



**water & sanitation**

Department:  
Water and Sanitation  
**REPUBLIC OF SOUTH AFRICA**



# WQM POLICIES AND STRATEGIES FOR SOUTH AFRICA *WP 10978*

## **Innovative Mechanisms**

T Reddy  
Pegasys  
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# THE FINANCIAL CHALLENGE

- Money required to fix things – that is the bottom line...
- We find ourselves in a developmental state with significant redress challenges
- Limited resources, fiscus is being squeezed
- We need other instruments to generate financial resources



# OPPORTUNITIES

- Water resources **crisis provides opportunity** to gain political will and momentum that can encourage further prioritisation of resources
- Influencing **government financing mechanisms** provides a critical means of enabling water quality action
- **Clean tech** supported by green economy initiatives and financing mechanisms provides targeted ways of reducing pollution at source
- Private sector has a crucial role to play in minimising its impacts on water resources, and collaborating through **water stewardship partnerships**
- **SDG processes and climate change funding** can support IWQM
- **Improving municipal grants** to consider WQ impacts
- **Asset registration and maintenance** for WWTW

# COSTS TO MANAGE THE RESOURCE



## **Water Resources Management Charges**

Cover the charges required to manage water resources within the nine water management areas determined in the NWRS-2

## **Water Resources Infrastructure Charges**

Charges relating to the development and use of waterworks, covering charges related to planning, capital costs, operation and maintenance, depreciation, and future infrastructure build on government water schemes.

## **Waste Discharge Mitigation**

Charges which cover the charging for discharge of water containing waste into a water resource or onto land

## **Water Research Commission Charges**

Paid into a national Water Research Fund and used by the WRC to fund water-centred Research and Development for South Africa.

## **Economic Regulation Charges**

Charges intended to fund the activities of the Economic Regulator

# WASTE DISCHARGE CHARGE SYSTEM



- Economic measure to
  - *improve water quality*
  - *achieve water quality objectives*
  - *through waste load reduction*
- Reduction either at source or in the resource
- Distinguish
  - *Cost recovery: Waste Mitigation Charge*
  - *Behavior changing: Waste Discharge Levy*



# WDCS: INTERNATIONAL INSIGHTS



- Demonstrated instrument for WQM
  - Theoretically sound and economically efficient
- Adaptive to Water Quality Objectives
  - Responsive to monitored conditions
- Simple Charge Rate System
  - Understandable and workable
- Increase gradually
  - Increases scheduled in advance
- Exclusion/simplification of NPS
  - Complexity/difficulty

# WDCS: INTERNATIONAL INSIGHTS



- Implement as part of broader WQ control
  - Facilitate compliance with clear objectives
- Institutional capacity
  - System should match capacity to implement
- Monitoring and enforcement
  - Regulatory support structures & peer monitoring
- Charge rebate system
  - Rebate of collection on actual discharge is effective
- Enforcement strengthened where local disbursement
  - Double benefit for using revenue for WQM

# WASTE MITIGATION CHARGE

- Integrated implementation with WD Levy
  - *When mitigation in the resource is cost effective*
- Based on registered load (charged on actual discharge load)
- Requires contractual arrangements
- Four types of mitigation measures



# WASTE MITIGATION CHARGE

## 1. Mitigation through removal of load

- *Regional mitigation scheme or infrastructure*
- *Regional mitigation project*

## 2. WR system management

- *Management of river-reservoir systems to reduce impact*

## 3. Mitigation to downstream users

- *Recovery of costs in developing and operating additional treatment*

## 4. Treatment of a particular source

- *Where effective for a single source to reduce load*

# WASTE DISCHARGE LEVY

- The main purpose of the Waste Discharge Levy is to **ensure the optimal use of the resource** for discharging or disposal of waste. It is therefore based on charging for the use of the resource rather than directly on recovering costs.
- Minimum charge rate required
  - *encourage dischargers to treat adequately to meet RQO*
- Charge based on monitored load
- Flat charge rate based on load
  - *Charge (R) = charge rate (R/tonne) x load (tonnes)*

# NEXT...



**How do we effectively and innovatively invest these financial resources to improve IWQM?**



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# Thank you

For more information, please refer to

<https://www.dws.gov.za/projects/iwqms/default.aspx>