

MINISTRY

WATER AND SANITATION

REPUBLIC OF SOUTH AFRICA

RESPONSE BY MINISTER NP MOKONYANE TO A DEBATE ON "MOVING WITH UTMOST SPEED TO PROVIDE WATER AND SANITATION TO OUR PEOPLE TO ELIMINATE THE BUCKET SYSTEM", NATIONAL COUNCIL OF PROVINCES, PARLIAMENT

26 AUGUST 2014

Honourable Chairperson of the NCOP

Honourable Chairperson of the Select Committee

Honourable Members of the NCOP

We are here today to deliberate on this very critical matter of water and sanitation, with particular emphasis on the bucket eradication programme. This is an issue that strikes at the very heart of humanity; much more so at the right of all of us to access safe water supply and dignified sanitation.

As the servants of our people, we are truly enjoined by the Bill of Rights that dictates: "Everyone has inherent dignity and the right to have their dignity respected and protected". It continues to say: "Everyone has a right to an

environment that is not harmful to their health or wellbeing; and to have the environment protected, for the benefit of present and future generations".

In this regard, we therefore recognize the mandate that is before us and the dictates of the directive by His Excellency the President to establish a new Department of Water and Sanitation.

With the lessons learnt from the Diagnostic report it is very evident, that we will only manage the water and sanitation if this is managed in an integrated way, working together with our entities and in co-operation with the provinces and municipalities. Through this integrated approach we will effectively be able to make an impression on this issue, particularly to reduce and as a first prize, do away with unhealthy and undignified sanitation.

The legislative review which will culminate in a single Act dealing with both water and sanitation will ensure a seamless approach to service delivery. We must however, never overlook that in the final instance the responsibility for delivery rests with local government.

Honourable Chairperson, besides the fact that as we reported during the Budget Review in this House a short while ago, that the Proclamation transferring the sanitation function to the Department had been signed by the President, and that the whole process will be finalised by the 26th of September 2014, thus allowing the Department access to the budget for sanitation, our work cannot wait till then.

We are therefore well on our way to the establishment and operationalization of the new Department of Water and Sanitation.

With regard to water, as we strive to consolidate our successes, we have committed ourselves and are moving forward with the utilisation of our existing

budget to deal with the 10% of existing dysfunctional infrastructure and 26% of infrastructure where the provision of water is not reliable.

On the sanitation front, while we have made good progress in global terms we still remain with a backlog of 2, 4 million households without dignified sanitation. Of this backlog, 282 000 households, both in informal and formal settlements, still rely on the bucket sanitation system, mainly in the provinces of Gauteng, Free State, Western Cape, North West, Eastern Cape and Northern Cape. Our current focus however is on the 88 127, of which we have already eliminated 14000.

Since the programme started in September 2013, at which time there was no budget until December 2013, we have managed to eradicate 14,386 buckets country-wide. In Free State we have eradicated 9 223 buckets with over 4 516 fully waterborne in Wesselsbron, where we have 2300; Hobhouse (1224); Tweespruit (1353); Winburg (410); Thaba-Nchu (4); Botshabelo (198)

Northern Cape: 1328 buckets replaced with waterborne sanitation at Sol Plaatjie (Promised Land and Freedom Park 671); Gasegonyane (500); Tsatsabane (100); Dikgatlong (37); Renosterburg (20).

Eastern Cape 681 buckets eradicated in replaced with waterborne: Joe Gqabi (543); Makana (121); Baviaans (13); Blue Crane (4).

In Limpopo we have delivered 3143 toilets that include VIPs with alternative sanitation in the following areas: Ephraim Mokgala 1500; Giyani (501); Modimolle (400); Blouberg (400); Tzaneen (210); Letaba (132).

In Mpumalanga we have eradicated all 11 buckets at Dipaliseng. In North West we have eradicated 81 buckets at Matlosana.

We recognize the fact that the issues leading to thelag in the delivery of these basic yet essential services have to a large extent been as a result of poor leadership, a lack of effective operations and maintenance, inadequate budget allocations, inappropriate procurement, the lack of norms and standards, and a tendency to focus on new infrastructure whilst not looking after our existing and ageing infrastructure.

With regard to our sanitation systems, the 2013 Green Drop report indicates that apart from the Gauteng, Western Cape and KZN the waste water systems in the other provinces are very poorly managed, lack routine operation and maintenance and consequently discharge poor quality effluent back into our rivers and streams. This cannot be allowed to continue unabated until we reach a point where we have more "Bloemhof type" incidents with the loss of life due to pollution incidents.

I strongly support the actions/directive of the Minister for Co-operative Governance and Traditional Affairs requiring Municipalities to set aside at least 10% of their budgets for operation and maintenance activities.

Furthermore, with regard to funding we will continue to engage with National Treasury to gain maximum advantage out of the initiative by the Minister of Finance to review the current Grant Regime. It is recognized that we need to firstly, "crowd in" and consolidate the current proliferation of grants targeted at Local Government and have a single water and sanitation grant; and secondly to review the grant conditions to ensure that the conditions are able to support improved and speedy service delivery without compromising accountability. This is absolutely necessary because at the moment there are six significant Grant Programmes that support water and sanitation delivery.

Sanitation in particular has up to now been mainly funded on an ad-hoc basis, while water has enjoyed the benefits of a more matured ring-fenced funding regime.

How do we deal with the transition, given that South Africa is a water-scarce country and we have to ensure that we do not pollute these limited resources?

The solution therefore, is not to throw money at the challenge, but to always ensure that where and when money is spent, it is in cognizance of the prevalent and unique needs, and thereforethe deployment of funds will always be for the procurement of well-researched and tested solutions customized to meet these needs, which differ in form and degree from area to area across South Africa, therefore there cannot be a "one size fit all" scenario.

In ensuring relevance in spending we remain mindful of the dire consequences that unspent funding has on service delivery. Hence we seek to unlock funding where it is always required urgently to provide the best, most cost effective and dignified sanitation facilities to our communities.

In order to expedite our work, I have also instructed our entity, the Water Research Commission to urgently, by the end of this week, advertise for and manage the submissions, as well as evaluate the available options in the market with regards to sanitation delivery. This Request for Information (RFI) must be for solutions which are "implementation ready", with such service providers ready and willing to put demonstration units on the ground for us to gauge the viability and acceptability of such solutions, both from the technical aspect as well as a community point of view. The community aspect must be directed towards community development, including education and awareness, resulting in the community being an active partner appreciating and securing such solutions/infrastructure.

As far as it concerns customization of solutions, the Department is equally encouraging, and open to, green technology innovation that is decent, environmentally friendly and creates employment for local communities.

The availability of neater, more dignified alternative toilet systems in the environment, compared to the very deficient VIP toilet, is an indication that the time has come for new innovative, available toilet systems that will ensure that the dignity of our people is restored and maintained. We are saying it is now time to do away with VIP toilets to give way to better solutions in the market.

However, the adoption of new innovative ways will have to be accompanied by public education that solutions will be different to adapt to particular environments.

From the current scenario, it can therefore be seen that the complicated process of building sanitation and sewage systems has concomitant effects in that the very operations, maintenance and rehabilitation of sanitation and sewage systems, if not managed properly, can further saddle the service delivery backlogs. It is therefore important that the Operation and Maintenance (O&M) of sanitation infrastructure for both waterborne and VIP dry sanitation are adequately addressed to ensure sustainable provisioning and universal access to sanitation by all citizens.

Honourable Chairperson and colleagues, lack of co-ordination also results in a great difficulty for a collective delivery of this critical service. We believe that with co-ordination and, for an example if the entire MIG formula allocation were considered, with over R7 billion per annum, the 2.4 million sanitation backlog would theoretically be wiped out within a MTSF period. For this to happen, National Cabinet would have to take a decision which will ensure that National Treasury ring-fenced these allocations as Conditional Grants. This ring-fencing would serve to ensure that the funds are spent only for what they are meant to -

to eradicate backlog/inadequate sanitation in both urban and rural areas of South Africa.

We have agreed with all our partners in the water and sanitation sector through our consultation processes, assisted by the Ministry visits to the provincial legislatures to strengthen co-operation, that our intention is to adequately and with dignity- to ensure that truly the pride of the people of South Africa is restored, that the dignity of especially our womenfolk and girl children is restored and never ever trampled upon again.

The collaboration amongst the three Departments of Water, Human Settlements and COGTA commenced around July 2013, almost 8 months towards the end of the 2013/14 financial year. It came about with the appointment of former Minister September as the Human Settlements Minister. Having worked in Water, she forged closed ties with the water sector/Department/Minister in order to fast-track sanitation delivery.

The initial focus was to identify and deal with Water and Sanitation Hotspots. After consultations with the ANC and the President, the focus changed into eradicating buckets in formalized areas. Then the marching orders were that buckets in formalized areas should be eradicated by March 2014. These decisions were taken during August 2013 meetings. At the time there was no budget for the BEP programme and DGs were requested to re-prioritize and also engage National Treasury.

Honourable Chairperson,

We also want to draw your attention to the fact that Water Boards together with MISA, HDA, NURCHA and NHBRC were engaged. With the exception of

NHBRC, the other agencies were appointed as Implementing Agents (IAs). Their initial Business Plans were submitted in September 2013 with unit prices ranging between R17, 000.00 and R30, 000.00. The target was to eradicate 88,127 buckets. At an average price of R30, 000.00 per unit, it was estimated that the programme would cost R2.6 billion. Only R450m was secured from the DHS's HSDG savings from Limpopo (FY2013/14). DWA secured R200m that was given to Mangaung and Bloem Water.

Accordingly, the National Treasury approved the 2014/15 amount of R899m, and 2015/16 amount of R975m only around December 2013. However, the R899m 2014/15 budget can only deliver 30,000 units. COGTA and Municipalities need to be mobilized so that almost 50% of the R15 billion MIG budget in 2014/15 is redirected towards Bucket Eradication. It is important to note that R1 billion can eradicate 33,000 bucket sanitation per annum. To achieve this, a Cabinet Memorandum may be required to persuade Cabinet to re-orientate MIG Grant towards BEP.

I am, of the firm belief that some Water Service Authorities are acting autonomously. Therefore as the Minister of the Department of Water and Sanitation I am to review the assignment of Water Services' functions or retain authority to "take over" programme implementation of sanitation.

In the current year (2014/15), the Department has R113m RHIG Grant, split into R47, 624,000.00 classified as Direct Grant, as well as R65, 500,000.00 as Indirect Grant. The Direct Grant is being transferred to Municipalities, delayed due to Business Plans not finalized. The Indirect Grant has not been disbursed.

In the outer years (MTEF), Rural Household Infrastructure Grant allocation will roll out as follows:

2014/2015: R106m

o 2015/2016: R118m

o 2016/2017: R124m

The idea that the Bucket Eradication Programme could deliver all 88,127 units by March 2014 was not based on empirical reality given the following:

1. The amount available was only R650m when over R2.6 billion was required, at a unit price of R30,000.00.00

 Although we had names of areas/villages under severe stress, further assessment work was required and Water Boards that had assessment programmes scheduled beyond January 2014 were requested to fast-track their processes as this was an emergency programme.

3. Connecting new households to waterborne sewer required increased capacities of Waste Water Treatments Plants, Reticulation pipes, Bulk infrastructure upgrades and increased water supply.

4. Infrastructure Design, Excavation, beneficiary administration, community consultations, appointment of professional expertise all required additional lead-time.

Honourable Chairperson,

However, it then follows that for these challenges to be overcome and to be able to meet unlimited needs with very limited resources, I as the Minister for Water and Sanitation, have commissioned that the following stringent intervention measures for a realistic Bucket Eradication Programme is implemented:

• Water Borne sanitation is being installed mostly in proclaimed townships;

- Alternative Sanitation Systems (ASS)are used as interim solutions in townships that still require bulk;
- Furthermore, the Department of Water and Sanitationis to work with Water Research Council and Private Sector partners that provide alternative sanitation solutions to communities without water supply and/or infrastructure.

In this regard, there is need for Beneficiary education/End-User Education to be availed to enhance the reliability and efficiency of these alternative systems. In the interim, Honey-suckers are to be used to provide Operation and Maintenance in both informal settlements and rural areas to prevent households regressing back into the backlog/use of bucket sanitation.

As part of the intervention, the 2014/15 BEP allocation of R899m needs to be allocated to IAs immediately. I will then need to increase their contractor capacities in order to spread to more communities/project sites immediately.

With that, Professional Resource Teams (PRTs) need to be deployed immediately to assist in each province with technical capacity and assessment, Engineering and Project Management services, beneficiary administration/mobilization, Asset Register compilation, and Financial Reconciliation and reporting.

In summary, what are our game-changers? The game changers will firstly have to be about revisiting the water ownership patterns and water use rights in our country. Secondly, it is about educating and creating awareness amongst our communities on conservation, preservation and security of our scarce resource as well as innovation.

Furthermore, the game changers will have to harmonize the roles and responsibilities of institutions and all spheres of government in the best interest of the end-user both individually and collectively. We can achieve this, only if we put communities first in what we do and demonstrate that it is business unusual.

We have to develop and seek Cabinet approval for a 10 Year National Sanitation Programme which will seek to eradicate both the water and sanitation backlogs. This programme will be differentiated based on the identified needs per province. The 10 Year Programme will address infrastructure backlog, infrastructure refurbishment, new connections for the un-served, introduce sustainable Operations and Maintenance for both rural and urban areas, commandeer bulk water and bulk sanitation supply.

We will follow up by the rationalization of the current grant programmes that will deal with water and sanitation on an integrated basis taking into account the real life experiences of our people.

Furthermore, we will improve the professional capacity of national and local government institutions responsible for water and sanitation delivery. This will impact positively on the current procurement regime to ensure that the necessary leadership, planning and capacity are enhanced.

Importantly, we will establish a national monitoring and evaluation programme to assist in tracking the implementation of programmes and the integrity of the operation of systems and processes.

In conclusion, on behalf of the President, I must apologise to the people of South Africa in that we were over ambitious in targeting the completion of the bucket eradication backlog by December 2014, a target that we will not meet. However, with the budgets that we have secured and the plans we have in place, we will meet the target during the 2015/16 financial year.

I believe that, with the current intervention and the guidance and oversight of the Honourable Members, we can bring hope to our people to demonstrate that the challenges are not insurmountable.

Dankie, Ngiyabonga