



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

ADDRESSING THE GAPS IN THE PROVISION OF WATER AND SANITATION

MINISTERIAL BRIEFING TO THE NATIONAL COUNCIL OF PROVINCES

PRESENTED BY
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1. Introduction and background

- 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, as will be detailed in this presentation, many municipalities are failing to deliver water and sanitation services to national norms and standards and the situation is generally deteriorating

Introduction and background...continued

- 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 inter-governmental conflict
- The new plan:
 - Optimal use of the legislative framework
 - Some reconfiguration of Water Boards
 - Positioning of reconfigured Boards to work closely with Municipalities with regards to ensuring capacity for service delivery
 - Development and implementation of rolling plans for providing support and intervention for water and sanitation services to municipalities, drawing on a range of national support programmes
 - Partnerships with the private sector that includes funding as well as technical and managerial expertise

2. Water resource management and major augmentation projects

Water resources management

- SA is a water-scarce country. It has an average annual rainfall of less than 500 mm, which is well below the world average of 850 mm
- Climate change is likely to exacerbate water scarcity in SA
- Historically, SA has relied largely on surface water, but our surface water resources are nearing full utilisation. To address this, DWS:
 - Is developing guidelines and a national strategy for supplementing surface water resources with groundwater resources in a sustainable fashion
 - Is importing surface water from neighboring countries
 - Will increasingly be supporting municipalities to develop alternative sources of water, including through desalination and water re-use
 - Is encouraging and supporting municipalities to implement water conservation and demand management strategies, including reducing water losses
 - Will increasingly be working with industries to increase water-use efficiency.

Current water resources availability

- Generally, South Africa has been experiencing high levels of rainfall in recent months and most of the dams are currently full
- However, water availability varies from one province to another. The Eastern Cape Province has been severely affected by the Hydrological Drought since 2015 and continues to face severe dry conditions. As a result:
 - Nelson Mandela Bay Municipality; Sarah Baartman District Municipality that are under the Algoa System as well as
 - The Amathole District Municipality and Buffalo City Metropolitan Municipality that are within the Amathole System; and
 - Other pockets of Chris Hani; OR Tambo and Joe Gqabi Districts are considered to be drought-stricken areas
 - The dams in these catchment areas are at very low levels compared to the rest of the country.
- The main focus of the department is on augmentation of existing water resource infrastructure, through the funding the development of schemes for transferring water from catchments with a water surplus to water-stressed catchments, and through the construction or raising of dams where there is potential for further exploitation of surface water resources
- The Department's current major current augmentation projects are summarized in the following two slides

Planned and current major water resource augmentation projects

A. Eastern Cape

- 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. The RFI is currently at evaluation stage.
- 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 respectively, at a cost estimate of R1.3 billion.

B. Free State

- 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.

C. Gauteng

- The 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.

D. KZN

- In northern Ethekewini, the Hazelmere Dam to ensure long term water supply to Ethekewini is 96% complete. The project is due to be completed in third quarter 2022 at a cost of approximately R800 million.
- 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.
- The uMkhomazi Water Project is aimed at delivering long term additional water to the Ethekewini region at a cost of R23 billion by 2028. The project is at prefunding stage and construction is expected to start in 2024.

Planned and current major augmentation projects... continued

E. Limpopo

- 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 R24 billion. The project is at approval stage with some of the work packages at preconstruction stage and anticipated to begin late 2022.
- 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.

F. Mpumalanga

- Various augmentation options have been considered in Mpumalanga including transfer of water from the Vaal to augment shortages in the Olifants. The Crocodile East (Mbombela) reconciliation has identified a need for a new dam – the feasibility planning process has been initiated. Mine Water Reclamation has been implemented in the Olifant (Emalahleni and Steve Tshwete Municipalities)

G. Northern Cape

- The Vaal Gamagara Water Supply Scheme is critical to mining and potable water supply in the Northern Cape. Phase 1 is 96% complete at a cost of R1,4 billion with Phase 2 starting later this year at a cost of R10 billion.

Planned and current major augmentation projects... continued

H. 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 end March. The estimated cost of the project is R50 million.

I. Western Cape

- 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
- 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

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

3. Water and sanitation services

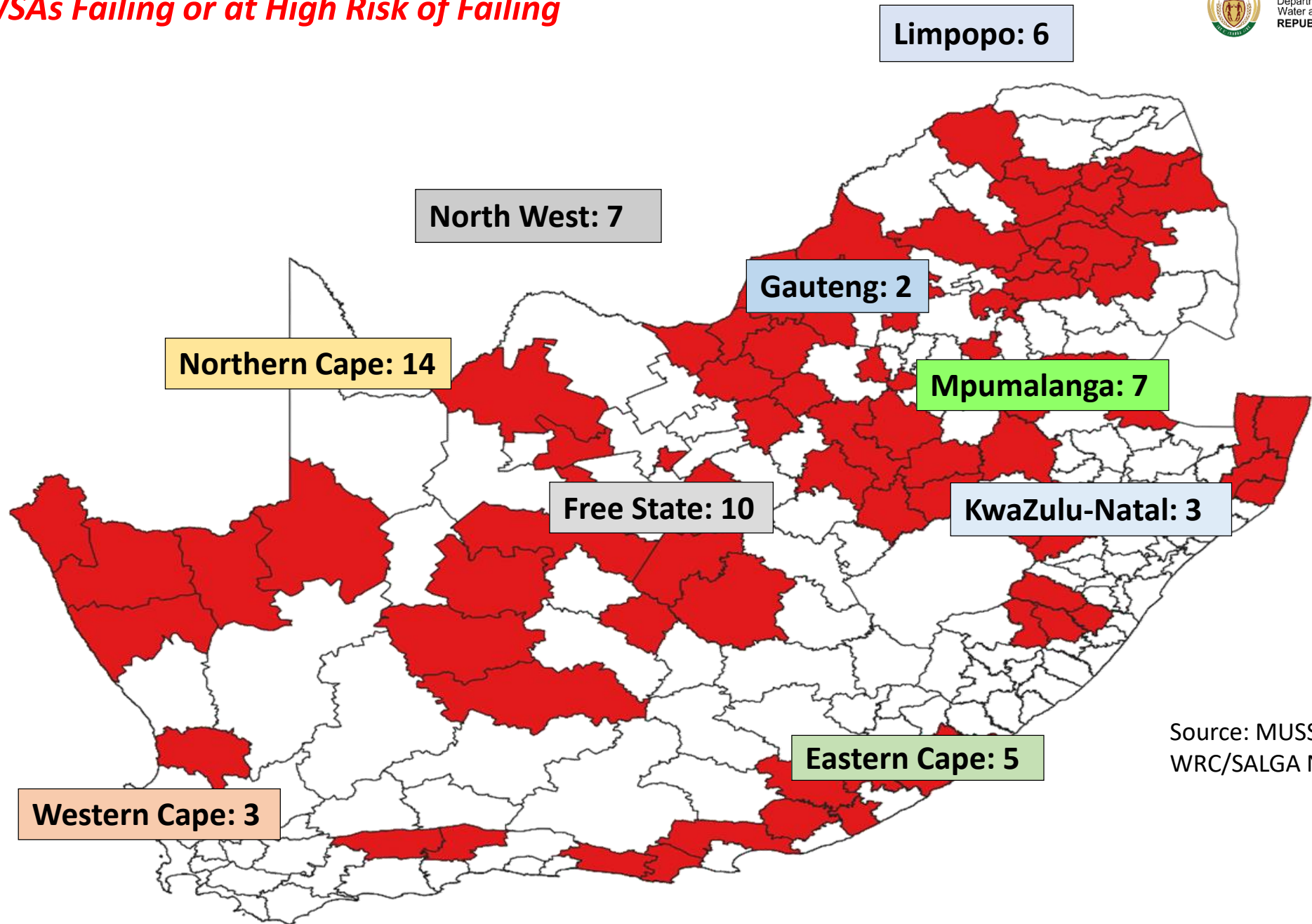


The state of municipal water and sanitation services

- 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 poor governance, weak asset management, billing and revenue collection, operations & maintenance; and lack of technical skills

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



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Lack of Acceptable Water Services



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Current municipal support and intervention mechanisms & limitations

- 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

Current support and intervention mechanisms & limitations...continued

- 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
- COGTA is currently working on the Intergovernmental Monitoring, Support and Intervention Bill to address some of the challenges
- The District Development Model needs to include improvements to operations and maintenance as well as improvements to planning for water sanitation services
- There is much potential for having more effective support and intervention within the Constitution and existing primary legislative framework
- But we need to do things differently if we expect a different result

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 require government (national and provincial) to support municipalities 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 support municipalities more and 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 has 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 on the results of monitoring mechanisms such as Blue Drop, Green Drop and No Drop
 5. Strengthen the National Norms and Standards (issued in terms of the 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 introducing external management of municipal wastewater treatment works 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

Types of interventions

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

- Project-based Interventions (short term): e.g.
 - Restoring water services infrastructure functionality
 - Emergency repairs (both water supply and sewerage systems)
- Programme-based (medium to longer term): e.g.
 - 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, using:
 - Green Drop and Blue Drop Regulatory monitoring information
 - MUSSA (Municipal Services Self Assessment)

Capacity and funding for support and interventions

- Identify capacity for interventions:
 - Identify Water Boards with support and intervention capacity and potential; match to intervention areas
 - Direct specific Water Boards through Section 41 (Water Services Act) with set intervention performance agreements
 - Involve the private sector more in water and sanitation service delivery
 - The assets will remain the property of public sector, partnership limited to financing, operations and management
 - Use Section 76 of National Water Act to expand DWS Construction Unit capacity to execute short term interventions
- Intervention financing mechanisms need 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

4. Sanitation

- DWS will be submitting a National Sanitation Framework (NSF) to Cabinet:
 - Revise the national norms and standards for sanitation and provide for equitable sanitation provision across all settlement types
 - Strengthen monitoring and compliance to the standards, and
 - Sets out measures to improve service delivery such as support in various forms to address service delivery lapses.
- Due to rapid rural-urban migration, new informal settlements are arising continuously. Legislation does not allow municipal investment in infrastructure development in informal settlements before they are formalized. Municipalities therefore provide informal settlements with buckets or chemical toilets as temporary solutions. Alternatively, households in informal settlements build makeshift pit toilets
- Historically, the Bucket Eradication Programme focused on eradicating buckets in formal areas. As informal settlements are formalized, more needs for eradicating buckets (in formal settlements) emerge, on an ongoing basis. In future, DWS will focus on ensuring that municipalities meet the minimum norms for sanitation in informal settlements and stop providing buckets

5. Review of Water Boards

Change drivers for review of Water Boards

- Municipal performance is generally weak and compromises effective and sustainable water services delivery. This means that services are not being effectively expanded to households without an adequate service, that services being provided to existing households may not be sustainable, and that the quality of services is deteriorating
- In some instances, the relationships between water boards and municipalities are poor and not conducive to optimal outcomes for service delivery
- The financial viability of some water boards is marginal. In some instances, this is related to an underlying structural issue (geography and client base), in addition to challenges with billing and revenue collection at municipal and non-payment by municipalities to water boards
- There have been and continue to be governance problems in some water boards
- As far as possible, Water Boards should be financially sustainable and able to raise capital from the market for infrastructure projects
- All geographical areas which need the services of Water Boards, but which are not yet serviced by Water Boards, should be covered by Water Boards
- Some areas are serviced by multiple water boards, resulting in a degree of institutional confusion (for example, Hammanskraal, where two Water Boards and the Tshwane metro are all supplying water, resulting in confusion when there are disruptions in service delivery)

Progress with the review of the Water Boards

- The realignment of Water Boards has been initiated with the proposed disestablishment of Sedibeng Water
- Sedibeng Water is being disestablished as an entity through section 28 of the Water Services Act. The reasons for the decision are based on matters relating to finance, governance, and delivery of services
- The areas previously services by Sedibeng Water will be incorporated into Bloem Water and Magalies Water
- Consultations have been held with COGTA, the affected Water Boards, the affected provinces, municipalities and the relevant Unions
- DWS is currently managing the process of disestablishment, with a view to gazetting the disestablishment by the end of June 2022
- The process is managed in such a way as to minimize any negative impacts on service delivery
- Further announcements will be made shortly regarding other changes to Water Boards

6. Current interventions (City of Tshwane, Emfuleni Local Municipality and uMkhanyakude District Municipality)

Section 63 Intervention in uMkhanyakude District Municipality

- The current Section 63 intervention in uMkhanyakude District Municipality is based on a DDM-inspired approach to focus all government resources at all levels on improving service delivery in a coordinated manner with one project manager leading all the teams
- The aim of the intervention is a complete restoration of an effective water services function in the Umkhanyakude District Municipality (UKDM)
- DWS has limited avenues to provide assistance as UKDM is not compliant with conditions of grants and hence transfers cannot be made, Treasury has also offset MIG funding due to non-performance on the part of UKDM
- Consultations with the municipality and COGTA regarding the intervention are currently underway

City of Tshwane Intervention

- The City of Tshwane has 15 wastewater treatment works (WWTW) of which four require intervention including Rooiwal WWTW, Klipgat WWTW, Baviaanspoort WWTW and Sunderland Ridge WWTW
- Rooiwal WWTW effluent has a direct impact on the quality of drinking water treated at Temba WTW (Hammanskraal) and Baviaanspoort WWTW effluent has a direct impact on the quality of drinking water treated at Roodeplaat WTW (Pretoria North West)
- Despite four directives issued by DWS for non-compliance there has only been partial implementation to date with minimal improvement in effluent quality
- The Department initiated civil action for the four waste water treatment works and CoT defended the action. The objective was to convert the directives into a court order to compel CoT to implement remedial action
- Recommendations of the Human Rights Commission Enquiry were that the DWS must take over water and sanitation functions in Tshwane
- This led to the DWS sending letters on 8 December 2021 to Minister of COGTA, Executive Mayor of Tshwane and Premier of Gauteng on the intention to implement Section 63 in CoT (to comply with the constitutional intervention order)

City of Tshwane Intervention...continued

- Tshwane has opposed the intervention and argued that it should be provided with financial support from the national government to upgrade the four plants
- The City of Tswane intervention cannot be funded through available DWS grants. CoT is a Metro and DWS grants are not allowed to fund Metros
- CoT has capacity to manage projects
- The Department of Human Settlements (DHS) administers the Urban Settlement Development Grant (USDG) which augments funds to Metros for such activities. DWS is therefore in the process of approaching DHS to avail funds for CoT remedial action. The availed funds would then be ring-fenced

Section 63 Vaal River System Intervention

- The Vaal River Intervention Programme comprises of the Sedibeng District Municipality and the Emfuleni Local Municipality Sanitation Projects. The objective of the Sedibeng Regional Sanitation Scheme (SRSS) are CAPEX projects by nature:
 - Upgrade the current capacity of sewerage infrastructure in Emfuleni Local Municipality
 - Increase the capacity of the waste water treatment works
- The overall objectives are to:
 - Build a sustainable and operational sewage infrastructure, thus preventing future pollution within the Vaal River catchment
 - Implement water conservation and water demand management (WCWDM), thus creating additional treatment capacity to meet current, short-term and future demands
- A steering committee chaired by political principals from both DWS and COGTA Gauteng has been established to ensure appropriate project implementation and participation by all relevant stakeholders
- The Department has appointed Rand Water as an Implementing Agent of the Section 63 Vaal River System intervention Project in the Emfuleni Local Municipality for a period of three 3 years
- Seven contractors were issued with scope of work packages on 5 February and work is in progress

7. National Water Resource Infrastructure Agency (NWRIA)

Rationale for the NWRIA

1. Financial rationale

- The country requires an ongoing and sustained mega water resource infrastructure build programme, in addition to effectively operating and maintained existing assets
- However, due to fiscal constraints, DWS cannot rely on significant fiscal support to develop the required infrastructure. An agency would be better positioned than the department to raise funds from sources other than the fiscus
- Based on its PFMA listing and authority, credit rating and condition of assets, the agency could raise commercial and development finance, domestically and internationally. for some projects, it could also enter into public-private partnerships
- The current financial model used by the TCTA, of raising finance backed by off-take agreements and explicit government guarantees, could be expanded by leveraging the assets on the agency's balance sheet to raise finance without government guarantees

Rationale...continued

2. Governance and transparency rationale

Establishing the NWRIA will strengthen governance & transparency in the water sector by separating the roles of player and referee i.e. DWS will retain responsibility for planning, regulation, policy and price setting, whilst the Agency will build, operate and maintain water resource assets.

3. Rationalisation and integration of entities and reduction in fragmentation

The establishment of the NWRIA will address the current fragmentation of asset management and revenue collection functions for national water resource infrastructure. Currently these functions are fragmented between the TCTA, the WTE and the department, and the establishment of the NWRIA will enable them to be integrated into one entity.

Process towards establishing the NWRIA

- Since the pronouncement by the President in his February 2021 SONA, the Department has accelerated the process to establish the National Water Resources Infrastructure Agency (NWRIA) which will be established as a state-owned entity
- The primary objective of the NWRIA is to sustain and improve the performance of strategically important water supply systems where water security is increasingly at risk
- The Department has developed a draft Bill and business case for the NWRIA with the intention to manage the legislative process concurrently with the business case process
- The draft business case was submitted to National Treasury and comments were received. The department is currently revising the business case
- Internal consultations regarding the Bill are currently being finalised, with a view to submitting it to the Cluster and then to Cabinet during March 2022. The aim is to publish the draft Bill for public comment in April 2022
- It is envisaged that the final Bill will be submitted to Cabinet for approval to be tabled to Parliament in June 2022. The NWRIA Act should be enacted in January 2023, dependent on Parliamentary processes

8. Financial health of DWS and entities

- The water sector is facing financial challenges
- There is an operating deficit in the sector as a whole which requires urgent attention
- The underlying causes are weak billing and revenue collection at municipal level, which results in financial challenges throughout the water value chain
- The provision of water from source to tap is a self-sustaining business across the value chain, i.e. the Department, Water Boards, Municipalities and other Water Institutions
- The Water Trading Entity (WTE) in DWS is currently owed R23 billion and the debt is rising due to non-payment by municipalities which owe the WTE R8,5 billion and R7,6 billion which is owed to the WTE by Water Boards
- Water Boards are owed approximately R14 billion due to non-payment by municipalities
- Impact of the rising debt:
 - Declining credit ratings and borrowing capacity and inadequate investments in infrastructure
 - Inadequate allocation to operations and maintenance due to weaknesses in revenue collection resulting in a high risk of unreliable services, which will ultimately have a negative impact on water quality and quantity, health, and critically on the environment
 - Potential loss of skills from the sector and collapse of institutions

Actions required to address billing and revenue collection challenges at municipal level

- DWS is an active participant in the Technical Multidisciplinary Revenue Committee (MdRC) which includes National Treasury, COGTA and SALGA
- The MdRC is diagnosing the top owing municipalities to develop recommendations to ensure financially viable and sustainable water services institutions
- National Treasury is assisting municipalities with revenue initiatives to improve collection and generate more operating cash to repay arrear debts
- It is also advising municipalities to adopt cost reflective tariffs and is assisting municipalities to carry out Cost of Supply studies

DWS, NT and COGTA will work together to:

- Guide, support and monitor business plans of the municipalities to ensure that water conservation and demand management projects are prioritised and interventions such as installation of water meters are implemented to reduce non-revenue water. DWS will encourage municipalities to utilise the WSIG, RBIG and MIG grants for this purpose
- Municipalities should develop a model to identify the indigent population and only give free water to the identified population. This will allow for the other population of water users to pay for water
- Increase communication in order to create awareness to the public with regards to the importance of paying for Water Services

9. Improving water use licencing

- In February 2020, the president made a declaration that water use license applications should be finalised within 90 days
- This was intended to enhance economic development as WULA processing turnaround time was identified as a stumbling block to economic development
- The Department welcomed the President's announcement but acknowledged the need for a concerted effort in improving efficiency and thereby achieving a significant reduction in the number of days (-210 days)
- The Department diagnosed the causes of delays and developed a comprehensive improvement plan, including business process reengineering, training of staff, and hiring additional staff, improvements to the e-WULAS system
- The Department started implementing the improvement plan in April 2021
- The Department is in the process of reviewing the Regulations to give effect to the 90 days, with the aim of publishing them for public comment by June 2022
- The Department has set itself a target of finalizing the backlog of old applications by June 2022
- It has also set a target of ensuring that 80% of applications meet the target of being processed within 90 days by March 2023

10. Private sector partnerships

- The private sector has financial, management and technical capacity to assist with the development of water resources and with the delivery of water services
- DWS is establishing a Water Partnerships Office in collaboration with the DBSA, which will assist DWS to facilitate private sector participation in the development of water resources and the delivery of municipal water and sanitation services, such as through investment in desalination plants, non-revenue water and water re-use projects
- DWS is also working with the Infrastructure Fund to attract private sector funding for blended finance water resource development projects
- DWS has developed a programme for mobilizing private sector contributions to water service delivery:
 - DWS is already partnering with the mining and agricultural sector on several projects, where the private sector is making contributions to projects from which both they and communities benefit
 - The intention is to take these examples to scale across the country
 - The programme has started in the Northern Cape, and is in the preparatory stage in Limpopo, Free State and Limpopo
 - The programme is being implemented as part of the District Development Model, in consultation with COGTA

Progress and time frames for mobilising private sector contributions

ACTIVITIES	NC	NW	FS	LP	EC
DWS INTERNAL PROCESS					
Develop concept document	Y	Y	Y	Y	Y
GOVERNMENT CONSULTATION					
Stakeholder database confirmation	Y	Y	Y	Y	Y
Government consultation to introduce the concept (OTP,COGTA, SALGA, DM/LM)	Y	April 2022	Y	April 2022	Y
Receive feedback from District Municipalities & confirmation of projects and existing partnerships they have	Y	April 2022	May 2022	April 2022	08 April 2022
Consolidate inputs	Y	April 2022	May 2022	May 2022	22 April 2022
PRIVATE SECTOR CONSULTATION					
Private Stakeholder identification(database)	Y	Y	Y	Y	Y
Private Sector Consultation	Y	Y	June 2022	May/June 2022	Y
Allow private sector engagement with members and feedback to DWS on proposed interventions & recording of existing partnerships	23 April 2022	Y	July 2022	July 2022	22 April 2022
PUBLIC CALL FOR PRIVATE SECTOR CONTRIBUTIONS					
Public call for submissions by interested private partners on possible projects and areas of collaboration	01 April 2022	May 2022	July 2022	May/June 2022	29 April 2022
Develop a pipeline of planned interventions	23 April 2022	June 2022	July 2022	July 2022	29 April 2022

11. Stabilising management of the department at senior levels

- The Department is making significant progress towards stabilising leadership and in the process of filling key management posts that have been vacant for a while. In this regard we can report the following:
 - A total of 30 senior management posts have been filled since the start of the 2021/22 financial year which includes the post of Director-General
- The status of filling the vacant posts at the Executive Management level is as follows:
 - The Director General post has been filled with effect from January 2022
 - The CFO post was filled with effect from 1 March 2022
 - The DDG: Corporate Support Services post was filled through matching and placement
 - A selection process is underway for the remaining two vacant posts of Deputy Director General (Water and Sanitation Services Management and Regulation, Compliance and Enforcement)
- A further 7 senior management posts have been advertised and are in various stages of being filled
- The filling of the Provincial Head positions in Gauteng and Western Cape provincial offices has been finalised
 - all Provincial Head positions are now filled
- All the Chief Director posts in the Department are filled except for the Chief Director: Internal Audit which became vacant in January 2022. The post has since been advertised and the shortlisting process is underway
- The Department is also currently reprioritising other critical vacancies in line with the Compensation of Employees budget allocation for the 2022 MTEF and with the approved organisational structure, with emphasis placed on professional and critical positions



ANNEXURE A

**GRANT FUNDING FOR INFRASTRUCTURE
PROJECTS IMPLEMENTED IN PROVINCES**

CONTENTS

1. Grant funding for municipal infrastructure projects
2. Regional Bulk Infrastructure Grants
3. Water Services Infrastructure Grants
4. Grants financial performance summary

GRANT FUNDING FOR MUNICIPAL INFRASTRUCTURE PROJECTS

- The Department of Water and Sanitation (DWS) is managing two infrastructure grant funding programs namely Regional Bulk Infrastructure Grant (RBIG) and Water Services Infrastructure Grant (WSIG)
- The purpose of the grants are to provide sustainable water supply in all the provinces
- The two grants subsidise Water Services Authorities to implement bulk projects through RBIG and reticulation projects through WSIG to fund projects that reduce water services infrastructure backlogs and enhance access by ensuring sustainability of services.



REGIONAL BULK INFRASTRUCTURE GRANT (RBIG)

PURPOSE OF REGIONAL INFRASTRUCTURE GRANTS

- The purpose of Regional Infrastructure Grants is to:
 - develop new infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or within municipal boundaries
 - Refurbish, upgrade and replace ageing bulk water and sanitation infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or within municipal boundaries
 - implement bulk infrastructure with a potential of addressing water conservation and water demand management (WC/WDM) projects or facilitate and contribute to the implementation of local WC/WDM projects that will directly impact on bulk infrastructure requirements

PROJECTS CATEGORIES

- **Mega Projects**
 - These are water and sanitation projects that have an overall project cost of 1 billion and above
- **Large Projects**
 - These are water and sanitation projects that have an overall project cost of between R250 million to R9 99 million
- **Small projects**
 - These are water and sanitation projects that have an overall project cost of between R50 million to R249 million

RBIG PROJECTS PER REGION

Province	Number of Mega projects phases implemented	Number of large projects phases implemented	Number of Small projects phases implemented
Eastern Cape	1	13	8
Free State	0	9	14
Gauteng	1	1	2
Kwa Zulu Natal	3	8	0
Limpopo	2	11	0
Mpumalanga	0	17	10
Northern Cape	1	1	4
North West	0	12	0
Western Cape	0	1	2
Total	4	69	40



WATER SERVICES INFRASTRUCTURE (WSIG)

PURPOSE OF WATER SERVICES INFRASTRUCTURE GRANTS

- The purpose of WSIG is to:
 - Facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities
 - Provide basic and intermittent water and sanitation supply that ensures provision of services to identified and prioritised communities, including spring protection and groundwater development
 - Support municipalities in implementing water conservation and water demand management (WC/WDM) projects
 - Support the close-out of the existing Bucket Eradication Programme intervention in formal residential areas
 - Support drought relief projects in affected municipalities

WSIG PROJECTS PER REGION

Province	Number of Projects
Eastern Cape	13
Free State	29
Gauteng	11
KwaZulu Natal	13
Limpopo	28
Mpumalanga	29
Northern Cape	25
North West	15
Western Cape	10
Total	173

GRANTS FINANCIAL PERFORMANCE SUMMARY

Grant/Schedule	Revised allocation	Expenditure / Transfers 31 January 2022	% Expenditure /Transfers	Available budget	Invoice on hand
	R'000	R'000	%	R'000	R'000
RBIG 5b	2 237 370	1 206 389	54	1 030 981	-
RBIG 6b	3 857 130	1 473 898	38	2 383 232	78 106
RBIG –Water Boards	902 969	369 577	41	533 392	-
WSIG 5b	2 237 370	1 206 389	60	1 442 442	-
WSIG 6b	729 692	146 083	20	583 609	24 072
RBIG Approved Rollover (VRS)	582 000	137 639	24	444 561	-
Total	10 546 531	4 539 975	43	6 418 217	102 178

Thank You

