Keynote Address

by Ms RT Mabudafhasi, Deputy Minister of Water and Environmental Affairs German-South African Business Forum, Munich Germany 30 November - 1 December 2009

South Africa's water services sector has undergone far-reaching transformation since the advent of democracy in 1994. This transformation process has been underpinned by a strong commitment to eliminate the inequities of South Africa's past, but driven by a broader programme to decentralise functions and finance to local government

Germany and South Africa has a strong historic partnership in the water sector for example we, as a water scarce country was forced since the 70'ties to transfer water over vast distances to our mines and cities. You will find German pumps, motors and electric systems in most of these huge inter-basin pumping stations. This partnership is still continuing; when I recently received an invitation to the 2010 Water Institute of South Africa (WISA) conference in Durban I was pleased to note that Siemens is one of the main sponsors of this event which has become the prime water conference in Southern Africa.

The Department of Water Affairs resorting under the Ministry of Water and Environmental Affairs is the overall sector leader and custodian of the country's water resources, but, since 2003, local government has taken full responsibility for ensuring access to water services in all areas. From the 2003/04 financial year onwards, capital funds for basic services were allocated directly to municipalities under the Municipal Infrastructure Grant (MIG). Decentralisation of responsibility has coincided with increasingly urgent pressure to address service backlogs.

There are various facets under which the role of water can be analysed:

Water as a social good: Implementation of programmes to meet the targets for universal access to water and sanitation

Since 1994 South Africa has made excellent progress in terms of addressing the water supply and sanitation backlogs. Access to basic supply services improved from 59% in 1994 to 91% in 2009. This implies that 72% of the backlog has been addressed, which is well ahead of the Millennium Development Goal of halving the backlog by 2015.

For basic sanitation access to services improved from 49% in 1994 to 76% in 2009.

In most of the urban areas, due to the influx of people from rural areas, the provision of basic services is directly linked to the provision of housing. The South African Government has set an ambitious integrated target to provide housing as well as basic services by 2014. The adoption of this target allows for a more integrated approach to also address the services needs of the associated housing programs.

Based on continuous strategic assessments in consultation with water services authorities there are both good news and bad news. The good news is that in provinces like Gauteng, Western Cape and Northern Cape as well as some municipalities in Free State and other provinces the target of wiping out all historic backlogs have already been met and only the housing challenge remain (with associated basic services)

However, the majority of district municipalities and some local governments in especially the Eastern Cape, Kwazulu Natal and Limpopo will face a steep uphill battle to meet the targets. This is mostly due to:

The extent and scope of backlogs in this areas

- The extensive funding required versus the available funding
- The majority of these challenges are bulk infrastructure dependant
- Many projects are dependant on water resource development

A special bulk infrastructure program was initiated and is being administered by the Department of Water Affairs to support construction of regional bulk infrastructure. The total estimated need for bulk infrastructure is more than R 60 billion (approximately five and a half billion Euro)

Water as an economic good and water for growth and development

In terms of our legislation water is not only a social good and therefore established in our Constitution as a basic human right but also an economic good and an essential component of growth and development. The Department of Water Affairs has recently developed a strategy called Water for Growth and Development that sets out the areas and ways by which it should be done.

This strategy again raised the importance of the quality of services, assurance of supply and timely development of the necessary infrastructure.

Alternative sources of water

Currently most of the water use in South Africa is from surface water but for the future more emphasis will be placed on the increased use of alternative sources such as re-use of effluent, underground sources and desalination

Regulation of water supply and sanitation services

DWA started to strengthen its role as water regulator and because of the health aspects it was decided to target water quality first. (Drinking water quality as well as the quality of our rivers and other water sources)

Now that both the Department of Water Affairs and the Department of Environment Affairs reports to one Minister there will be closer co-operation between these two departments on environmental issues.

Status of South African DWQ and Blue Drop Certification

The quality of South African tap water quality is generally good and complies well with the National Standard (SANS 241) which is accepted as a world class standard for tap water.

The Department initiated the Blue Drop Certification programme as an innovative incentive-based regulation approach to ensure a consistent sustainable improvement in the management of drinking water quality. This innovative regulatory concept seeks to amalgamate legal requirements and best practices.

The first Blue Drop Certification process report was published in April 2009. Challenges that remain are skills of Process Controllers and Supervisors, data credibility, some laboratories not accredited and a general under funding of drinking water quality management.

The same approach was then followed for the performance of Waste Water Treatment Works (WWTW) for Green Drop Certification and the Minister has just approved the first report and it will be publicly released soon.

AMCOW and role of South Africa

The role of the Ministry and department extends beyond the borders of South Africa and this role has become especially important during the recent 2nd African Water Week where South Africa took over the Presidency of the African Minister's Council on Water (AMCOW) for the

next two years. South Africa will therefore be in a privileged position to drive progress in Africa towards accelerating and achieving its commitments as made by African leaders in recent conferences. The role of the German developing institutions and interaction with South Africa will play a key part in making these commitments a reality.

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Some comments for the future of water and sanitation in South Africa:

There were recently a lot of newspaper and media reports on the "looming water crisis" in South Africa. We are actually welcoming the emphasis on water matters as we believe water must be put central to all development.

We are constantly engaging with our sector partners and are of the opinion that there is <u>not</u> a crisis but indeed a number of serious issues to be addressed including:

- Urbanisation and migration trends
- The alignment of planning across the spheres of government
- Capacity in parts of local government
- Funding
- Viability of water institutions
- Sustainability of infrastructure
- Climate change and its effects of water security
- Quality of the water in our rivers
- Drinking water quality
- Increase use of treated effluent
- Water used efficiency (including water conservation and demand management)
- Stronger regulation and appropriate form of regulator.

In conclusion: serious challenges remain but it can be solved if we all work together as public and private sector partners and as a joint German and South African team.

It is crucial to remind all of us gathered here today of the words of wisdom from English historian Thomas Fuller when he said:

"We never know the worth of water

Until the well is dry" WATER IS LIFE"

I THANK YOU