



# Budget Vote 2016

Minister Nomvula Mokonyane

Department of Water and Sanitation

## Synopsis of Budget Vote of the Minister of Water and Sanitation 2016/2017: House of Assembly, 11th May 2016

The broad vision of the National Development Plan for Water Resources and Services is that, by 2030, all South Africans will have affordable access to sufficient safe water and hygienic sanitation to live healthy and dignified lives.

In September 2015, South Africa and 192 other countries committed themselves to realisation of the targets set in the Sustainable Development Goals (SDGs). For the first time, water and sanitation was adopted as a stand-alone Goal 6: Ensure availability and sustainable management of water and sanitation for all.

### Interventions to mitigate impact of drought

In response to the drought and its accompanying challenges, the Government has established an Inter-Ministerial Task Team on Service Delivery. In the water sector, dam operating rules have been applied to 35 dams and 4 systems where mandatory restrictions are in force.

To mitigate the effects of the drought, DWS has spent more than R500 million on emergency and short-term interventions in KwaZulu-Natal, Free State, North West, Eastern Cape, Mpumalanga, Limpopo, Western Cape and Northern Cape:

- Water conservation and Water Demand Management (War on leaks)
- Surface water resource management (optimised operation of the Vaal River System)
- Groundwater resource management (drilling and equipping of boreholes)
- Carting of water (fleet of motorised tankers)
- Provision of static storage tanks and storage reservoirs
- Water transfers (emergency schemes from Tugela to Goedetrouw and uThongathi River to Hazelmere Dam)

Medium to long-term interventions to ensure climate change resiliency in future:

- Domestic rain water harvesting (drinking water, water for livestock, water for irrigation)
- Integrating groundwater and surface water use in the future
- Desalination on a large scale
- Investment in innovative solutions, such as Drop the Block
- Incorporation all municipal and privately-owned dams into the management system
- Additional transfer schemes
- Additional storage capacity at dams
- Large scale re-use of water

### Looking back on Budget Vote 2015/2016

Progress with Back to Basics programme has had significant impact at municipalities that have been placed under Administration, and Water Boards have been appointed as Implementing Agents. Positive impact seen, among others, at uMkhanyakude in KwaZulu-Natal.

The Inter-Ministerial Task Team has endorsed implementation of a proposal by DWS to implement a "Radical Approach for Operations and Maintenance of Water and Sanitation Infrastructure".



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Where there have been service delivery failures and incidents of pollution, the relevant Water Boards will be directed to exercise the powers and duties of the Water Services Authority in relation to the functions of water supply and sanitation services.

## **Water and Sanitation Revolution**

South Africa's current water use is above global average. Water conservation and demand management programmes will be scaled up and intensified until they become the norm with water-wise behaviour being the predominant characteristics of all individuals and corporates in South Africa.

## **Expanding the Water Family**

The South African water industry is too small and dominated by traditional players. The Water Research Commission (WRC) has been tasked to expand its technology assessment programme to assist new entrants into the water and sanitation sector.

## **Technology and Innovation**

The Water Research, Development and Innovation Roadmap has been launched as a partnership between DWS and Department of Science and Technology with the WRC as Implementing Agent. Its success will be key to supporting SA's water and sanitation ambitions in the future. Importantly, its success will be premised on a vibrant partnership with the private sector, civil society and research institutions.

## **Infrastructure Planning and Development**

### **Mzimvubu River Water Project (Eastern Cape):**

Mzimvubu River Water Project in the Eastern Cape is on track, comprising two dams: a large dam at Ntabelanga and a smaller one combined with a hydro-power facility at Laleni. Completion of detailed design will enable commencement of construction to take place during the second quarter of 2016/17 financial year. An estimated 540 000 indigent domestic users and agriculture in OR Tambo, Alfred Nzo and Joe Gqabi District Municipalities will benefit.

### **Lesotho Highlands Water Project Phase II**

Phase 2 of Lesotho Highlands Water Project (LHWP-2) is required in order to augment the Vaal River system through transfer of additional water from Lesotho. The water delivery component of the project involves the construction of a new dam (Polihali Dam), Polihali-Katse tunnel and associated infrastructure at an estimated cost of R22.9 billion. Water delivery is scheduled for 2024, and South Africa will fund the water delivery component.

### **Vaal Gamagara (Northern Cape)**

The project involves the development of additional groundwater resources to meet the anticipated water demands in support of the mining areas of the Northern Cape and other social requirements.

### **Clanwilliam Dam and Irrigation Scheme (Western Cape)**

Diversion of N7, which was a precursor to the raising of the dam, has been completed. Plans are also in place to extend the distribution system of Clan William Dam to cover areas beyond Matsikama and Cederberg.



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## **Sanitation Services**

In a verification process, DWS has confirmed the eradication of 55 217 bucket toilets predominantly in the Free State (which has the highest backlog), Northern Cape, Eastern Cape and North West (with the lowest number of buckets).

DWS has already begun implementing a grey water recycling system in the Nketoana and Setsoto Local Municipalities of the Free State.

North West Province now joins Gauteng, Limpopo, KwaZulu-Natal and Mpumalanga in the complete eradication of bucket toilets in formal and established townships.

## **Rain Water Harvesting**

As a contribution to Inclusive Growth, Rural Development and Land Reform, DWS implemented initiatives that support the Resource Poor Farmers project with access to water through the Rain Water Harvesting (RWH) programme. A total of 862 rainwater harvesting tanks have been installed.

## **War on Leaks**

In August 2015 War on Leaks programme was launched. It seeks to build capacity to reduce the high volume of water loss.

Phase 1 of the project is currently underway: a total of 2 827 learners are engaged in the learning process in all 9 provinces. The programme will shortly enter Phase 2 of 3 phases with the intake of 7 000 learners on 1st July 2016. By June 2017, the 3<sup>rd</sup> phase of the programme will be concluded – after which a total 15 000 learners would have completed the programme.

## **Water and Sanitation as a Transformative Agent**

During 2014/2015 FY total expenditure on procurement amounted to R13.3 billion. The amount spent on SMMEs for the period 2014/2015 was R592.9 million. DWS, in the year 2015/16, spent a total of R13.5 billion on the procurement, of which R2.2 billion was spent on SMMEs. .

DWS now has multiple strategies to address economic empowerment of specific groups. These programmes include implementation of a preferred data base for various commodities relating to, for example, Professional Service Providers (PSPs) or contractors.

Another mechanism utilised is joint ventures with SMMEs as sub-contractors. In its annual performance plan, DWS has further committed to including 30% set aside for qualifying small enterprises.

Together with Entities and Boards, the following will occur:

- Investment in skilling, especially young people so that they play a meaningful role in the building of dams and delivery of sanitation infrastructure
- Creation of an enabling environment for job opportunities for historically excluded and vulnerable group
- Ensuring equitable water allocation and availability for socio-economic development.
- Targeting of rural development initiatives that support farmers
- Support for small, medium and micro enterprises in the sector



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To effectively carry out its mandate, the Minister presented a budget of R15 245 297 000 (15 billion, two hundred and forty five million, two hundred and ninety seven thousand rand) to Parliament. The breakdown of this budget is as follows:

- Programme 1: Administration: R1 659 488 000 (one billion six hundred and fifty nine million four hundred and eighty eight rand). Cost include establishment of a Programme Management Unit.
- Programme 2: Water Planning and Information Management: R841 817 000 (eight hundred and forty one million eight hundred and seventeen thousand rand). Cost include feasibility study for uMkhomazi Water Project and Lusikisiki surface and ground water study
- Programme 3: Water Infrastructure Development: R11 696 415 000 (eleven billion six hundred and ninety six million four hundred and fifteen thousand rand): Cost include Mzimvubu, Clanwilliam, Hazelmere, Tzaneen/Nwamitwa, Vaal Gamagara, Gariep augmentation and Olifants bulk distribution systems
- Programme 4: Water and Sanitation Services: R701 945 000 (seven hundred and one million, nine hundred and forty five thousand rand). Cost include rain water harvesting and support to resource poor farmers
- Programme 5: Water Sector Regulations: R345 632 000 (three hundred and forty five million six hundred and thirty two thousand rand). Cost include establishment of catchment management agencies and support to water institutions, such as Water Boards

## **Policy and Institutional Reforms to Address Equity**

Pursuant to the objective of radical transformation of the water and sanitation sector in redressing the imbalances of the past, DWS has gazetted the sanitation policy for public comment. The policy is aimed at addressing sanitation throughout the value chain.

DWS is also working at finalising the National Water and Sanitation Bill that will undergo Parliamentary processes and be published for public consultation during this financial year. The objective of the Bill is to radically transform the water and sanitation sector across the value chain and create an enabling environment for the delivery of basic water and sanitation services to communities who were historically disadvantaged, thus enhancing access, equity and sustainability.

Creation of Water and Sanitation Infrastructure Agency will continue while DWS pursues the consolidation and rationalisation of the Water Boards. During this financial year DWS will continue the process of amalgamating Mhlatuze Water and Umgeni Water into one KZN wall to wall Water Board.

## **Water Security Infrastructure Development**

- In KwaZulu-Natal's Mdloti Development Project, the raising of the Hazelmere Dam wall at an initial cost of R528 million is progressing well. Impoundment date has been moved forward by 7 months to December 2016.
- In Limpopo Groot Letaba Water Augmentation Project (GLeWAP) has been considered
- Tzaneen Dam wall raising and construction of N'wa-Mitwa Dam in Mopani District Municipality of Limpopo. These projects are various stages of readiness.
- Giyani groundwater augmentation and upgrade work on Giyani wastewater treatment plant

## **Regional Bulk Infrastructure Grant (RBIG)**

The Regional Bulk Infrastructure Grant total for 2016/17 is R5 billion.

## **uMkhomazi Water Project**

uMkhomazi Water Project is the next phase in the augmentation of the Mgeni System, which benefits more than six million people in the Umgeni Water area of supply, after the successful implementation of Phase 2 of the



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Mooi-Mgeni Transfer Scheme (“MMTS-2”) managed by Trans Caledon Tunnel Authority (TCTA). The feasibility study is nearing completion and the Environment Impact Assessment process is underway and will be completed shortly.

## **International Water Co-operation**

In this financial year TCTA and China Construction Communication Company (CCCC), with the assistance of National Treasury, will finalise the funding model suitable for the Umzimvubu project.

In April 2016 DWS signed an agreement of co-operation on water resources and management with Iran. This agreement will enhance co-operation on desalination technologies, capacitating of engineers in dam safety and operations and maintenance.

Drought has not only affected South Africa, but the rest of Southern African. In this regard, Botswana as the chair of Southern African Development Community (SADC) will be calling a meeting of water Ministers aimed at finding a regional solution to the challenges of drought and climate change.