

Budget Vote 34 of 2006/07
Speech by Ms BP Sonjica, Minister of Water Affairs and Forestry
National Assembly
23 May 2006

“Water and Forests for Shared Growth and Economic Development”

Madame Speaker
Honourable Members
Our Stakeholders, and
Distinguished guests from the civil society.

I am delighted to present the water, sanitation and forestry contribution to the ‘Age of Hope’ and the related challenges that President Mbeki referred to in his State of the Nation Address earlier this year. In the aforesaid address, the need to move faster to tackle the challenges of poverty, underdevelopment and marginalisation confronting those caught within the Second Economy, was highlighted. We humbly submit that today our budget vote is a vehicle to finance the instruments aimed at addressing some of these challenges.

In our response to the call by the President on the need to contribute to the building of the capacity of the State, our department has instructed the Water Research Commission to conduct a study of all capacity building initiatives currently taking place within the Water Sector. The results of this study will inform our 2025 Vision on Capacity Building.

We have initiated partnerships with the Tshwane University of Technology and Universities of the Western Cape, Free State and Cape Town to develop learning interventions to improve the skills base of the department and create a pool of young technicians and engineers. An education programme for school children is currently being undertaken by our department in partnership with Rand Water Board and the Water Research Commission.

Government identified lack of skills as a major impediment to the acceleration of service delivery and economic growth. Our contributions to the Joint Initiative for Priority Skills Acquisition in South Africa (JIPSA) driven by the Honourable Deputy President knows no boundaries, and I am pleased to announce that we have negotiated a third agreement with the People’s Republic of Cuba in terms of which a team of Engineers from Cuba will be seconded to the department to facilitate effective service delivery and undertake On-the-Job Training (OJT) of our technicians. We have also been offered to send students for training in Cuba.

In order to reposition the department for accelerated service delivery, we have undertaken internal restructuring and reorganization. This led to the establishment of the Forestry Branch and the Gender and Disability Unit. In response to the President’s call to place women at the centre of decision-making, we have appointed five women to management positions in my department in the last two months. This is an achievement that our department and the Water Sector should celebrate. We have also taken steps recently to strengthen the strategic role of our regional offices, which as you might know are the implementation arms of the Department.

Combating Poverty through local government support

Support to Local Government is part of the main aspects and role of my department. A major project has been launched to assess each and every Water Services Authority (WSA) in terms of complying with water related legislative and regulatory requirements. The Provincial Water Summits that were held in all the provinces which culminated in the National Water Summit have enriched our understanding of the service delivery challenges faced by municipalities throughout the country.

Our department has placed great emphasis on a Sector Wide Approach (SWA) where we have accessed donor funding and pooled it together to achieve common objectives under the auspices of the EU funded Masibambane Programme. These funds have enabled municipalities to address capacity and institutional constraints. We have literally facilitated the transfer of millions of rands to capacity building programmes for local government.

Our department has also successfully spearheaded a number of collaborative initiatives such as the establishment of Water Sector Forums in all the Provinces and the National Joint Response Team comprising DWAF, and our partners, the Department of Provincial and Local Government (DPLG), the South African Local Government Association (SALGA), National Treasury (NT), and corresponding Provincial Joint Response Teams. These Response Teams support municipalities in deciding on the most appropriate water services provider arrangements, and in taking transfer of assets and staff. We will continue with this support until all Water Service Authorities (WSAs) have put in place water service provision arrangements and have taken transfer of those assets and staff that fall within their jurisdiction. We also have signed an MOU with COSATU and NACTU committing ourselves to job creation, benefiting the locals in all our projects.

Much work has been done to develop our Water Services Sector Support Strategy which will be launched later this year. Part of the process has included provincial workshops as well as focus groups to identify key services provision problems and challenges facing municipalities. We are all aware of the huge demands on local government and the human resource constraints many of them face. We will in the current financial year within the Intergovernmental Relations (IGR) continue to provide hands-on support and expertise to address the capacity gaps in local government. Officials from our nine regional offices are working with municipalities; engineers and technicians have in the same vein been mobilised and deployed to the weakest municipalities.

Combating poverty means scaling up infrastructure for universal coverage.

Madame Speaker, I am proud to announce that South Africa is the first country to implement the 2004 decision taken at Dakar that all countries should hold a sanitation week. We launched the first ever sanitation week in March this year with the aim of promoting health and hygiene and raising the profile of sanitation in our country.

We have therefore launched a Sanitation acceleration delivery strategy called “*Operation Gijima*” which targets the provision of rural sanitation. It is designed to create jobs in the process of eradicating buckets. To make sure that this happens we have allocated R11, 4 million for 2006/7 for a sanitation job creation project and we have deployed 21 engineers to focus specifically on the bucket eradication project. The Alfred Nzo District Municipality, at Mount Eyliff, is delivering 1,900 toilets per month.

The backlog of sanitation in schools has been reduced from 4,300 in September 2004 to 2,118 by March 2006, with 2190 schools reached in the last financial year. We have targeted 2,117 schools to be provided with sanitation this financial year. 300 clinics still lack sanitation facilities. 2,185 toilet seats were provided in the 2005/6 financial year to clinic lacking these facilities, and we will continue to work with the Department of Health to address the backlogs once updated statistics are available to us.

The delivery of water remains constant at approximately 1 million per annum and we see a steady increase in the delivery of sanitation services.

Approximately 19.2 million of our 22.4 million poor, i.e. 85 % of all poor households are currently receiving their water free of charge. Our Department is addressing the “policy challenges” that have been identified in the implementation of the Free Basic Water policy so that all our communities can benefit from this service. Specific challenges around the quantity

of free basic water within the context of HIV and AIDS as well as certain implementation issues have been identified and are currently under consideration from a policy point of view by my department.

Our Department has been hard at work during this past year, holding summits in each of our nine provinces to better appreciate the water and sanitation needs of each province and to ensure that water and sanitation is integrated in the Provincial Growth and Development Strategies (PGDSs). These summits were not only a success, but they proved to be very useful strategy to ensure that the machinery of government functions more smoothly. These summits provided an opportunity for DWAF as a Sector Leader to engage in a *Real Time* joint needs analysis and prioritisation with Provincial and Local government, Private Sector, Academic institutions and other stakeholders within the sector.

The outcomes of the summits held by DWAF will definitely influence the Policy formulation processes and the trends in budget allocations within the department. DWAF has commenced with processes to amend the National Water Act and the Water Services Act. The amendments to the Forestry Acts have been completed and have come into effect.

Combating poverty requires institutional reform

If we are serious about accelerating economic growth and development we have to ensure optimal use of our resources and ensure that our institutions are functioning efficiently and effectively, and are financially sustainable. We cannot effectively address our backlogs and service delivery challenges while our water service institutions remain as fragmented and under capacitated.

Our institutional reform strategy is designed to create regional water services providers to achieve greater efficiencies based on financial viability. Through this strategy we want to take advantage of the economies of scale, ensure optimal use of water resources, achieve alignment of existing and future regional infrastructure, and ensure equitable access to water services between developed and under-developed areas. We expect that through this process, we will maximise benefits derived from the existing capacity of our Water Boards.

In accordance with the international best practice of decentralizing and democratizing water resources management, great strides have been made in terms of the establishment of Catchment Management Agencies (CMAs). The Inkombati CMA has already been established and we are in the process of establishing more. We envisage to establish the Thukela; Usutu-Mhlathuze; Gouritz; and Olifants-Doorn Catchment Management Agencies in this current financial year.

DWAF's role as supporter, leader and regulator within the sector, has necessitated that our budget for Water Resources Management be increased from R1, 6 billion in 2005/6 to R2, 2 billion in 2006/7. This allocation is expected to rise to R2, 4 billion and R2, 96 billion in 2007/8 and 2008/9 respectively.

Combating poverty also requires strengthening our regulatory role

In the recently held National Water Summit, we were pleasantly surprised by a call from local government for stronger regulation by our Department. Many municipalities have indicated that without stronger regulation, budgets will not be spent efficiently and that sustainability of service delivery may be under threat as functions like operation and maintenance may not be prioritised. We therefore make a commitment to finalise our Regulatory Strategy by the end of the current financial year.

Subsequent to the problems experienced in Delmas, we embarked on a comprehensive and robust drinking water quality management programme to both regulate and support

municipalities in ensuring that drinking water adheres to the standards we have set. We have thoroughly investigated allegations of maggots in drinking water in certain parts of our country and the results of this investigation confirm that our water is safe to drink. A number of Municipalities are now submitting monthly drinking water quality reports to our Department and where necessary we are providing hands-on support and taking corrective action. There is also a joint CSIR and DWAF database displayed in the exhibition area which captures the state of the water in terms of quality for each locality in the Free State Province which we plan to roll out to other provinces.

Contribution to the Accelerated and Shared Growth Initiative of South Africa (ASGISA)

Madame Speaker, water is an engine to development and poverty alleviation. Water is an important input into the accomplishment of the Accelerated Shared Growth Initiative of South Africa (ASGI-SA). Three years ago the President announced in this House the Olifants River Water Resources Development Project in the Mpumalanga and Limpopo Provinces to provide water for this hugely under-serviced area of our country and to unlock the mining potential in support of the Growth and Development Strategies of these Provinces.

I am glad to announce that the raising of the Flag Boshielo Dam as the first phase of this project is almost complete. We are now continuing with preparation for the implementation of the second phase and an amount of R300 million has been provided for in the budget. The construction of the De Hoop Dam will comprise the first component of the second phase. This will not only anchor the project but will also bring hope to those citizens who have been deprived of basic human needs for so long. It will also create an opportunity for expanding the mining activities in the area with associated stimulation of economic growth and the creation of jobs.

The people living in the Sekhukhune District will reap the benefits related to the construction of a road around the reservoir and the commencement of the construction of the De Hoop Dam on the Steelpoort River. Some of the benefits associated with this large infrastructure project will also be shared in the Greater Tubatse District Municipality. Implementation activities will take into account the need to minimise the negative impacts on people and ecological systems. The project will certainly support our Government's initiative for accelerated and shared growth, ASGISA.

In the Eastern Cape, there is a development programme in the Umzimvubu area focusing on hydropower, afforestation and agricultural development. The Department is looking at water needs to support this good initiative which will bring huge economic growth benefits in this poor part of the country. There is rejuvenation of eco-tourism around the N1 which is closeby to the Gariep Dam and there is also a project of aquaculture to stimulate the livelihoods of the Gariep community.

This year work will commence on a five-year programme to refurbish existing water resources infrastructure. This is necessary to ensure the continued supply of water at the required levels of assurance. The estimated cost of this programme is about R1.7 billion.

In the light of our announcement last year of a relevant feasibility study being undertaken, it gives me great pleasure to announce that on 3 August 2005 Cabinet gave us a go-ahead to start the process of establishing a National Water Resource Infrastructure Agency whose main purpose would be to develop and manage infrastructure to ensure economic benefits whilst providing for social needs.

As an arm of government, we will not abandon the poor. Towards addressing underdevelopment and marginalisation and ensuring that the poor share in growing prosperity, we have initiated a programme of rainwater harvesting in rural communities as well as a

programme for supporting small scale black farmers with a budget of R25 million for the current financial year.

We are almost completing the pilot project of our rainwater harvesting programme with 73 rainwater harvesting tanks, affectionately known as the MATANGWANA In the Free State (around Thaba Nchu & Botshabelo), being built in 25 villages across four provinces. During this financial year we envisage to spend R12 million on a further 1500 rainwater harvesting tanks across five provinces.

Combating poverty through Water Allocation Reform (WAR)

Honourable Members, last year we launched the Water Allocation Reform programme, known as the WAR programme. The WAR programme is one of the Department's transformation highlights and it aims to reallocate water to historically disadvantaged communities and individuals in order to address the racial and gender biases that still exist in accessing water for productive purposes.

We have earmarked this programme for accelerated growth and development where we hope to see poor farmers graduating to commercial activities. As part of the Reform Programme we have undertaken rehabilitation work at the Shiloh irrigation scheme where we spent R13.2 million during 2005/6 to provide a reliable water supply to the resource poor farmers on the scheme. Further support will be provided to assist these farmers to become commercially viable.

Combating poverty through the protection of our Resource

Whilst WSAs' performance in registering their water abstraction, and their increasingly positive attitude towards water conservation and water demand management, is encouraging, the situation in respect of discharges from sewage treatment works into water resources is cause for considerable concern.

There are disturbing indications of resource degradations in several parts of the country. The state of affairs at a number of sewage treatment works throughout the country was recently investigated in a research study commissioned by the Water Research Commission. The study revealed that there were significant inadequacies in all aspects of the management of the facilities - operation, maintenance, rehabilitation and upgrading / extending - at about two-thirds of the works studied. The result is that the effluent discharges are polluting the rivers into which they are discharged, with corresponding negative effects on the quality of water available to downstream users, including increased difficulties in treating water abstracted from the rivers for subsequent human consumption.

The study has not yet assessed the extent to which the results of the limited survey - only 51 treatment works were studied, out of a total of around 1 400 facilities - represent the country-wide situation, but there is reason to expect that there is a large number of works with similar deficiencies.

The Forestry Sector Transformation Charter

During our address last year, we notified parliament about the Broad Based Black Economic Empowerment (BBBEE) Charter process for the Forestry Sector that was launched at the Forestry Indaba held on 18 April 2005. Since then, the Charter Steering Committee and its Working Groups representing stakeholders from the forest industry, government, labour and civil society has made good progress with the development of the Forestry Charter. Various regional consultation meetings have also been held where key elements of the Charter were discussed with a wide range of stakeholders in the timber growing, sawmilling, pulp and paper processing and charcoal and pole production sub-sectors.

The point has now been reached where the Steering Committee will consider and finalise the draft charter during this month. The Chair of the Steering Committee, Ms Gugu Moloi will hand me the document by the end of May 2006, where after I will call a meeting with stakeholders to launch the publication of the Charter as a draft document for public comments. There are a number of key priority areas for BBBEE in the forest sector that have been identified by the Steering Committee and its working groups and to which both industry and government are committed.

Once public comments have been received on the draft Charter and the Steering Committee has had an opportunity to finalise the document, it will be presented to the Minister of Trade and Industry and the BEE Council. This is scheduled for the end of September 2006. It must, however, be noted that a number of Codes of Good Practice that set out benchmarks for BBBEE in the country still need to be finalised and the forest sector role-players will still have the opportunity to align the Charter with these benchmarks once the Codes have been Gazetted.

International Involvement

Our International involvement is both guided by and geared to support South Africa's commitment and contribution to the goal of the Economic Integration of Africa, based on strong Regional Economic Communities. We will continue to be active members of sub-regional structures established under the SADC Treaty as well as the Revised Protocol on Shared Watercourses. This involves amongst others, the establishment of River Basin Organisations or their consolidation where they exist, to ensure the judicious, equitable and sustainable management of our shared water resources. This applies equally to our commitments relating to our bilateral relations with our neighbours.

We intend playing an active role in ensuring that the African Ministers' Council on Water (AMCOW) effectively discharges its role as the custodian of water resources in Africa in our common quest to achieve the Millennium Development Goals (MDGs) and World Summit on Sustainable Development (WSSD) Targets for Water and Sanitation. One of the major challenges that lie ahead is the critical role that the water sector has to play in achieving the New Economic Programme for Africa's Development (NEPAD) Infrastructure Programme. We will also undertake the necessary high level consultations with other water user sectors such as agriculture and energy, towards ensuring that water contributes to the broader economic development of the continent.

I would like to share with you that South Africa has an extremely high profile in the international water sector as a leader in Integrated Water Resources Management (IWRM). This year, I had the privilege of having the Chairpersons of the Portfolio and Select Committees in our delegation to the Fourth World Water Forum in Mexico. We were frequently referred to as an example of the best practice and we are recognised for our commitment to scaling up service delivery within a framework of sustainable development and economic growth.

Let us scale up our efforts today and defend the right of access by every person to safe drinking water and to an environment that protects our precious water and forestry resources. Let us conquer our most urgent enemies: poverty, underdevelopment, and environmental degradation. We cannot afford to lose this battle, for it is essentially the battle for life.

I would like to thank my Special Advisors for their contribution and support. I would also like to express my appreciation to my Director-General Jabu Sindane for his leadership and commitment, as well as all the officials of my Department for their hard work and dedication. A word of thanks also goes to, the Portfolio Committee on Water Affairs and Forestry and the

representatives of the entire water and forestry sectors, including municipalities and all the associations

In conclusion, it gives me great honour and pleasure to use the opportunity presented by this address to launch the book: ***A history of the first decade of Water Services delivery in South Africa 1994 to 2004.*** I dedicate this book to the two Presidents of South Africa who served during the first decade of democracy, namely Presidents Nelson Mandela and Thabo Mbeki, and to my predecessors who served as Ministers of Water Affairs and Forestry during same period, namely Ministers Kader Asmal and Ronnie Kasrils. My department and I are highly indebted to the two presidents and the two ministers for the leadership that they have provided us with in laying a firm foundation for democracy and water services delivery in South Africa, thereby also putting us on a path to achieving the MDGs and to remain true to the ideals of the Freedom Charter that exhort us to share in the wealth of our country.

I thank you very much.