



## water & sanitation

Department:  
Water and Sanitation  
REPUBLIC OF SOUTH AFRICA

### **KEYNOTE ADDRESS BY Ms. NOMVULA MOKONYANE, MINISTER OF WATER AND SANITATION AT THE BLACK BUSINESS COUNCIL IN THE BUILT ENVIRONMENT GALA DINNER HELD IN KLIPTOWN, SOWETO.**

**27<sup>th</sup> OCTOBER 2016**

**THEME: “TRANSFORMATION FOR COLLECTIVE ECONOMIC GROWTH”**

### **SPEAKER’S NOTES:**

It is of great significance that this auspicious gala dinner of your organization, the Black Business Council in the Built Environment (BBCBE), is held on this day which is the birthday of Oliver Tambo, one of the most prominent leaders of our liberation struggle and former President of the African National Congress.

Oliver Tambo, the patriot, the intellectual and revolutionary leader was credited with holding the anti-apartheid movement together and laying the basis for a negotiated peaceful settlement for a democratic South Africa through the Harare Declaration.

His relentless and tenacious character stood him in good stead in the daily conflicts and confrontations with the apartheid regime and in his zeal to bring the lives of black South Africans living under that cruel system, to world attention.

The story of O.R. Tambo is, indeed, the embodiment of the narrative of the struggle of the people of South Africa. That we have a South Africa as a constitutional democracy today is in large measure due to the astute leadership of Tambo. Like many of his breed, we honour him and wish to emulate his traits and character.

Programme Director,

The gathering today has significance in more ways than one. Firstly, because we meet at the time when the global economy is facing many challenges and many countries, including those in the first world, have struggled to get out of the “Intensive Care Unit”, if I could be allowed to use this medical metaphor. Secondly, that the challenges faced by government in meeting the needs of the people are always constrained by inadequate resources.

And, therefore, in a fortuitous manner, this occasion calls upon our two institutions to put their heads together to see how best they can develop strategies to stimulate and grow the economy.

In 1994 at the dawn of our new democracy we introduced the Reconstruction and Development Programme that was intended to bring about real fundamental changes to the lives of our people. The Reconstruction and Development Programme stated, in part, that:

*“No political democracy can survive and flourish if the mass of our people remain in poverty, without land, without tangible prospects for a better life. Attacking poverty and deprivation must be the first priority of a democratic government.”*

Fast-track forward, what then subsequently happened? In May 2010 President Jacob Zuma appointed the National Planning Commission to draft a vision and national development plan. The Commission consisted of 26 people drawn largely from outside government.

The Commission's *Diagnostic Report*, released in June 2011, set out South Africa's achievements and shortcomings since 1994. Essentially, it identified a failure to implement policies and an absence of broad partnership as the main reasons for slow progress.

In 2014, in pursuit of the ideals enshrined in the Freedom Charter, the National Development Plan was adopted as a programme that was to take South Africa forward towards radical socio-economic transformation.

In the Vision Statement, the National Development Plan recounts the story of the journey the country shall have travelled by 2030. The eloquence of the story is not only captured in the pain, anguish, exhilaration and triumphs of the journey, but also in the poetic execution thereof; and in part says:

*“We have received the mixed legacy of  
inequalities in opportunity and in where we  
have lived, but we have agreed to change our  
narrative of conquest, oppression and resistance ...*

*Our new story is open ended with temporary  
destinations, only for new paths to open up  
once more.*

*It is a story of unfolding learning.  
Even when we flounder, we remain hopeful.  
In this story, we always arrive and depart.  
We have come some way.”*

It is against this backdrop that the significance of Infrastructure Development is highlighted. Infrastructure Development is not just essential for faster economic growth and higher employment. It also promotes inclusive growth, providing citizens with the means to improve their own lives and boost their income. To sum it up, we can say that ***Infrastructure development is essential for development.***

The National Development Plan (NDP) charges government to actively lead the development and implementation of focused and coherent sourcing strategies to achieve Broad-Based Black Economic Empowerment (BBBEE) and the de-racialization of the infrastructure sector. This will enable promotion and implementation of innovative investment and transformation solutions to advance sustainable black economic participation.

Suffice it say, that failure to implement any such affirmative and empowerment approaches would take us back to the apartheid era where the accumulation process was one of restricted wealth creation and imposed underdevelopment on black communities to ensure that they were, in the main, only suppliers of cheap labour.

Under apartheid laws underdevelopment of black South Africans took the form of a progressive destruction of productive assets; deliberate denial of access to skills and jobs; and, the undermining of self-employment and entrepreneurship.

There is now a good story to tell; we now can safely say that water is a cross-cutting catalytic instrument at the heart of every development towards inclusive economic growth and prosperity; and it is thus the responsibility of government to create conducive conditions for the levers of that economic growth to flourish.

Section 217 of the Constitution of the Republic of South Africa states that:

*“When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective”.*

Furthermore, it stipulates the need to implement a procurement policy that will provide for categories of preference in the allocation of contracts; and the protection or advancement of persons, or categories of persons disadvantaged by unfair discrimination.

In this new democratic dispensation much has been achieved since 1994. Unfortunately, the extent to which this growth has been shared equitably amongst all South Africans is not yet adequate for the requirements of a stable, integrated and prosperous society, especially within the engineering profession

and the built environment. Accordingly, we need to take additional collective actions in order to achieve our objectives.

Further growth can only be accelerated and sustained if all South Africans are meaningfully integrated into the economy. We need to continue to advance our economic transformation.

In the Overview of who the Black Business Council in the Built Environment (BBCBE) is, the council is described as the apex organization of black construction and professional organizations in the country. Established in 2007, one of its main objectives is to engage government and other statutory bodies to influence the drafting and implementation of appropriate legislation in order to create an enabling environment for the black constituency in the building and construction industry.

In this connection, the Black Business Council in the Built Environment is enjoined with government in the development of our country through Infrastructure development. Logic should also dictate that organizations like BBCBE should not be seen to be adding to the grim conditions of widening inequality, wittingly or unwittingly, but to be seen to be stepping up to the plate to help government in dealing with the triple challenges of inequality, poverty and unemployment.

In addition, we must be clear, in these tight economic times that we face two realities:

- The first is that the transformation project is under attack. That there are active forces against the further development of an inclusive economy. Ironically the lack of growth in our local economy, and indeed the global

economy is often cited as the reason for holding the status quo to get through the hard times.

- The second reality is that we know that the precise pathway out of the bondages of recession onto the pathway to prosperity is exactly the opposite. It is the path of Inclusion. It is the path of expanding economic participation to realize our full demographic dividend. ***It is the development of all sections of our community as the investment in the future prosperity and sustainability of the South African economy.***

As a government department, we ought to demonstrate that we are walking the talk by ensuring that our procurement processes increasingly subscribes to the transformation agenda of the country. However, having said that, we recognize that over the years the water and sanitation sector has not transformed as it should have and our people, especially the designated groups, have not actively participated or benefited from the sector.

In January 2015, the Department of Water and Sanitation approved the Broad-Based Black Economic Empowerment (B-BBEE) Policy to craft a clear implementation plan for the execution of the B-BBEE Act and the Codes within the department, with the aim of empowering those who were previously disadvantaged in terms of Skills Development, Job Opportunities and Business Opportunities.

Indeed, for now we can say that the process of beneficiation by the Department within the precepts of the Broad-Based Black Economic Empowerment and the Preferential Procurement Regulation has not yielded the expected results. Yet,

can state without the shadow of doubt that the beauty of all this is that we are here today to say to you, that we are not deaf that we cannot hear.

As part of that process of bringing about change to the situation of lack of empowerment, the Department of Water and Sanitation has just recently embarked on the ***Women In Water Empowerment Programme*** which was launched on 14 October 2016.

This project is aimed at empowering women-owned companies to get exposure in a male-dominated industry. As part of this initiative, the minister presented the programme for the first cohort of women-owned enterprises incubates and mentees to participate in this programme. The programme will create an opportunity for the development of capacity, status and grading of the participating women incubate companies and the simultaneous availability of the graduate cohorts to mentor and incubate new entrants.

The long and short of it all is that we have come here today to cement the partnership that we recently established when we met together few weeks ago against the backdrop of concerns that you had raised regarding access to business opportunities within the water sector.

Some of the concerns closer to your hearts that we are working hard at resolving include:

- How to create space for smaller players.
- How to help create large black-owned infrastructure companies by giving opportunities to already existing companies



- Breaking the monopolies held by some of the suppliers along the value chain e.g. chlorine suppliers;
- Payment within 30 days, including making sure that transfers and decision-making from the department to its implementation agents happens faster;
- Mechanisms to increase faster private sector participation in the planning, construction, finance, operations & maintenance of water and sanitation infrastructure, especially in those areas where there is no capacity.

Outside of our efforts at grappling with the afore-mentioned concerns, it is worth noting that Investment in infrastructure remains government priority. This commitment was emphasized by Finance Minister Pravin Gordham during his presentation of the 2016 Medium-Term Budget Policy Statement (MTBPS) just yesterday

Government has budgeted R987.4-billion for infrastructure over the next three years, with large investments continuing in energy, transport and telecommunications, including in water and sanitation. He highlighted that, Public-sector infrastructure investment plans total R987.4-billion over the medium term, of which R334-billion is in transport and logistics and R137-billion in water and sanitation.

The Finance Minister also noted that sustaining high levels of investment required the State to tackle evident problems in public infrastructure management, including a lack of coordination along with weak planning and implementation capacity.

As a parting shot let me reiterate the fact that as a country we do have strong pillars for co-operation and partnership between government and the private sector to see to the successful execution of the transformation agenda. All of us, jointly and separately have specific roles to play to ensure that through Infrastructure Development we bring about inclusive economic growth and prosperity for the

African child. In this manner we shall take a bow knowing that we have not failed the African child.

Dankie

Ngiyabonga