Volume (100%) Non Revenue Water (7.4%)	Unbilled metered consumption (settlement discount)	0.2%
	Unbilled unmetered consumption (used by utility)	0.3%
	Unauthorized consumption (illegal connection)	+0.0%
	Customer meter inaccuracies (faulty meter)	1.9%
	Leakage / Overflows	5.0%

Best Practice Yokohama City

NON REVENUE WATER SIMULATION TRAINING YARD



Japan International Cooperation Agency

# PROJECT PREPARATIONS AND ALTERNATIVE FUNDING THROUGH PERFORMANCE BASED CONTRACTS

## DBSA PROJECT PREPARATION FUNDING



### DBSA Product Offering

- Project preparation funding for NRW is available within the DBSA. Depending on the financial strength of the municipality, DBSA prep. assistance could be availed on a grant basis or recoverable during financing of the ultimate implementation
- DBSA can also assist to procure and implement the interventions in parallel to the feasibility study, depending on the capacity available within the municipality
- A sustainable programmatic approach is suggested to develop a municipal-wide approach, in order to attract the private sector
- DBSA objective is to create a financing opportunity, in order to NRW interventions to be rolled in a systematic manner with funding availed, in lieu of piece-meal
- A co-funding contribution is an indication of the municipal commitment to the project
- DBSA is also spearheading the development of the National Water Programme, and in this regard, NRW is one of three sub-programmes under this programme



## PBCs are a proven mechanism

Location	Water saved (MLD)	Cost (US\$m)	Financial benefit (US\$m)	Note
Baltimore, Maryland (USA)	-	14	5	Methane captured provided 20 percent of WWTP's electricity needs
Bangkok (Thailand)	165	56	115	Reduced energy costs per unit of water sold
Emfuleni (South Africa)	20	1	50	Project payback period of 3 months
Ho Chi Minh City (Vietnam)	122	15	105	Reduced leakage faster than traditional, input-based remuneration approach
Kuala Lumpur (Malaysia)	117	110	90	Contractor paid for all NRW reduction work (e.g. leak detection and repairs)
Yerevan (Armenia)	-	30	40	Over the 5-year contract period: <ul style="list-style-type: none"> <li>▪ Hours of water supplied per day increased from 6 to 18; and</li> <li>▪ Electricity consumption reduced by 30%</li> </ul>

# ENHANCING MUNICIPAL SCIENTIFIC SERVICES CAPACITY AND CAPABILITY

## 5 STRATEGIC INTENTIONS



Inclusion of all  
water  
scientists



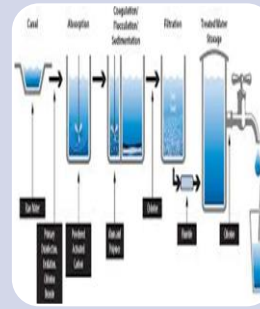
Infrastructure  
and capacity  
building of  
water science  
sector



Policy and  
regulation  
influence



Research and  
development



Process  
technology  
support



- Developed a reclamation paper
- Conducting a study on lab capacity and capability
- Envisaged to signed an MoU with the Infrastructure Skills Development Grant to increase number of municipal scientists
- Envisage to sign an MoU with CSIR to enhance lab capability
- Conducted knowledge sharing amongst municipal and water board scientists
- Established Regions to drive the Scientific Services Forums agenda locally (Networking)

The good



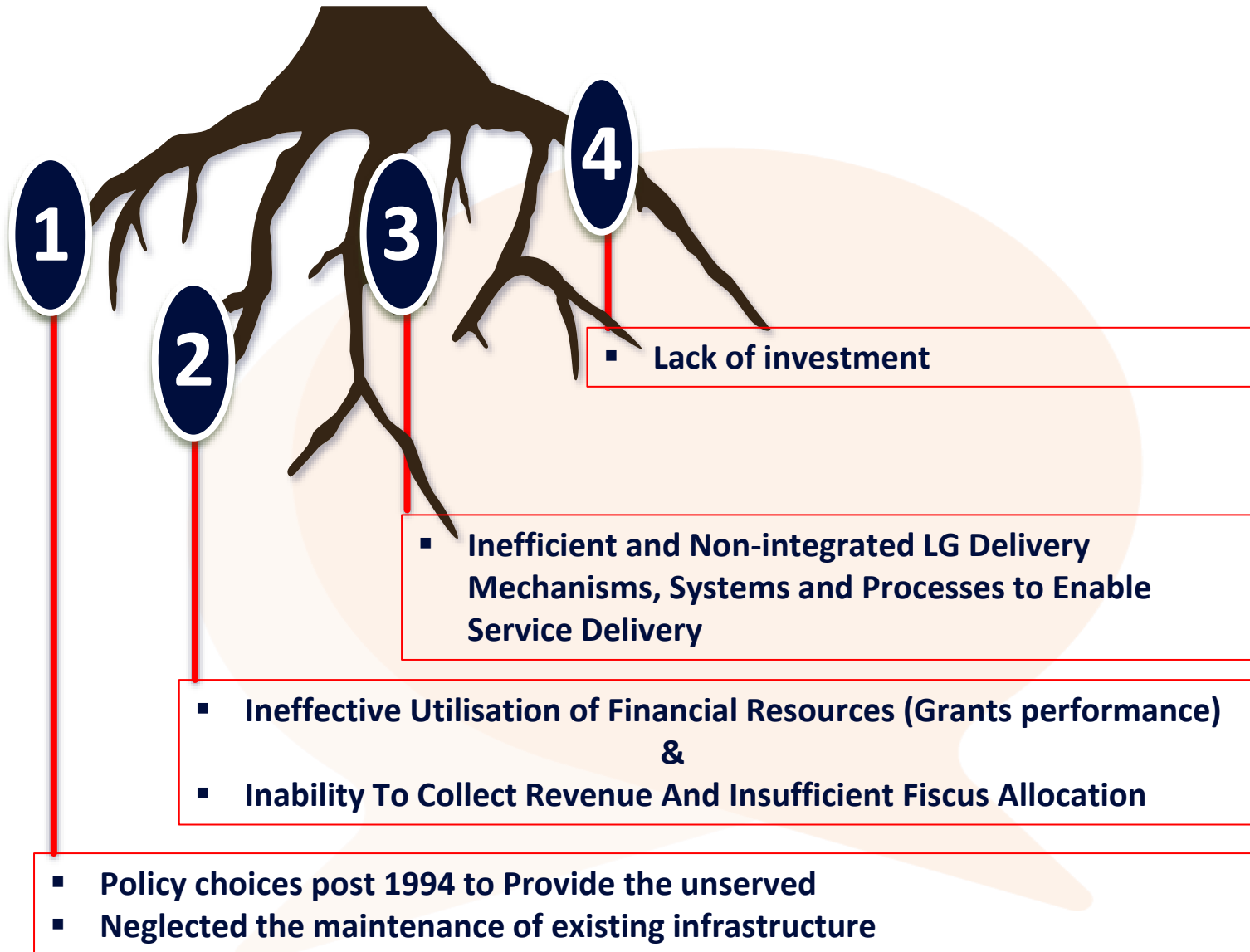
The bad



The ugly



# INFRASTRUCTURE



# Infrastructure Grants to Local Government

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
R million	Outcome			Revised estimate	Medium-term estimates		
<b>Direct transfers</b>	<b>41,596</b>	<b>43,568</b>	<b>42,322</b>	<b>37,905</b>	<b>43,143</b>	<b>45,267</b>	<b>46,977</b>
Municipal infrastructure	15,891	15,288	14,816	14,491	15,593	16,852	17,595
Integrated urban development	–	–	857	936	1,009	1,075	1,123
Urban settlements development	11,382	11,306	11,655	10,572	7,405	7,352	7,676
Informal settlements upgrading partnership	–	–	–	–	3,945	4,181	4,365
Public transport network	6,107	6,287	6,370	4,389	6,515	6,767	6,794
Neighbourhood development partnership	658	569	592	479	567	593	619
Integrated national electrification programme	2,087	1,904	1,860	1,359	2,003	2,119	2,212
Rural roads asset management systems	107	108	114	108	110	115	115
Regional bulk infrastructure	1,829	1,963	2,029	2,006	2,156	2,281	2,381
Water services infrastructure	3,305	4,777	3,669	3,368	3,620	3,701	3,864
Municipal disaster recovery	26	1,151	133	–	–	–	–
Energy efficiency and demand-side management	203	215	227	196	221	231	232
<b>Indirect transfers</b>	<b>7,699</b>	<b>7,795</b>	<b>6,913</b>	<b>6,745</b>	<b>6,920</b>	<b>8,060</b>	<b>8,335</b>
Integrated national electrification programme	3,846	3,262	3,124	1,983	2,824	3,638	3,821
Neighbourhood development partnership	28	29	50	63	91	101	101
Water services infrastructure	852	1,616	644	591	730	771	805
Regional bulk infrastructure	2,974	2,887	3,094	4,108	3,275	3,550	3,607
Bucket eradication							
<b>Total</b>	<b>49,296</b>	<b>51,363</b>	<b>49,235</b>	<b>44,650</b>	<b>50,063</b>	<b>53,327</b>	<b>55,312</b>

# Equitable Share Allocation

## Basic Services Component of the LGES

	2018/19	2019/20	2020/21	2021/22
Water	14 761 228 573	16 362 142 168	18 010 545 838	19 055 277 013
Sanitation	11 269 052 262	12 292 246 063	13 290 324 084	13 616 322 297
Refuse	9 446 647 633	10 304 372 939	11 141 044 129	11 414 322 678
Electricity	9 603 894 745	10 612 123 113	11 645 119 423	12 214 863 798
<b>Total BSC</b>	<b>45 080 823 213</b>	<b>49 570 884 284</b>	<b>54 087 033 475</b>	<b>56 300 785 785</b>

## Growth rates

Water		10,8%	10,1%	5,8%
Sanitation		9,1%	8,1%	2,5%
Refuse		9,1%	8,1%	2,5%
Electricity		10,5%	9,7%	4,9%
<b>Total BSC</b>		<b>10,0%</b>	<b>9,1%</b>	<b>4,1%</b>



**Free basic services**  
**R64 billion**  
R488.42 per month for a package of free basic services for SA households with an income of less than 2 old age pensions per month  
**Water is R162**



# Funding for basic Services for both Capex and Opex

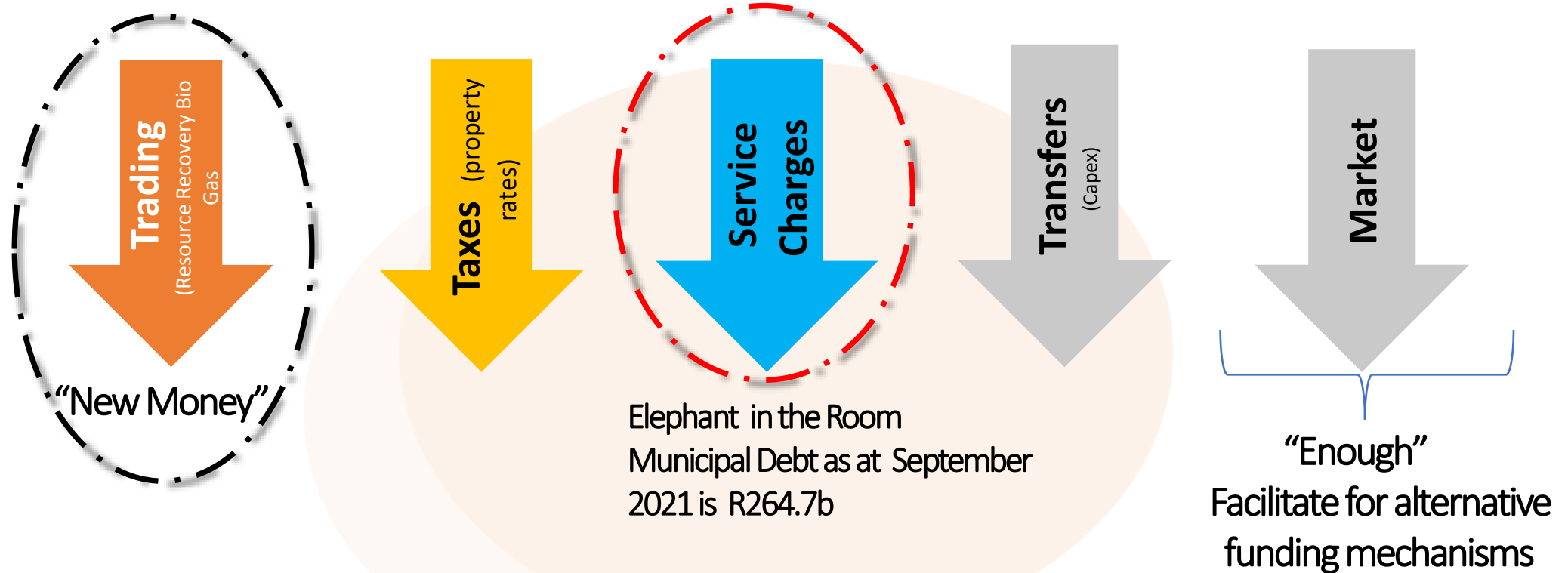
## The following observations and research finding on Capex and Opex indicates that :

- (i) The current equitable share model under-estimates the cost of providing services and overestimates the contribution of own revenue to funding these.
- (ii) The current under-funding of local government, and its consequent financial distress, is a direct result of the **fiscal assumptions made in the 1998 White Paper**, many of which have proven to be incorrect, or which have not been implemented as envisaged.
- (iii) The current structure of the conditional grant system is **not working optimally** for local government in general (and even less so for smaller municipalities): it is expensive and unwieldy and contributes directly to the creation of a huge future national obligation in the form of deteriorating municipal infrastructure.

## Some recommendations to resolve the problem

1. Allocating a higher share of nationally raised revenue to local government;
2. Restructuring of the conditional grants system;
3. Reducing the cost base of local government through a review of municipal demarcations based on actual financial viability;
4. A concerted campaign to reduce physical distribution losses;
5. Better use of national incentives to compel commercial customers to pay their municipal accounts;
6. The reduction of the reporting/compliance burden

# Funding mix for social and economic infrastructure (4Ts + M)



Infrastructure Development and Management including operations and maintenance

# Debt Management

Table 10.3: Household payment for municipal water, 2006–2018

		Year											
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2018
Yes	N	6 040	6 386	6 377	5 381	5 347	5 427	5 388	5 487	5 463	5 646	5 471	5 596
	%	64,9	64,2	67,3	49,2	46,6	47,0	45,1	44,4	43,5	43,8	41,4	40,9
No	N	3 267	3 566	3 092	5 558	6 123	6 120	6 550	6 873	7 105	7 234	7 733	8 076
	%	35,1	35,8	32,7	50,8	53,4	53,0	54,9	55,6	56,5	56,2	58,6	59,1
Total	N	9 307	9 952	9 469	10 939	11 470	11 547	11 938	12 360	12 568	12 880	13 204	13 672
	%	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Source: Table 10.3 Stats SA

Aggregate municipal consumer debts amounted to R264.7 billion (compared to R194.2 billion reported in the first quarter of 2020/21) as at 30 September 2021. Government debt accounts for 7.4 per cent, or R19.6 billion (R16.7 billion reported in the fourth quarter of 2020/21). The largest component of this debt relates to households which account for 70.5 per cent or R186.6 billion (72.6 per cent or R168.9 billion in the fourth quarter of 2020/21).

It needs to be acknowledged that not all the outstanding debt of R214.3 billion is realistically collectable, as these amounts are inclusive of debt older than 90 days (historic debt that has accumulated over an extended period), interest on arrears and other recoveries.

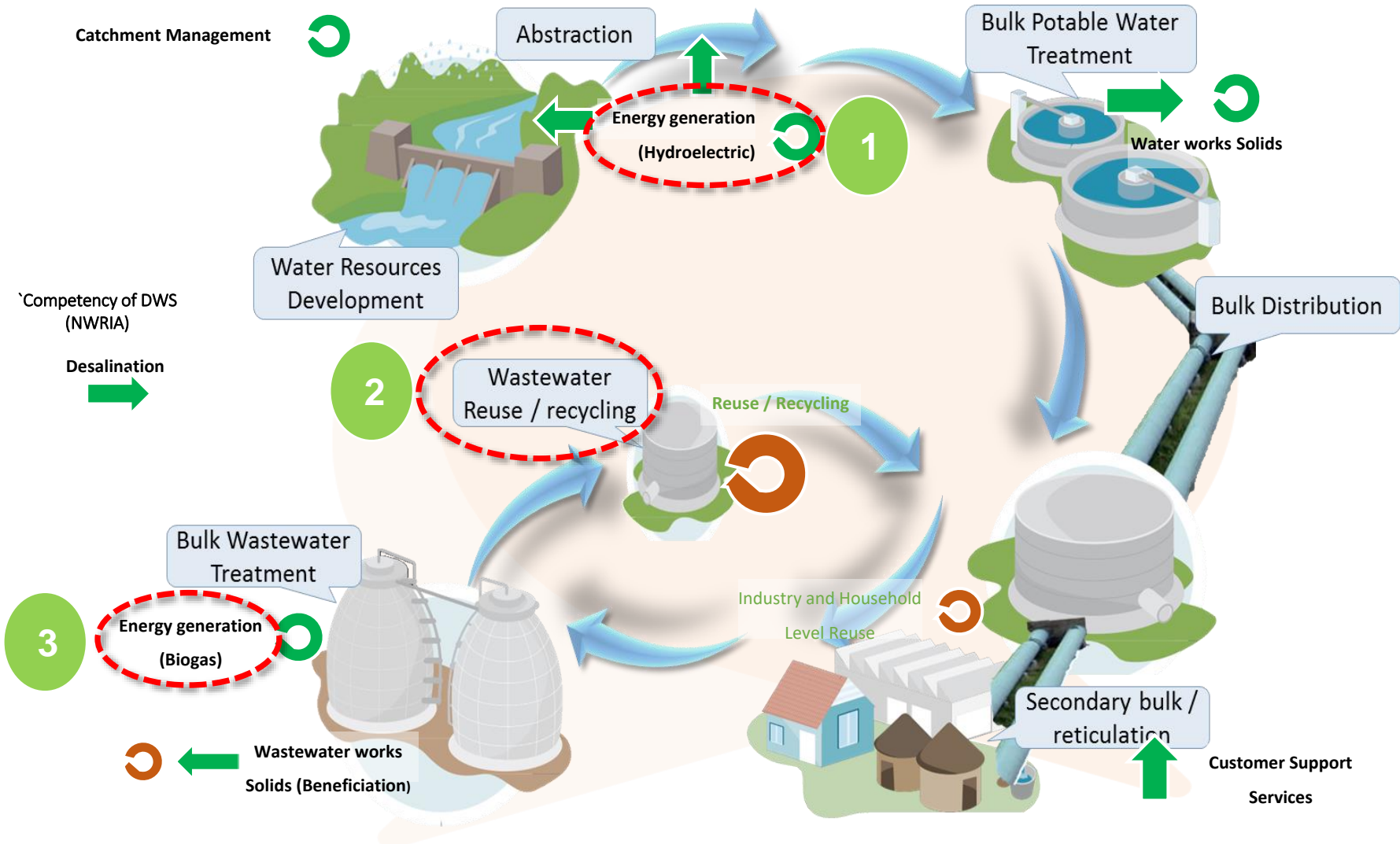
If consumer debt is limited to below 90 days, then the actual realistically collectable amount is estimated at R50.2 billion. This should not be interpreted that the National Treasury by implication suggests that the balance must be written-off by municipalities.

Metropolitan municipalities are owed R125.6 billion (R78.9 billion reported in the first quarter of 2020/21) in outstanding debt as at 30 September 2021. The largest contributors were the Cities of Johannesburg at R38.2 billion, Ekurhuleni at R22.6 billion, Tshwane at R17.1 billion, eThekweni at R17.7 billion and Nelson Mandela Bay at R10.4 billion.

Municipalities owed their creditors R78.3 billion as at 30 September 2021 and provinces with the highest percentage of outstanding municipal creditors in the category greater than 90 days include Free State at 90 per cent, Mpumalanga at 82.7 per cent, Northern Cape at 82 per cent and North West at 79.7 per cent. An increase in outstanding creditors could be an indication that municipalities are experiencing liquidity and cash challenges and consequently are delaying the settlement of outstanding debt owed.

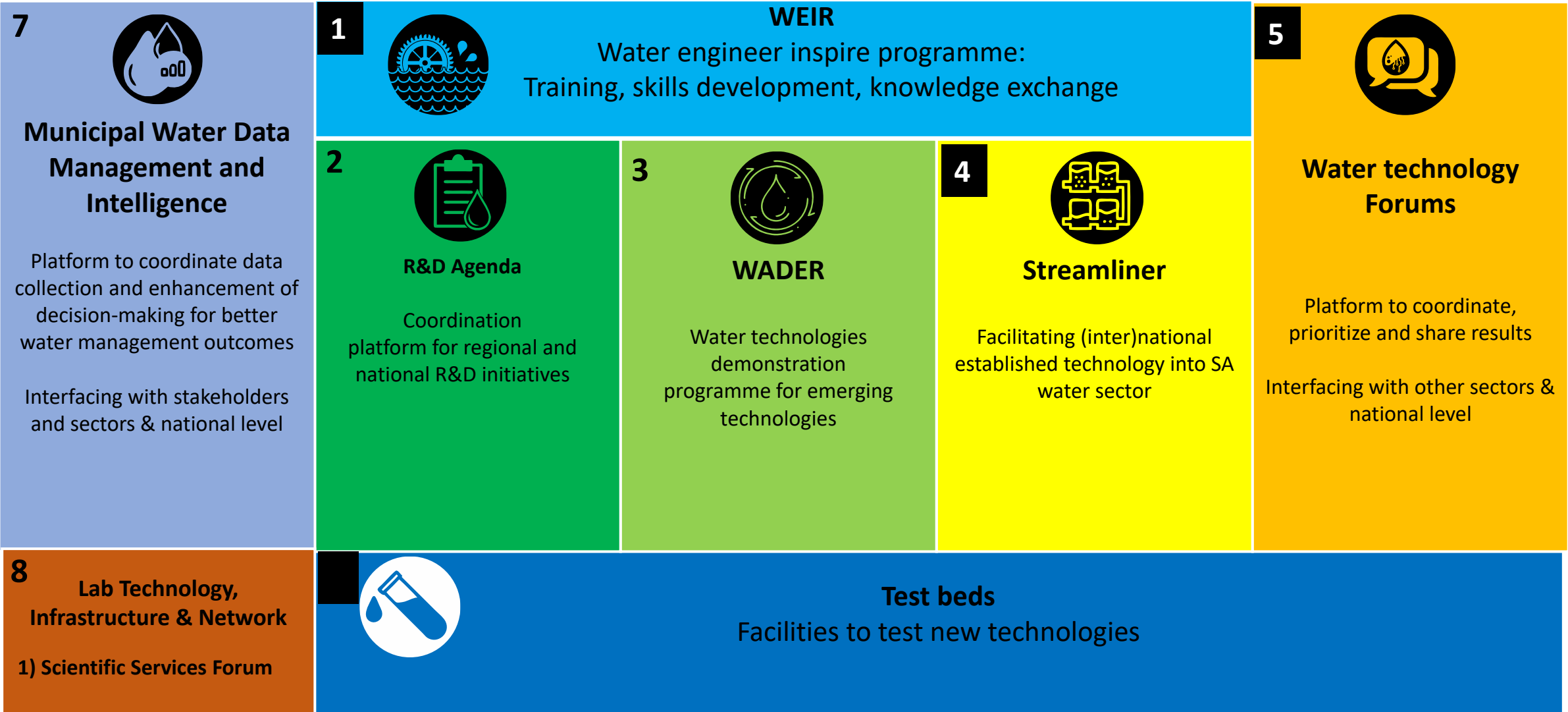
Source: NT 2021/2022 Q1 Section 71 Report

# New Money Projects to supplement municipal income



Images courtesy of Umgeni Water

# INTEGRATED TECH AND INNOVATION PLATFORMS PROGRESS



1



## WEIR

Water engineer  
inspire programme:

Training, skills  
development,  
knowledge  
exchange

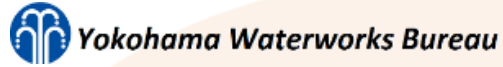
### Value Proposition

- ✓ Integrator of Capacity Building, skills development and International exposure to water management working in collaboration with partners
  - ✓ Hitachi/DSI programme
  - ✓ WRC/DSI Young Engineers Changemakers Programme
- ✓ Pool of water engineers, technologists, Scientists Process Controllers for technology and innovation support in municipalities
- ✓ Better Water Management through technology and innovation in municipalities
- ✓ Pool of resources for trouble shooting in municipalities and the water sector
- ✓ Working with Innopreneuers



# YOUTH ONLINE EVENT

SALGA and JICA Headquarters jointly provided an occasion of knowledge exchange for young stars of both countries.



ETHEKWINI WATER AND SANITATION & UMGENI WATER & WATER INSTITUTE OF SOUTHERN AFRICA (WISA) - YOUNG WATER PROFESSIONAL (YWP) AND YOKOHAMA TEAM OF AQUA PROFESSION (Y-TAP) OF YOKOHAMA WATERWORKS BUREAU

## Waterworks of eThekweni

Area: 2,555km<sup>2</sup> Population: 3.7 million  
Coverage: 96 % Daily supply: 900,000m<sup>3</sup>/day  
Connections: 500,000 Total pipe length: 12,000km  
Topological feature: Mostly hilly

Umgeni Water is the largest bulk water supplier in KwaZulu-Natal Province, South Africa, supplying 1,395,000m<sup>3</sup> potable water per a day.



## Waterworks of Yokohama

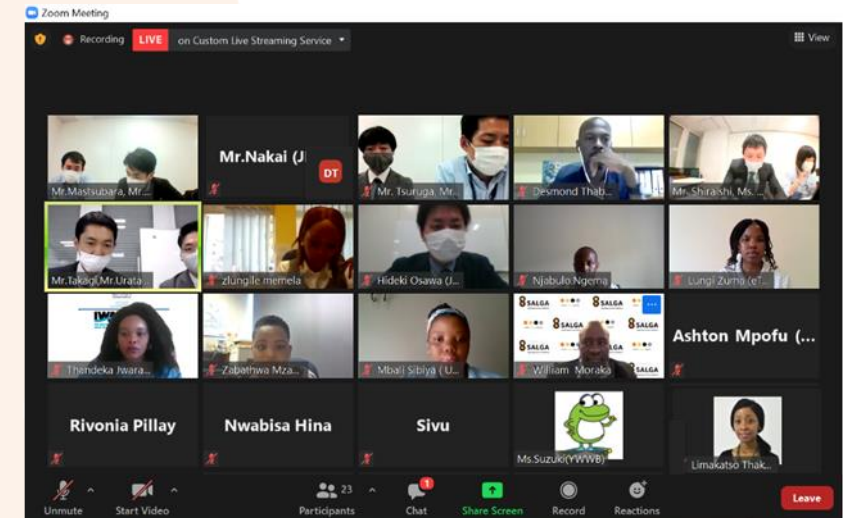
Area: 435km<sup>2</sup> Population: 3.75 million  
Coverage: 100.00 % Daily supply: 1,114,891m<sup>3</sup>/day  
Connections: 1,893,132 Total pipe length: 9,414km  
Topological feature: Many hills and valleys  
Fee collection rate: 92.6 %  
Leakage (NRW) rate: 5.0 (7.4) %



9:00-11:00 in SA time (16:00-18:00 in JP time), 9th March, 2021

Themes: (A) Water bill collection and customer management

(B) Water distribution management and water supply services



More than 20 young stars gathered online and other audiences watched it through Youtube.



# Tech and Innovation Interventions

- MoU with Consulting Engineers has been signed to facilitate uptake of tech and innovation
- Partners including SALGA met with Chief Procurement Officer to explore processes of embracing tech and innovation in the procurement of municipal infrastructure
- Made Proposal to National Treasury and Sector Departments including Tech and Innovation as part of the conditions of DORA frameworks under the following grants
  - Municipal Infrastructure Grant (MIG)
  - **Regional Bulk Infrastructure (RBIG)**
  - **Water Services Infrastructure Grant (WSIG)**
  - Municipal Systems Improvement Grant (MSIG)
  - Urban Settlement Development Grant (USDG)

# PARTNERS AND STAKEHOLDERS



# Alternative Business Models

## (Public vs Private Sector)

### Comparing Alternative Service Delivery Options

Procurement Alternatives

Option	Asset Ownership	Operations and Maintenance	Capital Investment	Commercial Risk	Duration
Service Contract	Public	Public and Private	Public	Public	1-2 Years
Management Contract	Public	Private	Public	Public	3.5 Years
Lease	Public	Private	Public	Shared	8-15 Years
Concession	Public	Private	Private	Private	25-30 Years
BOT/BOO	Private and Public	Private	Private	Private	20-30Years
Divestiture	Private or Private and Public	Private	Private	Private	Indefinite (may be limited by license)



**We need to re-consider and re-configure current and future funding, Development and Management approaches of network infrastructure looking into the following factors amongst others**

- Project Value and Complexity
- Economic vs Social Infrastructure
- National vs Regionalisation vs Local Infrastructure Approach

# Metros Reform Map (City Water Managers Forum)

## The State of Water in South Africa's metros

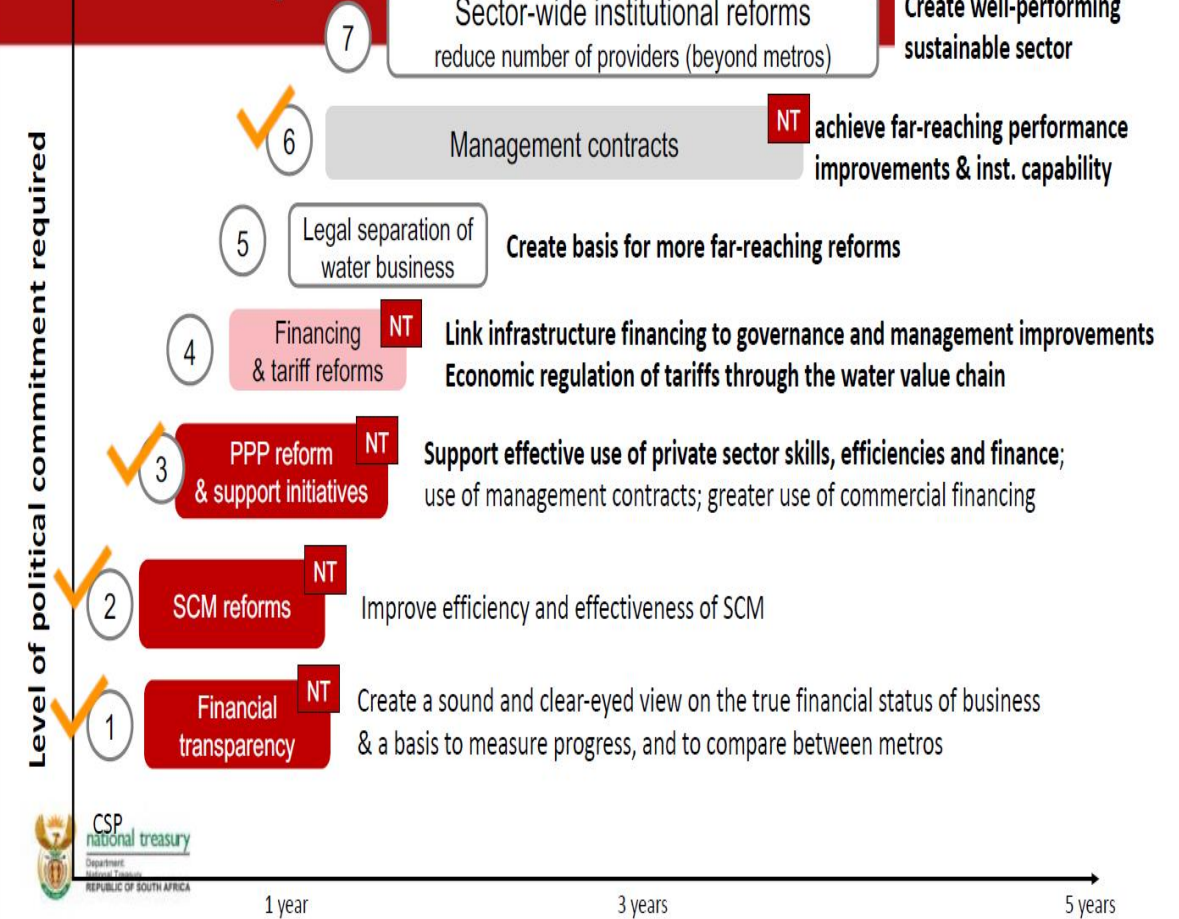


Supporting the turnaround of metro water businesses

City Budget Forum

27 August 2021

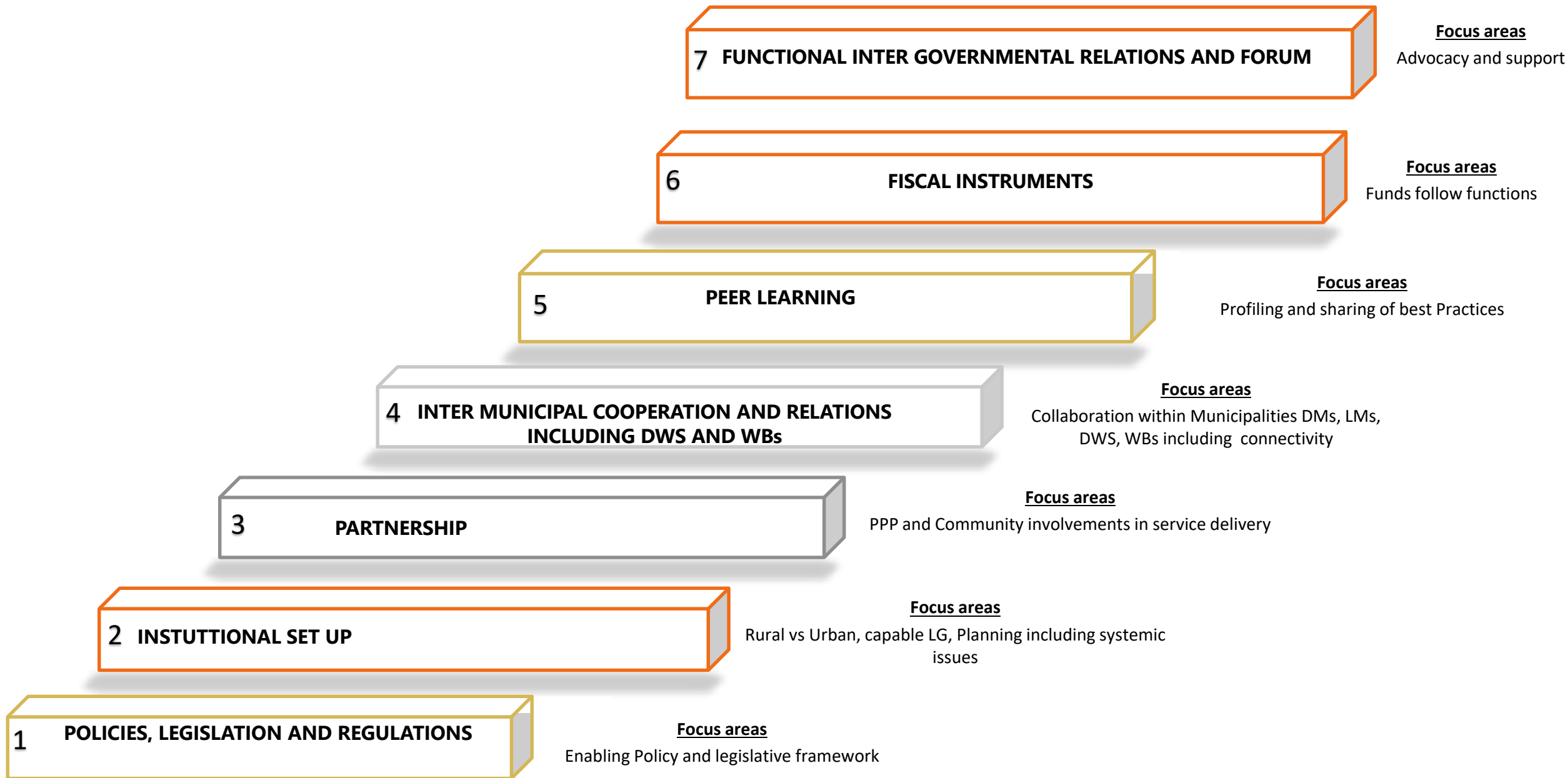
### Reform map



# OUR SUGGESTED APPROACHES A TWO PRONGED STRATEGY



# ENABLERS TO SCALE UP THE DELIVERY OF SERVICES

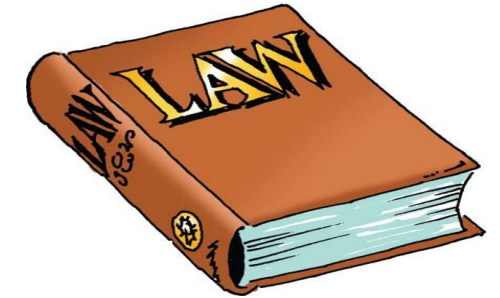


# 7 KEY AREAS OF INTERVENTIONS TO BE LED BY THE DEPARTMENT IN COLLABORATION WITH SALGA TO TURN AROUND THE SECTOR

1

## • Policy, Legislation and Regulatory Regime/s

- Strengthen the regulatory instruments (Green, Blue and No Drops Programmes)
- Speed up the amendment/s of the Water Services Act ( SALGA has made a submission)
- Urgent establishment of the Water Regulator (**The sector needs a referee**)
- Implementation and monitoring of Norms and standard
- Ensure compliance and enforcement instruments are in place



2

## • Infrastructure Investments and Debt Management

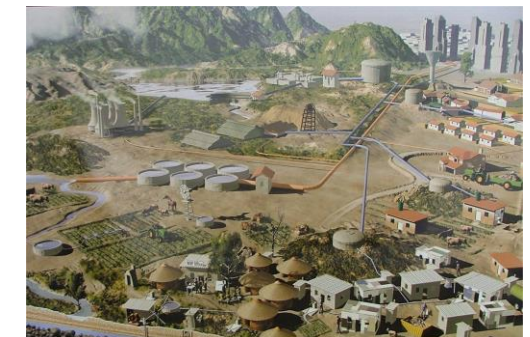
- Development of **an Infrastructure Investment Policy** particularly raw bulk
- Ensure water resources adequacy including investments in sea water desalination
- funding instrument/s in the sector requires re-configuration  
**(Are we using our funding efficiently)**
- Debt Management within the value chain and with customers
- Develop a National Water Costing and Pricing methodology



3

## • Institutional and alternative Delivery Mechanism(s)

- Embrace District Development Model in line with the 7 MTSFs
- With immediate effect institute Institutional reform aligned process as part of establishing the NWRIA including instituting section 78 processes to give effect to alternative service delivery mechanism(s)
- Engage COGTA on the Powers and Function assignment currently undertaken way
- Institute performance monitoring instruments (**Benchmarking**)



# 7 KEY AREAS OF INTERVENTIONS TO BE LED BY THE DEPARTMENT IN COLLABORATION WITH SALGA TO TURN AROUND THE SECTOR

4

## • Improving Cooperation and Partnership/s

- Improve Inter-Municipal cooperation and partnership/s
- Engage NT on PPP opportunities
- Section 154 support is crucial before interventions



5

## • Strengthening Planning Instruments

- Alignment of Infrastructure Master Planning
- Compliance to Water Services Development Plan



6

## • Strengthening Intergovernmental Relations

- Exploring a collaborative structure to discuss water and sanitation
- The collaborative structure be a feeder to the Water IMC
- Cllr Induction



7

## • Strengthening Stakeholder Management

- Monitoring of Chapter 4 of the Municipal System Act in collaboration with COGTA
- Enhance Partnership/s with public and private sector including
- community based Structures





# Recommendations

**It is recommended that:**

- (i) The house notes SALGA's inputs
- (ii) The house reflect on the 7 proposed interventions
- (iii) The house provides guidance on the way forward upon reflecting on the presentation



# Thank You



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