

**Policy Review Debate of the Department of Water Affairs and Forestry**  
**Speech by Ms BP Sonjica, MP, Minister of Water Affairs and Forestry**  
**National Council of Provinces (NCOP), Parliament**  
**9 June 2004**

Chairperson of National Council of Provinces  
Colleagues.

Chairperson, let me start by congratulating you on your new appointment as the Chairperson of this important House of Parliament, the National Council of Provinces – nditsho ndisithi MALIBONGWE!

By now, our approach in the Third Democratic Parliament should be clear: It is down to work. So today we must focus on those priorities which the President identified in his State of the Nation Address – safe water for a million people, hygienic and acceptable sanitation for 300 000 households, including eradication of the bucket system, and a general focus on helping to build the second economy to sustain and improve the quality of life of all our people.

The Constitution places great emphasis on co-operative governance so it is appropriate that we meet today to discuss Agriculture and Land Affairs as well as Water Affairs and Forestry. There is a close inter-dependence between these portfolios which all contribute to a better life for all. And here in the NCOP, the guardian of the Provinces, I will focus my review on those functions, which are directly relevant to the provinces.

One area where we have a shared responsibility is forestry, particularly the administration of indigenous forests. A second is that of local government. Municipalities are responsible for water supply and sanitation services as well as for waste disposal sites and other activities, which cause water pollution and must be properly managed. Also of common interest are education and health, where we must ensure that schools and clinics have proper water supplies and sanitation.

Finally, water availability limits economic and social development in many parts of our country just as environmental conditions determine whether forestry is viable. We must ensure that provincial Growth and Development Strategies are informed and supported by the Department of Water Affairs and Forestry and, during this year, we will continue to ensure that the Department's activities are closely coordinated with provincial growth and development strategies.

## **FORESTRY**

In forestry, the Department has made good progress in transferring Government's commercial plantations to private management, while retaining ownership of the land. Of the 140 000 hectares which we managed in 1994, over 100 000 hectares, have been transferred to more appropriate management agencies, with a social plan put in place for the affected workers in conjunction with the Department of Labour.

2004/5 will see major advances in the restructuring of the remaining plantations, into the hands of communities and small business, with a focus on Black Economic Empowerment (BEE) and community participation. This is in line with the President's determination to focus our attention on what he called the Second Economy, the economy in which many poor South Africans find themselves, particularly in rural areas.

Although only a few percent of South Africa's land area is suitable for commercial forestry, there is still some potential for further development. So I am pleased that forestry has been recognised as a priority in the Provincial Growth and Development (PGDS) Strategy of the Limpopo Province. In the Eastern Cape, some progress has been made to expand small scale timber growing but the process is still moving too slowly. As this for me is an urgent matter, I have instructed the Department to put a coherent plan in place within the next three

months to address the obstacles which are hindering our objective of expanding forestry in this area by at least 60 000 hectares.

The transfer of the remaining smaller plantations has been delayed in some areas by land ownership considerations – a successful land restitution claim in Northern KwaZulu-Natal has now identified the parties with which Government must work to determine the future of the 26 000 ha forests of Mbazwane and Manzengwenya, as well as the Mbazwane Sawmill. Since we cannot proceed without the agreement of these parties, I cannot set a timeframe for the finalization of this restructuring but again, I will have a plan for the process to take this forward within three months.

A key objective has been to ensure that local communities benefit from forestry activities. Following the restructuring of plantation forests in the Eastern Cape and KwaZulu-Natal, the management consortia have been paying lease rentals for the use of the land. R40 million currently held in trust will be paid to the communities concerned as soon as they establish structures that get the benefits to the right people.

With indigenous forests, our policy is to delegate or assign management responsibility to appropriate agencies and we are making good progress with the transfer of forests to the South African National Parks (SANParks) and other agencies. The delegation to SANParks of the management of 97 000 hectares of the Knysna forests, the jewel of South Africa's indigenous forests, is practically finalized and will be given as soon as outstanding labour issues are resolved.

In the Western Cape, the Department is negotiating with Western Cape Nature Conservation to take responsibility for 761 900 hectares of mountain areas west of the Touws River, which are managed under forest legislation, for other conservation purposes. In the Eastern Cape, we are negotiating to assign 413 000 hectares of natural forests to the Province. And in Mpumalanga, we are working with the Department of Environmental Affairs and Tourism, the Provincial Department of Agriculture, Conservation and Environment and the Mpumalanga Parks Board to assign 15 600 ha of natural forest and commercial plantations to the proposed Blyde Canyon National Park. Evaluation of the socio-economic impact and consultation with stakeholders has already begun.

Given forestry's importance for rural development, I was concerned to learn that during the past year, the forestry industry (DWAF included) suffered serious fire damage with 30 176 ha of plantation area destroyed and 4,5 million tons of wood lost. The financial loss in the plantations was R695,7 million and the cost to the economy through loss of production of pulp and related wood products industry was around R3 billion. Just fire fighting and replanting costs are estimated at R227 million

The Department is working with Forestry South Africa to find an administratively simple way to waive water use charges on those areas, which were affected by the fires. More generally, I should add, we are also working with the industry to ensure that water use charges are set in a transparent way and in terms of the legislated principles. The forest industry makes a vital contribution to rural development and has worked very positively to ensure that it operates in a sustainable manner and my Department is committed to helping it to continue and indeed to expand.

## **WATER RESOURCES**

Last year's drought highlighted the importance of managing our water wisely. Farmers were particularly badly affected and restrictions on irrigation are still in effect in some areas of the country notably the Komati River basin in Mpumalanga. In line with government's approach to the second economy, water restrictions were not applied uniformly. Because newly established farmers are less able to cope when their water supply is reduced by drought, commercial farmers on the Komati and Lower Komati had their water allocation restricted by 65%, while for emerging farmers the restriction was only 40%. I am appreciative of the disciplined way in which organised commercial agriculture responded to the challenges of drought and co-operated with the Department.

The drought emphasises the need to continue to invest in water security. So as the President announced in January 2003, construction has begun of phase 1 of the Olifants River Development Project to meet the immediate needs of Limpopo Province's rapidly expanding platinum mines, as well as ensuring supplies for municipal and agricultural users.

Just this morning, Cabinet agreed that [Phase 2](#) of the project should be a dam on the Steelpoort River. The cost of building the dam and transmission pipelines, estimated at over R3 000 million, will be covered mainly through contributions from economic water users although water for social needs, as well as the planning and initial design, will be funded by Government. Aside from boosting the local economy, the project will also help my Department's "in-house" design and construction team to train the next generation of water resource engineers.

An approach to achieve economic empowerment and poverty alleviation through water resource development has been taken in the Western Cape, where the R550 million contract to build the Berg River Dam was awarded last week. The contractors include over 30% black ownership and 80% of the workforce will come from the local community. Again the project will be funded by the water users, through loans raised by the Trans-Caledon Tunnel Authority and its construction therefore does not appear on the Department's budget although the planning and oversight activities are funded from the water resource management programme.

Following concerns of water quality in Mafikeng, in the North West Province, I made an enquiry and I was assured that the service provider complies with the standards as required by government. This further assures us that there is no reason to panic.

#### **Financial assistance to "resource poor farmers"**

This demonstrates how our water resource management activities are designed to support the development of the Second Economy. Elsewhere, we continue to create opportunities for the establishment of so-called "resource poor farmers" on irrigation schemes, giving them access to water for high value crops as well as for food production. Water to irrigate 5 000 in the Eastern Cape, 3 000 ha in the Free State and 4 000 in the Northern Cape has been reserved. Provincial Departments of Agriculture, in co-operation with National departments, have started the planning of irrigation schemes to take up these allocations.

To ensure that the target communities actually benefit from such investments, a process of capacity building, training and the establishment of appropriate institutional structures is undertaken. Although time-consuming, participative and "bottom-up" approaches are more likely to produce successful and sustainable schemes.

Financial assistance is given to emerging farmers to fund water related infrastructure as well as operation and maintenance costs. Last year, 458 farmers received financial support from the Department for the first time. R28,398 million has been budgeted in 2004/2005 to assist another 4 500 historically disadvantaged households.

New policy will extend this financial assistance to include household rainwater harvesting storage tanks, training of institutions in water management, the acquisition of water entitlements to promote equity and lastly to help communities to undertake socio-economical viability studies to identify and enhance the sustainability of future schemes. We will continue to work closely with the National and Provincial Departments of Agriculture and Land Affairs to ensure that our programmes complement their farmer support activities. As an example, the Eastern Cape Provincial Department of Agriculture has now called for proposals to manage the agricultural activities on five major irrigation schemes where we have made water available.

## **Government Water Schemes and Water User Associations**

In order to focus our efforts on the needs of newly-established black farmers, we will continue to restructure the remaining 21 Government Water Schemes so that the commercial farmers concerned can take responsibility for their funding and operation. Operation and maintenance functions have already been transferred to the Oranje-Riet, Vaalharts, Boegoeberg, Kakamas, and the Lower Olifants Water User Associations, although in Boegoeberg, Kakamas and Lower Olifants, staff is still seconded pending the outcome of negotiations with the unions and the finalisation of contracts to regulate the ongoing maintenance of State-owned infrastructure. During 2004/05 we will initiate negotiations to transfer operation and maintenance of the Sand/Vet and the Orange River (Van Der Kloof Canals) Government Water Schemes.

## **Working for Water**

The Department also contributes to poverty alleviation through the Working for Water Programme, a flagship of the Expanded Public Works Programme. In 2004/5 we will clear 109 500 ha and do follow-up maintenance on 615 200 ha, contributing to the productive use of scarce natural resources and protecting our biodiversity. More than 10 000 person-years of employment will be created and accredited training will be given to all project workers to empower them with useful workplace skills.

## **WATER SERVICES**

As I have already indicated, the President has set out this year's goals for water services, which must be achieved if we are to reach our goal of eradicating the water supply backlog by 2008; and the sanitation backlog by 2010.

Members of the NCOP will know that the way we tackle water supply and sanitation delivery is changing. In keeping with our commitment to bring development closer to our people, funds for water and sanitation have been consolidated in the Municipal Infrastructure Grant (MIG). From July, municipalities will receive the money directly on their budgets from the Department of Provincial and Local Government.

Some funds remain on my Department's budget to enable us to complete projects which we have already started, particularly those which cross municipal boundaries such as the Hoxane Water Works which supplies half a million people in Limpopo and Mpumalanga. In future, however, the job of Provincial and National Departments will be to help municipalities to plan and spend the money effectively on projects that meet the needs of our people and achieve our water supply and sanitation goals. I will be working closely with MECs for Local Government to monitor and support the municipalities to ensure that they use the funding provided, effectively, for this purpose. The Department's strong links with civil society will be strengthened to give us more "eyes and ears" on the ground to help in this regard.

There should be more than enough money for us to reach the targets set for 2004/05. This year, Government will be giving R4,6 billion to local government to invest in infrastructure to provide basic services. At least R2,35 billion, 52% of this, should be used to address the water supply and sanitation backlogs. This is in addition to the funds provided by the Department of Water Affairs and Forestry for our committed projects, as well as housing grants in terms of which at least 180 000 new houses will be built during the course of the year, with basic services.

A particular challenge for the Department, as sector leader, will be to promote the delivery of safe, affordable and sustainable sanitation services. The health impacts of inadequate sanitation (be they from the bucket system, or from overflowing sewerage from badly maintained water borne systems or simply the absence of any sanitation system) are taking a heavy toll on the productivity, health and well-being of our people. I will be giving more details of how we propose to address the particular challenges of providing sanitation in our urban townships and informal settlements when I present my budget to the National Assembly next week.

What I must mention here is the challenge of ensuring that the disgraceful situation, which sees many of our schools without water and sanitation, is dealt with as a matter of urgency. In terms of our strategic framework, approved by Cabinet last year, first responsibility for addressing this challenge lies with Provincial Departments of Education and Health, working with the Departments of Public Works. Some funds are already available to them for this purpose. But if we are to succeed, we will have to treat this as an emergency project. I propose to meet with my national and provincial colleagues to work out joint strategies to reach the targets set by the President. I also intend to raise the matter at the President's Co-ordinating Council meeting on 21 June) and to propose a crash programme to be implemented under the leadership of my Department which has management skills to deliver on our promises.

### **Waste Discharge and Disposal**

Finally, while talking of sanitation, I must mention that one of the biggest challenges in protecting our scarce water resources is need for Local Government to managing and upgrade their municipal waste water treatment works. If they do not, poorly treated waste will be dumped into our rivers and the quality of our rivers will deteriorate with further negative impacts on other water users downstream.

I am often asked why I do not prosecute municipalities that contravene pollution control regulations. My reply is that this would run contrary to the spirit of co-operative governance - although where there is gross negligence or wilful disregard of the law I will not hesitate to act. We still need a developmental approach and will support municipalities and help them to build the capacity to do their jobs. Where this does not have the desired effect, a strategy will be developed to ensure that Local Government meets its statutory obligations to manage activities, which impact on water quality. Further announcements will be made on this during the current financial year.

**In conclusion**, I wish to inform the House that with regards to transformation we are on course as the Department, all the necessary tools are in place. We are aware that transformation is a process and our own transformation programme as a Department is a contribution to the bigger agenda of creating a caring society.