

**MEDIA ENGAGEMENT: REMARKS BY L N SISULU, MP, MINISTER OF  
HUMAN SETTLEMENTS, WATER AND SANITATION ON THE OCCASION OF  
THE LAUNCH OF THE NATIONAL WATER AND SANITATION MASTER PLAN  
PRETORIA, 28 NOVEMBER 2019**

---

Members of the media

Invited Guests

Thank you very much for joining us this morning to launch the National Water and Sanitation Master Plan. I would like to extend our gratitude to those in the media who continuously highlight the importance of water, raising awareness on drought and the challenges we face as a water scarce country. A special thank you to all stakeholders who participated over a series of documents and contributions that built towards this Master Plan. We have taken your inputs and recommendations very seriously and we strongly believe that as the Water and Sanitation Department partnerships will lead us to achieving all that we have set up to do.

Today, we are also joined by Minister Patricia De Lille, Minister of Public Works and Infrastructure. The importance of her presence at the launch highlights the synergy between the Department of Public Works and Infrastructure and the Department of Human Settlements, Water and Sanitation in ensuring progressive and sustainable infrastructure for our country.

In preparation for the launch of this document we have met with a range of stakeholders, from the agricultural community, the business sector, NGOs and most importantly communities. We have also visited a number of key projects to understand what the challenges are and worked on recommendations from practitioners in the field of water provision. We also engaged the Human Settlements family and MINMEC, Water Boards and many other players and water users across the country and internationally.

We are a water scarce country. We have one of the lowest rainfall averages in the world, that coupled with a very uneven distribution. This situation is predicted to get even worse on the back of climate change. We also have to cope with a difficult geography with two-thirds of the country a flat semi-desert. Our water security can only be guaranteed by a combination of a great game-plan, smart technology and know-how, superb human capital in the Water and Sanitation sector, great research and information systems, a sound legislative and policy environment, a highly functional and co-ordinated institutional ecosystem, and most of all a water wise South Africa.

The Master Plan outlines a series of urgent steps to be taken and implemented by all stakeholders in the water sector in order to address systemic and infrastructural challenges to secure continuous and uninterrupted supply of water for both community and business use.

The document also outlines immediate interventions we will make to respond to amongst other challenges, infrastructure investment and maintenance, capacity of municipalities, transformation in the sector, licensing of water use, capacity of the Department and its agencies and most important ensuring that communities and business have water security. Both have participated in preserving our water resources and are investing in them.

Water is a catalyst for both economic development and job creation. The President and all envoys have continued to lobby investors to come and invest in South Africa. As the Water and Sanitation sector, our job is to guarantee not only for the short term but also for the very long term the availability of water to assure investors that South Africa is open for business. We also have to provide the same guarantee for our local businesses big and small, and our farmers. It is for that reason that we are launching this Master Plan.

As you well know, the Constitution of South Africa provides that everyone has a right of access to sufficient food and water and an environment that is not harmful to health and wellbeing. While we have made significant progress in reducing the inequalities in the sector, and have during the period 1994 to 2019 achieved a number of milestones, with vast majority of the population provided with access to a basic water supply service and basic sanitation provided to 79% of the population, we still have significant and unacceptable levels of inequality and poverty.

The Master Plan builds on those policies that have been successful and revisits and revises those that we have faltered in, together with the new knowledge gained from our own experiences, supported by innovative technologies and solutions. The fact that South Africa is a water scarce country is well known to you. The amount of water available per person is decreasing as the population grows and the future availability is uncertain, which is why we need to constantly raise consciousness to preserve what we have. South Africa has an arid to semi-arid climate, with an average annual rainfall of 465 mm (half the world average), producing a total annual water availability averaging approximately 49 000 million cubic metres. The combined storage capacity of large dams is in the order of 31 000 million cubic metres.

There is inequitable access to water and sanitation services and the deteriorating safety and reliability of these services is threatening South Africa's ability to achieve Sustainable Development Goal 6, which is ensuring Water and Sanitation for all. There is not enough water made available for a country that is industrialized with a high population growth. The demand simply outweighs the supply. These shortcomings are impacting negatively on job creation, economic growth and on the well-being of everyone in South Africa.

To date there are still over 3 million people without access to *basic* water supply services while only 64% of households have access to *reliable* water supply. With respect to the bulk water resources, on which the country depends, it is projected that demand will grow by 17% in 2030. This will **only** be met if planned infrastructure is timeously completed and demand growth constrained by appropriate policy interventions couple with a mixed development approach.

We are faced with a backlog of challenges we need to address urgently if we are to achieve water security for community use and also business and economic development. We need to address our own insufficient investment in water infrastructure and inadequate management of the water sources we have. This is also made worse by a combined lack of skills and specialists such as water engineers, scientists, hydrologists, geo-hydrologists and resource economists. One consequence is that recurrent droughts driven by climatic variation are not adequately managed; while on the other hand water quality is deteriorating.

The Master Plan introduces a number of measures. It is a programme of action for the Water and Sanitation sector but remains largely a Plan for the country in addressing both Water and Sanitation for communities and economic development. We **now** need to focus our attention and resources to maintaining our current infrastructure, securely guarding water sources and most essentially

educating our people on the necessity of looking after their rivers, harvesting rain and caring for the environment.

Key strategic objectives of the Master Plan are:

1. To structure the Department to make it fit for purpose, eliminate wastage and any loss due to corruption and mismanagement of resources.
2. To address the water and sanitation goals of the country as envisioned in the National Development Plan (NDP), the Sustainable Development Goals (SDGs) adopted by all United Nations Member States - in particular SDG6: - as well as the African Union Agenda 2063.
3. To support and give the President's Economic Stimulus and Recovery Plan (ESRP) and give priority to the 'Five broad parts'.
  - a. Implementation and enhancing economic reforms;
  - b. Reprioritisation of public spending to support job creation;
  - c. Establishment of Infrastructure Fund;
  - d. Addressing urgent and pressing matters in education and health; and
  - e. Investing in municipal social infrastructure improvement.
4. To give effect to initiatives and programmes announced in the State of the Nation Address 2019 (SONA), specifically, the Public-Private Growth Initiative (PPGI). The President highlighted that our new approach to infrastructure development is based on stronger partnerships between the public and private sectors, and with local communities. It includes a special package of financial and institutional measures to boost construction and prioritize water infrastructure, through a more efficient use of budgeted money.

## **IMMEDIATE INTERVENTIONS FOR LONG-TERM WATER SECURITY BY ALL STAKEHOLDERS**

As the water sector leader, the Department will create the conditions in which all stakeholders can play their part. We have prioritised a programme of strategic actions that will lay the foundation for the water sector to overcome its challenges and ensure a water secure future, supporting inclusive development across the country and responding to business needs to enable economic development and job creation. The Department must redefine itself and lead the sector in implementing all of these initiatives speedily.

The Department must identify a new role as an enabler, facilitator and regulator of the sector. It must be in the DNA of the Department to intervene and lead the sector and stakeholders to solve community and business challenges. The most critical aspect of executing the Master Plan will be to ensure that there is leadership to carry out the Master Plan. Not just leadership, but ethical leadership by ownership, commitment, professionalism. The Vaal Sanitation Project for example will require a project management team consisting of highly skilled senior experts and government officials in place by the beginning of 2020 to ensure that there is accountability and hands on management of the systems within the catchment area.

We will prioritize capacitating municipalities through a team of experts and professionals who will assist municipalities to discharge their responsibilities effectively and also progressively help them build required capacity.

In collaboration with National Treasury, the financial position of Department is being regularized. It is now necessary to focus on the core mandate of the Department, which is to ensure water security for all South Africans. The Auditor General has declared the Department bankrupt and we need to review our process and do things differently in order to account correctly.

The Department currently has to perform a variety of tasks which include:

- planning, developing and operating the major infrastructure (dams, canals and pipelines) that provide reliable bulk water supply to major systems supporting the large urban and industrial areas of the country. Dams such as Mzimvubu, Umkhomazi, raising of Tzaneen and Hazelmere and others are key to ensuring water security.
- regulating the use and protection of the country's natural water resources in rivers, lakes and underground.
- supporting and intervening in municipalities to perform their constitutional responsibility of providing water supply and sanitation services and monitoring and regulating their performance.
- Overseeing and supporting a family of organisations including the Water Boards and other water agencies that undertake specialised services in their regions as well as the Trans Caledon Tunnel Authority (TCTA), a specialist financial agency dedicated to raising finance for large, economically viable, water resource developments.

#### **The Programme of Action of the Water and Sanitation Master Plan:**

The Programme of Action focuses on the '3 Is' that are recognised as the core of water security:

- Institutions (Water boards, CMAs etc),
- Investment (infrastructure funding and capital private finance) and
- Information (strengthen the information system and networks to be more inclusive).

We want to make South Africans more protective and proactive in safeguarding water security. Water should be everyone's business. What must be added as the fourth priority is

- Transformation (land reform and rural agriculture for black farmers and other small agricultural farms).

We are now in the process of distributing land. There is an Inter-Ministerial Committee that is led by the Deputy President and we can now carry out the legislative reform that has been agreed to in Parliament. Without this intervention, reform for up and coming black farmers will not be possible. We are going to deal with the legal provision, define the problem statement and indicate how best to make water accessible to emerging black farmers.

The issuing of water user licenses have also been one of the challenges because of the length of time that it has taken in the processing of these licenses. I have been reliably informed that the Department has cut down on the time that is spent dealing with permits. For a simple use licence,

the turn-around time is now a dramatic 49 days, if all documents are submitted and other processes followed.

One of the first things that the President highlighted in Cabinet while discussing water was that it took him three years to get a Water license. The Minister of Finance repeated the same concern in his address in the Medium Budget Vote, indicating the lack of take up of issues for making sure that we can invest in our economy. The point being, if it takes us three years to issue a Water license, how are we going to lure investors to believe that we are serious about turning the economy around! We are confident that we are able to address all of this by delivering a Water Use License within 49 days.

**The first thrust is institutional change to get back on track on the long road to water security**

The effective management of the Department's large and complex set of activities, spread right across the country, has proved to be challenging for a single national organisation. For this reason, it has long been proposed that some of these activities should be delegated to new, specialised, organisations. Under the oversight of the Minister and the national department, these will focus on key tasks such as the development and operation of major infrastructure systems, the regulation of the use and protection of water resources as well as support for municipalities that are not able to comply with their service provision mandate. To this end I must appreciate the support and the enthusiasm of my own Human Settlements MECs in giving leadership to water and sanitation stakeholders at provincial level, as there is a need for political and executive responsibility for water and sanitation at that level to lead stakeholders and to intervene and resolve challenges facing communities and businesses.

We will finalize the establishment of Catchment Management Agencies at local level and legislation to enable their establishment is already in place. I have directed the Acting Director General that all interventions we are announcing here today must be prioritised and implemented before the end of the 6th administration and he must redesign his office and the operations of the Department to achieve just that.

There will be a continuation of the process to transform the Water Boards into regional utilities that can act as water service providers when municipalities are unable to perform their water functions adequately. In Gauteng and Eastern Cape, the Water Boards have worked very well with municipalities to maintain infrastructure and ensure water security. We would want to work with key stakeholders to formalize these relationships across the country.

We will establish a National Water Resources and Services Authority (NWRSA) to finance, develop, manage and operate national water resource infrastructure and sanitation, the large infrastructure on which the country's main centres depends.

**The second thrust of the Master Plan is planning and infrastructure investment to address the country's strategic water challenges**

The Department's long term planning capabilities and partnerships with academic institutions and other private sector partners must be strengthened if South Africa's water security is to be sustained in the face of extreme climatic variability and uncertainty, which is now being aggravated by climate change. For economic growth, supply of energy and community use we need both short and long term planning to guide our infrastructure investment.

International investors and local businesses we met as we prepared and updated this document told us that water security is key to investment decisions. They want very long term assurances that

there will be water and in return they will make very long term investments, which are good for job creation and economic growth.

We are expediting a review of all current infrastructure projects with the plan to complete them. We are also finalizing plans for development of national infrastructure projects to ensure timely completion and maintain the water security of large urban economic centres such as Gauteng, eThekweni, Nelson Mandela Bay and Cape Town. Key projects and investments include the Lesotho Highland Water Project Phase 2, uMkhomazi Water Project and Berg River Voëlsvlei Augmentation Scheme.

Today we can confirm that we will prioritise the implementation of other strategic water resource developments, such as the Mokolo-Crocodile (West) Water Augmentation Project, Mzimvubu Water Project, Nwamitwa / Tzaneen Augmentation Project, Vioolsdrift Dam, and Vaal Gamagara Water Augmentation Project. This is aimed at ensuring the security of water supply across the value chain. We invite South African financial institutions, black business, women and youth companies and all South Africans to take advantage of all these projects. We will also invite the office of the Chief Procurement Officer and the Auditor General to have a satellite office in our building to provide ongoing assessment of our renewed process and to make sure that there is no corruption and wastage. We believe that all these infrastructure investment in the coming ten years worth over R150 Billion can serve as a catalyst for training, job creation and economic growth.

### **The third thrust is information, to improve performance and support sustained, inclusive development**

Water is everybody's business and can only be successfully managed with the cooperation of sector institutions and their users. To enable this cooperation, information systems will be strengthened and expanded to ensure that all concerned know where their water is coming from, how reliable those supplies are and how its cost is calculated. This will also enable water users and the public at large to evaluate the performance of the sector and, as important, to adjust their own behaviour.

In water services, the Department will:

- Revitalise the Blue-, Green- and No-Drop monitoring programmes. The programme will report regularly on the performance of individual municipalities in their delivery of safe water and sanitation services as well as on their reduction of losses in their water supply systems. This information will be made publicly available and will also be used to guide the allocation of conditional grants. The Blue Drop system will be effective from April 1, 2020. All municipalities and Water Boards have been directed to prepare for these. We will also complement this by introducing an annual recognition award for best municipalities, Water Boards, communities, NGOs and private sector partners who contribute positively to water security.

A cornerstone of the new water development and management ideology is best use of information and the toolbox that the Fourth Industrial Revolution affords us. I am considering the expansion of the mandate of the Water Research Commission, our Water and Sanitation research, development and innovation (RDI) agency to be the co-ordinator of this new function, the South African Water Observatory. This will be both a water quantity and water quality information portal and will provide regular converged weather and rainfall advisories. We need to have real-time information to plan and manage our water resources. The Observatory will be required to deliver on that mandate together with its partners.

### **The final thrust focuses on transforming water access and use in a transforming South Africa**

The water sector has, over the past 20 years, failed to deliver on its mandate for water allocation reform, or the reallocation of water to black water users. This, along with land reform, remains a major challenge facing the country, and one that must be addressed. We have approved a joint land, water and agrarian reform programme to be led by the Department of Agriculture, Land Reform and Rural Development to ensure that the reallocation of both land and water are aligned and take place within a framework of agrarian reform and effective rural development.

Where existing water resources are already fully used, the National Water Act gives the Minister the power to undertake a compulsory licensing process to reallocate water use licenses. The process provided in the National Water Act was designed and certified as constitutionally compliant.

The Department and its agencies will work to identify alternative sources of water and water that is not utilised, opportunities where more water can be made available in government water schemes, implement pilot projects on voluntary contributions from farmers for water reallocation in prioritised catchments and identify areas where small dams or groundwater development can provide water for small scale black farmers.

We are also working to implement new technologies and innovations that will serve to create new ways of ensuring water security, improve water and improve water loss. There are systems that can detect water leakages by deploying technology that will ensure that we save water and the capital loss associated with it. Rand Water has a technology which we plan to roll out countrywide and such technologies in the water and sanitation are key improving how we manage our water resources. I have seen some of the technologies being exhibited here today and as a water and sanitation department we are always encouraged by new technologies in the markets that speak to our quest to ensure the security of water supply.

### **Water services and the culture of maintenance and infrastructure security**

Provincial and Local government, especially municipalities are the frontline of water services provision and their constitutional duty is to ensure that all their citizens have at least a safely managed basic water supply and sanitation service. For a variety of reasons, too many municipalities are failing in this duty, despite the financial and technical support provided by national government. When municipalities fail, national government must step in but it too has limited resources. When it does intervene, it often finds that local government has not made proper use of its own financial and technical resources. There is a need to review the legislative and constitutional responsibility of the provincial administration where we can consider as an option that the Department of Water and Sanitation and the MECS within the province can complement local leadership by also providing political and accountability function of the distribution network as prescribed by the National Minister.

Their functions among others would be to make sure that their budgets are utilised to ensure that there is security of water in their local areas within set regulations as provided by the national department. Provincial MECs can also play a key role in unblocking challenges facing businesses and communities in the supply of water. Supported by the National Department and other agencies of Government they can monitor that all allocated financial resources by different agencies of Government are used for what they are allocated for.

### **More funding for transformation by mobilising private finance for water development**

Given the limited public funding that is available through government's budget, it is important to ensure that financially viable projects are financed using private sector funding. This will allow public funds to be focused on priority transformation projects. The interventions to do this will build on the success to date of the TCTA and Water Boards which, together, have mobilised over R50 billion in loan finance to undertake infrastructure development to supply urban and industrial use.

### **Ensuring financial sustainability**

In order to ensure financial sustainability, the Department will;

- Work closely with National Treasury and sector entities to strengthen the financial arrangements to optimise revenue collection in the sector and mobilise private sector funding for sector investments.
- Work with COGTA and National Treasury to ensure that the design of conditional grants is guided by the objectives of access and equity as well as to encourage compliance by Water Service Authorities (WSA) with their obligations (e.g. servicing water related debts, service delivery performance as well as Blue-, Green- and No Drop targets).
- Strengthen and implement a debt management strategy across the sector.

We must not forget that the Minister and Department are also responsible for the normal work of a national department of Government; we are charged with developing, implementing and evaluating the policy and regulations that govern the way in which we manage, use and protect our scarce water. In the course of this, we work closely with our neighbours in Lesotho, Namibia, Botswana, Mozambique and Eswatini to manage the rivers that we share with them. We have just launched the second phase of the Lesotho Highlands Water Project. This will go a long way in ensuring the security of water, especially since over the past two months there has been routine maintenance of the system and we will soon be back online to ensure that water is equitable available to all.

### **OPERATIONALISING THE PROGRAMME OF ACTION**

What has been set out is an ambitious programme of action for the Department of Human Settlement, Water and Sanitation and all stakeholders. It will require a structured process to ensure that actions are prioritised, sequenced and responsibilities and timeframes allocated. This will of necessity bring in other sector institutions and role-players. In addition, a number of parallel interventions will be required that may be led by other institutions which will establish the basis for future development.

#### **Legislative review**

For a number of the actions included in the Programme of Action, the Master Plan process had already identified the need for legislative change in order to facilitate implementation. These include:-

- Clarification of the arrangements for the ownership of different elements of water and sanitation infrastructure by different institutions.



This will necessitate the review of powers of municipalities and local government structures within the water sector. In doing so, the National Minister will allocate certain powers and functions to local municipalities and provincial governments to ensure that there is political responsibility and accountability where the distribution network is based. In undertaking this legislative review, our purpose will be to:-

- Strengthen the ability of the Minister to regulate the water supply and sanitation sector effectively.
- Simplify the procedures to be adopted in relation to water use authorisations. We will as part of the next phase and just before our next budget vote engage with stakeholder on water use authorization.
- Enable the setting of tariffs for the whole value chain linked to levels of service and economic conditions.
- Enable the protection of strategic water source areas, and
- Ensure linkages between spatial planning and the Master Plan and create the mandate for a National Water and Sanitation Strategy.

We will seek to engage continuously in reviewing the legislative mandate so that we respond to the times and changing landscape. It will always become important that as a living document, the National Water and Sanitation Master Plan is not derailed by legislation that threatens the security of water supply. Legislation should never stand in the way of ensuring water security. And as a living document, the Master Plan will always seek to enjoin all stakeholders to work with the ever changing legislation. Central to this is to ensure that water provision is at the core of service delivery.

A consultative process will take place between affected departments like CoGTA towards ensuring that there is a shared vision and cooperative governance in the supply of water and sanitation. The importance of collective responsibility means that those in charge at provincial levels will be accountable to their provincial administration in terms of expenditure and deliverables, to ensure that services are within the scope, plans and objective set out by national government.

### **Thinking Ahead: The Importance of public and private sector engagements**

The World Economic Forum Global Competitiveness Report often cites access to financing and inadequate infrastructure as two of the three most problematic factors for doing business in Sub-Saharan Africa (SSA). A working paper from the Stockholm International Water Institute (SIWI) on financing water infrastructure in Africa outlines the shortcomings seen in this area. Firstly, that “project feasibility studies emphasize technical feasibility and do not focus on the financial and institutional issues that are equally important”. It further asserts that only at a later stage, if at all, are the sources of finance considered. “In the worst of cases, this leads to the development of infrastructure plans with projects that are not financially viable.”

### **Building human capacity for action**

The water sector will require the development of the right mix of skills and expertise. A structured approach will be adopted to: -

- identify the long-term numerical requirements of persons and specific skills expressed by qualification and experience;

- institute long-term capacity development programme with water sector and higher education and training institutions, with clear goals and responsibilities and a focus on continuous education and critical professional and technical skills throughout the water sector;
- involve young professionals in a structured manner to develop their understanding of the long-term goals of the sector and the strategy being adopted to achieve them, starting with Operation Phakisa;
- facilitate the mobility of professional and technical staff across the water and sanitation sector to ensure their appropriate utilisation and placement;
- strengthen communication to build public awareness of the value of water and sanitation, to understand how the water sector works to achieve water security goals and the role that water users must play to support the sector's efforts.

## **CONCLUSION**

I know that this Programme of Action has come across as ambitious and audacious. Water is too important for us to be any less. We owe it to the millions in the country who currently don't enjoy full access to safe water and decent sanitation, we owe it to the thousands of folk in distressed municipalities, we owe to the hundreds of farmers who aren't able to make ends meet due to lack of water; and we owe to the future generations from whom we have borrowed future water security.

With your help and those of our partners locally and internationally – we will make this work. From this starting point, we will move forward and put South Africa back on track to achieve sustainable water security for our people and our economy. We will provide a model for national water security that will assist our colleagues on the African continent and the developing world that need it. Water and water management is everybody's business. Let us work together to ensure that we achieve our goals.

The Water and Sanitation Master Plan is a critical document that defines not just strategy, but will set expectations for various stakeholders and constituencies. In its current form, it is fit only as a basic intervention. However, it has to be more nuanced and sequenced, with clear time lines for certain targets and interventions. It also needs to speak clearly to the role of different stakeholders given the various challenges and government priorities we face. Further stakeholder engagement is needed, especially regarding the extra financial gaps which exist to make it fully achievable.

**WE HOLD THIS SACRED BELIEF THAT EVERYONE HAS THE RIGHTS TO WATER, DIGNIFIED SANITATION AND A HEALTHY ENVIRONMENT.**

**WE ALL BEAR THE RESPONSIBILITY TO PRESERVE AND PROTECT THE ENVIRONMENT FOR PRESENT AND FUTURE GENERATIONS**

**Ladies and gentleman, we depend on the cooperation of all spheres of Government, partnership with all stakeholders to ensure water security.**

**THIS IS A CALL TO ACTION. ASIBAMBISANANENI. LET US ALL WORK TOGETHER TOWARDS A**

**WATER WISE AND WATER SECURED COUNTRY**

**WATER IS A LIFE AND SANITATION IS DIGNITY**

**Thank You.**