



water & sanitation

Department:  
Water and Sanitation  
REPUBLIC OF SOUTH AFRICA

**ADDRESS BY Ms. NOMVULA MOKONYANE AT THE LAUNCH OF THE WATER INFRASTRUCTURE INVESTMENT SUMMIT HELD AT THE PARK HYATT, ROSEBANK.**

**6 NOVEMBER 2017**

## **SPEAKER'S NOTES:**

### **INTRODUCTION:**

- South Africa is a water constrained country and the mandate in terms of National Water Act is to: use, develop, conserve, manage and control our water resources for future generations. Water scarcity ranks as the third of the global risks according to the World Economic Forum (WEF).
- South Africa is characterized by low and variable rainfall, high evaporation levels and periodic drought and flood events. Furthermore we use more water per capita (235 litres per person per day) compared with the world average per capita consumption (173 litres per person per day).
- Notwithstanding the above, the water sector remains critical for government's transformation and development objectives. Providing safe and accessible

water supply and sanitation services profoundly affects poor people's daily lives.

- Water is life and has a catalytic cross-cutting impact on socio-economic development as well as peace and stability. Sanitation is dignity.
- More importantly, Water is enshrined as a basic human right in our Constitution and specifically two sections of the Bill of Rights:
  - Everyone enjoys the right to an environment that is not harmful to their health or well-being;
  - Every citizen of South Africa enjoys the right of access to sufficient food and water.
- In this regard, the South African Government has made a commitment through the National Development Plan (NDP) which calls for the development of a National Infrastructure Plan. It is against this backdrop that we are working on the development of a National Water and Sanitation Master-Plan

#### **MITIGATING THE GAP OF WATER SCARCITY CHALLENGES:**

- Through the **Radical Approach for Operations and Maintenance**, the Department of Water and Sanitation intend to:
  - Restore the operational integrity of dysfunctional water supply and sanitation systems;
  - Provide capacity support to municipalities to improve service delivery with regard to water supply and sanitation services.

- Water security is one of the biggest issues/challenges facing South African and the world in this 21st century. It presents a profound challenge to our social well-being and our economic growth.
- South Africa's water scarcity could get rapidly worse as our supply contracts and demand escalates due to growth, urbanization, unsustainable use, degradation of wetlands, water losses and a decrease in rainfall due to climate change. Based on current demand projections, by 2030, the water deficit could be between 2.7 and 3.8 billion cubic meters, a gap of approximately 17%.
- Should the development of new water sources be delayed, this looming water deficit (scarcity) will present serious challenges with regard to water for household use, food production, energy, sustaining ecosystems and economic growth.
- To close the water gap in South Africa, constructive dialogue and joint collaboration with all stakeholders is the only way forward. We need to forge partnerships to achieve the impact and results we need in order to ensure ***South Africa's Water Secure Future towards Climate Resilience.***
- By virtue of its pivotal role on the socio-economic landscape, the South African Water Sector is a space that has been dominated by large infrastructure projects and investments. Given the opportunities and challenges that the water sector needs to respond to, it is vital to stimulate a diverse and capable water sector business and investment landscape.
- A number of initiatives are underway to respond to understanding the gap in water infrastructure investment. Part of this process is the need to understand the actual investment gap that exists in the water and sanitation space.

- Current estimates over a 10-year period vary from R 330 billion (if only focusing on new infrastructure needs and investments) to more than R 1 trillion if all infrastructure maintenance, upgrade and planned initiatives are taken into account. Put simply, the only way to cost this clearly is to have a clear plan and set of priorities and an associated investment strategy.
- Drawing on the outcomes, recommendations and learning from research and experience, it is vital to begin plotting a way forward as the next step. Investment decisions and effective risk management play a critical role in developing strategic responses to growing an inclusive economy, decreasing the water investment deficit, thereby ensuring water and sanitation for all.
- The recent inclusion of a Water and Sanitation Chapter in the Industrial Policy Action Plan (IPAP) requires clear planning and leadership.
- The challenges to overcome require bold solutions and engagement. The South African Institution of Civil Engineers (SAICE) has recently released the 2017 South African Infrastructure Report Card. When zooming in on water (bulk water resources, supply in major urban areas and supply in other areas), the water sector scores between a D- and C+ with no upward trend between 2011 and 2017. When focusing on waste water and sanitation for urban areas we score a C- and for other areas South Africa scores an E with no upward trend between 2011 and 2017.

### **THE APPROACH: Water Infrastructure Investment Summit and Stewardship Initiative**

- In response to the above challenge, as Minister of Water and Sanitation, I have charged the Department of Water and Sanitation (DWS), in partnership

with the Water Research Commission (WRC), to convene the key role-players to facilitate a conversation and programme of action that aims to shift the water and sanitation sector investment landscape to a space that is open and enabling for investment and inclusive growth opportunities.

- This comes at a time when numerous sector role-players are looking seriously at the issue of the investment climate for water and sanitation in light of ongoing service delivery needs, drought and flood challenges and ageing infrastructure.
- This is also driven by policy imperatives emerging from the development of the next National Water Resources and Sanitation Strategy and the associated development of the National Water and Sanitation Master Plan.
- We need to emphasize that the Water Infrastructure Investment Summit and Stewardship Initiative are intended to drive this coordinated, strategy-focused approach.
- The initiative has 2 parts to it., and these the following:
  1. **Dialogue and Planning:** Investment, technical and policy partners are being invited to attend a Water Infrastructure Investment Summit on 30 November 2017.

This event will unpack the key investment opportunities, constraints and solutions in the areas of bulk water infrastructure, municipal water infrastructure, and emerging innovations and solutions.
  2. **Water Investment Stewardship Programme:** The Summit will be followed on by a year-long Investment Stewardship initiative.
    - Here the investment project opportunities and needs identified in the Summit will be pulled into a series of focussed, specific

engagements, led by a range of different water sector organisations.

### **WORKING TOWARDS MEDIUM-TERM OBJECTIVES:**

- The Medium-term objective of the project will be to initiate a process that will inform and launch a Water and Sanitation Infrastructure Investment Strategy for South Africa by 2019.
  
- The specific objectives of the Summit are to:
  - Clarify constraints and barriers to investments;
  - Solidify existing interventions and plot pathways, process priorities and projects that will inform the Water and Sanitation Infrastructure and Investment Strategy;
  - Be a business and investor water solutions exposure platform.
  
- Specific objectives of the follow up stewardship initiative:
  - Devise a series of follow up actions to respond to the solutions identified at the summit (focusing on the bulk infrastructure, municipal and innovations sub themes);
  - The exact scope of work for the stewardship initiative will be informed by the 30 November Event.

### **CONCLUSION:**

- As I conclude, let me reiterate the point that the format of the Summit is a combination of panel discussions and a series of action oriented workshops with key topics including:

- Dealing with water availability, aging infrastructure, ensuring water quality, and energy use reduction challenges through development of cutting edge solutions and innovation;
  - Facilitating economic growth through infrastructure investment to enable the private sector to expand capacity, create more jobs and produce more goods and services;
  - Identifying constraints and finding solutions allowing wider participation and investment in the sector;
  - Funding infrastructure projects, enabling research, developing and implementing improvements of the investable water and sanitation infrastructure projects;
  - Collaboration by government and the private sector for the development of innovative water utilities of the future through a supportive and regulative regime;
  - Accelerating access to clean water and sanitation services to facilitate social and economic development by the local government.
- 
- The overall intention of the stewardship process is to run a structured collaboration process that will undertake appropriate scanning of infrastructure opportunities, and develop projects for water sector investment whilst building partnerships to address sustainable and developmental investment in the sector.

Dankie

Ngiyabonga