**3. REPORT OF THE PORTFOLIO COMMITTEE ON WATER AND SANITATION OF THE WORKSHOP HELD ON 24-25 JANUARY 2017 DATED 29 NOVEMBER 2017**

**1. Introduction**

The Portfolio Committee on Water and Sanitation hosted a workshop on the 24-25 January 2017. Presentations by the Office of the Auditor-General and Statistics South Africa on 24 January 2017 provided insights to Members of the Portfolio Committee on the performance audit on water infrastructure of the Department of Water and Sanitation, November 2016. This audit was conducted in response to concerns raised by the National Treasury and the South African Local Government Association regarding the implementation and performance of the Department of Water and Sanitation’s (the Department) water infrastructure programme, particularly in respect to access to basic water.

Statistics South Africa) provided an overview of the Report of Statistics South Africa, entitled, “General Household Survey Series Volume VIII, Water and Sanitation”. The report provides an in-depth analysis of the General Household Survey 2002-2015 and provides national and geographical information on the following indicators and benchmarks which include: Access to improved drinking; water sources; Distance to water source; Access to improved sanitation; Bucket sanitation uses; Access to water inside dwellings and Access to improved drinking water.

On 25 January 2017, the Department of Water and Sanitation provided an overview of the rationale and purpose of drafting comprehensive Blue and Green Drop reports. The presenters noted that the Blue Drop Certification Programme is an incentive-based regulatory programme initiated in 2008. The programme seeks to amalgamate legal requirements and best practices within the domain of drinking water quality management towards sustainable improvement and includes implementation of risk management. The Green Drop Programme was initiated in 2008, with the first Green Drop report published in 2009. The Green Drop certification scheme is an incentive-based system that focuses on the entire wastewater business of water services institutions.

**2. Delegation**

Members

Mr M Johnson (ANC) (Chairperson); Mr HP Chauke (ANC); Ms Bilankulu (ANC); Ms H Kekana (ANC); Mr LJ Basson (DA); Dr H Volmink (DA); and Ms Khawula (EFF)

Staff

Mrs M Solomons (Committee Secretary); Ms S Dawood (Content Advisor); Mr T Manungufala (Committee Researcher); Ms Z Kula (Committee Assistant); Mr S Skosana (Language Practitioner); Mr R Molokoane (Language Practitioner); Mrs B Cele (Language Practioner) and Mr S Sithole (Language Practitioner)

**3. PRESENTATIONS BY THE OFFICE OF THE AUDITOR-GENERAL AND STATISTICS SOUTH AFRICA**

On 24 January 2017, the Office of the Auditor-General of South Africa provided an overview of its special report, entitled, “Performance Audit on Water Infrastructure at the Department of Water and Sanitation”, and Statistics South Africa presented on overview of its report, entitled, “GHS Series Volume VIII – In-depth analysis of the General Household Survey 2002-2015 and Community Survey 2016 data”.

**3.1 Office of the Auditor-General of South Africa**

The Auditor-General of South Africa, Mr Makwetu presented the report on the results of the performance audit on water infrastructure programme at the Department of Water and Sanitation (the Department). The programme is an indication of the country’s commitment to the Millennium Development Goals (MDGs) and to ensuring that all South African households have access to basic water.

The purpose of the AGSA’s report determines whether the water infrastructure programme was implemented effectively. To this end, AGSA focused on the planning, project management and implementation of projects of seven district of the 27 priority district municipalities, which fall in six of the nine provinces. The report outlines the analysis, findings, recommendations and conclusions of the Office of the Auditor-General of South Africa.

**3.1.1 Progress made in terms of water backlogs**

It was noted that South Africa has a historical backlog in terms of providing access to basic water, and that the number of national households increased from 8.6 million in 1994 to 15.8 million in 2015. During this time, the Department was able to increase the number of households with piped water from 4.8 million to 13.6 million. The AGSA’s findings were that the Department made significant progress on meeting the water backlog target but noted that the target of eradicating water backlogs was not met.

The key recommendation of the AGSA in terms of backlogs was that the Department should engage extensively with sector organisations including other national departments, water service authorities and National Treasury to secure resources, including funding to eradicate backlogs of households without access to water and meet the needs of new consumers.

**3.1.2 Extent to which grant funding meets the needs of municipalities**

The Department estimated that the 2014 replacement value of all water and sanitation infrastructure and associated services currently is at R1 220 billion. The National Investment Framework for the Water Sector set out the investment requirements for existing and new water infrastructure. It found that an annual investment of R67 billion was required as from 2012 to eradicate infrastructure backlogs over four years; and to implement large scale water resource projects over 10 years. Current provisions fall short of the actual requirement. Total government grant funding amounted to R33 billion in the 2011/12 financial year.

The Department found that municipal budgets could not meet the funding shortfall. The biggest concern related to municipalities that lacked necessary revenue stream to co-fund projects. Municipal revenue from the sale of water was R25.5 billion in the 2013/14 financial year. The Municipal Infrastructure Grant (MIG) is the largest capital grant which funds basic or social level infrastructure. This fund is managed through the Department of Cooperative Governance and Traditional Affairs with approximately 54% of MIG funding allocated for water and sanitation. Another grant is the Regional Bulk Infrastructure Grant, which was established as a funding mechanism and managed by the Department to develop new infrastructure as well as refurbish, upgrade and replace ageing infrastructure. The grant funds large scale regional bulk infrastructure projects across municipal boundaries.

By September 2015, nearly R15.2 billion had been spent on the programme with the bulk of the funding going to the Kwazulu Natal, Limpopo and Eastern Cape provinces, which had the highest number of backlogs. The Municipal Water Infrastructure Grant (MWIG) is a further grant mechanism which seeks to facilitate the planning, acceleration and implementation of various water infrastructure projects via the Department’s interim water supply programme which is a basic water supply to consumers. In order to receive funding, municipal projects need to be included in municipal integrated development plans (IDPs) and water service delivery plan and enter into a formal agreement with the Department. As of September 2015, R2 billion had been spent on this programme. Some of the key recommendations of the AGSA in respect of funding to municipalities include the following:

* Funding agreements between the Water Service Authorities (district municipalities) and Department should state clearly the amount that should be funded by each party on the project;
* The Department must ensure integrated planning in relation to funding arrangements for connecting the reticulation system to bulk water supply;
* The Department should have information on the funding allocations and model readily available for inspection; and
* The Department should have a funding strategy for all financial needs of new infrastructure and maintenance projects to avoid reliance on district municipalities to co-fund projects.

**3.1.3 Challenges facing department in its coordinating role in terms of infrastructure delivery**

Findings in the performance audit showed that the Department faced a number of challenges in its coordinating role in terms of infrastructure delivery. These challenges included project delays, poor performance of contractors, lack of internal capacity at municipalities to operate and manage infrastructure, lack of coordination of stakeholders on project delivery, lack of value chain-oriented planning and a growing concern over the internal capacity of the Department, water service authorities and water service providers.

The Office of the Auditor-General of South Africa recommended the following:

* The Department must implement a comprehensive plan to address these challenges;
* The Department should set measurable targets and effective internal controls to plan, implement and monitor activities throughout the water value chain; and
* The Department should actively pursue co-funding agreements with other role players, including water service authorities to meet its infrastructure needs such as operation and maintenance. The Department should furthermore aim to increase its budget expenditure on refurbishments and improvements to improve the condition of water assets.

**3.1.4 Planning of infrastructure projects**

On planning of infrastructure projects, the findings revealed that on certain projects, the scope was not well-defined and required extensions. Insufficient time for the preparation of projects led to the viability of certain design elements being inappropriately assessed. This gave rise to circumstances on site that could have been avoided had proper investigations at the planning stage taken place. Examples cited were that of the Ramotshere Moiloa rural water supply programme in the North West province, where the design elements were improperly assessed due to insufficient time dedicated to planning. Ground water quality tests were not performed before water was distributed to consumers and the implementation team failed to consider that there would be water infiltration or contamination, which could potentially alter the water quality.

Evidence further revealed a lack of planning for the delivery of different infrastructure components, which was, as a result of, limited integrated planning. Furthermore, it was found that ineffective planning by contractors in procuring imported materials required for construction led to programme delays. This was seen in examples of the Sinathumele Kutama in Limpopo, the Mokolo Crocodile water augmentation project in Limpopo and the Olifants water resource development in Limpopo.

**3.1.5 KEY COMMITTEE OBSERVATIONS**

Members engaged with the presentation by the Office of the Auditor-General and raised issues/questions on the following:

* The methodology used by the Office of the Auditor-General in this report;
* The requisite skills audit needed for infrastructure development in South Africa;
* The role of water authorities in infrastructure development and sustainability;
* The capacity of municipalities to operate and maintain infrastructure;
* The urgent need to cap budget on infrastructure projects;
* Handing over of the operation and maintenance and water treatment works and waste water treatments to water boards in instances where municipalities have demonstrated insufficient capacity to discharge that function;
* Capping of costs of infrastructure projects. A specific example of Clanwilliam Dam was used whereby it was noted that the budget had escalated from R2 billion to R4 billion and increasing annually;
* The need for increased integrated planning across departments and spheres of government;
* A more in-depth understanding of the value that is acquired from the monies spent;
* Increased harmonisation of monitoring and evaluation of projects; and
* The lack of planning and project management within the Department was identified as a key challenge.

**3.2 STATISTICS SOUTH AFRICA**

Statistics South Africa, led by Deputy Director-General, Ms Masiteng, presented its report entitled, “General Household Survey Series VIII: Water and Sanitation – In-depth analysis of the General Household Survey 2002-2015 and Community Survey 2016 data”. The report provides statistical data, nationally and provincially on access to water and sanitation by households in South Africa. The following thematic areas formed the basis of issues raised by presenters at the workshop:

**3.2.1 Access to improved drinking water sources**

Nationally, 92.5% of households had access to improved drinking water sources. Western Cape (99.4%), Free State (99.3%), Northern Cape (99.1%) and Gauteng (98.6%) reported almost universal access to improved drinking water sources. Even though Eastern Cape had the lowest percentages of households (75.7%) with access to improved drinking water sources, the province reported the largest percentage points increase from 2002, when 60.9% of households reported accessing improved drinking water sources.

The odds of households in Eastern Cape (3 227), KwaZulu-Natal (2 713), Gauteng (2 748), North West (1 317), Mpumalanga (1 567) and Limpopo (1 400) to access unimproved drinking water sources were greater than the odds of households in Western Cape. However, the difference was insignificant for the latter three provinces.

The odds of households in rural areas, non-metro, traditional and informal dwellings were respectively 2 664, 3 549, 2 495 and 1 594 times more than the odds of households in urban areas, metros and formal dwellings to access unimproved drinking water sources. Households living in O.R. Tambo (49%), Alfred Nzo (46%), Zululand (24%), Sisonke (23%) and Umkhanyakude (20%) still relied on ground water as a source of drinking water.

**3.2.2 Distance to water source**

It was reported that the percentage of households that lived more than 500 metres away from the outside yard dwelling water sources ranged from 15% to 18% between 2008 and 2015. During 2009, 88% of households resided less than 200 metres away from the outside-yard toilet facility, whereas in 2015, the percentage increased to 94%. Nationally, the percentage of households with access to municipal water increased from 84% to 86%, but the proportion of households, who reported interruptions over the 12 months before the survey, increased from 23.1% to 25.4% between 2009 and 2015. Payment for municipal water and those who rated municipal water as good declined during their respective reference periods.

**3.2.3 Access to improved access to sanitation**

Nationally, the percentage of households with access to improved sanitation facilities increased from 62.3% in 2002 to 80% in 2015. The majority of households in Western Cape (93.3%) and Gauteng (91%) had access to improved sanitation facilities, while about half of those in Limpopo (54%) and just below two-thirds of those in Mpumalanga (65.8%) had access to improved sanitation facilities. It is notable that access to improved sanitation facilities grew most rapidly in Eastern Cape (+48.2 percentage points) between 2002 and 2015.

Households in the wealthiest income had greater access to improved sanitation facilities than households in the poorest income quintile. The metros with the highest percentage of households with access to improved sanitation facilities were the City of Johannesburg (96.9%), Nelson Mandela Bay (94.6%) and the City of Cape Town (91.8%). The metros with the lowest percentages of households with access to improved sanitation facilities were the City of Tshwane (82%) and eThekwini (83.5%). The odds of households in the other eight provinces to have access to unimproved sanitation facilities were greater than the odds of households in Western Cape.

Urban households (30%) were more likely to share toilet facilities than rural households (16%). More than two-thirds (68%) of households living in informal dwellings shared toilet facilities as compared to nearly a fifth (19%) of households in formal dwellings and 12% of households living in traditional dwellings.

**3.2.4 Bucket sanitation usage**

Nationally, 1.2% of households reported using the bucket toilet system. Western Cape (4%) recorded the highest percentage of households using the bucket toilet system followed by Free State (2.7%) and Northern Cape (2.4%). As many as 6.8% of households living in informal dwellings reported using the bucket toilet system. Using either Community Survey 2016 or General Household Survey 2015 data, households who lived in Buffalo City, eThekwini and the City of Tshwane were least likely to use the bucket toilet system. Nationally, 4% of households still practise open defecation, and these percentages were even higher for traditional households (12.1%) and informal households (10.3%). Households in Buffalo City were more likely to practise open defecation than households in other metros.

**3.2.5 Access to water inside dwellings**

It was reported that very high proportions of households who had access to water either inside their dwellings, off-site, or on-site, were reported in Western Cape (99.2%), Gauteng (97.7%), Northern Cape (96.5%) and Free State (96.1%). Since 2002, the percentage of households in Eastern Cape with access to water increased by 19 percentage points to 75%. By contrast, the percentage of households with easy access to water (as defined above) in Eastern Cape declined from 80.5% to 75% between 2013 and 2015. As a result, Eastern Cape was rated as the province in which households had the poorest access to water in 2015.

Nearly four-fifths of households whose main source of drinking water was supplied by municipalities in Western Cape had access to piped water in the dwelling/house. Sixty-five per cent of households had access to piped municipal water in the dwelling/house in Gauteng. More than a third of households in Eastern Cape (35.4%) and slightly less than a third of households in Limpopo (30.3%), whose main source of drinking water was supplied by municipality, had access to public or communal taps. Nearly a fifth of households whose main source of drinking water was supplied by municipalities in Northern Cape (19.2%), KwaZulu-Natal (18.9%) and North West (17.2%) had access to public or communal taps.

**3.2.6 Access to improved drinking water**

Four-fifths of rural households had access to improved drinking water sources in the country during 2015. Slightly more than half of rural households in Eastern Cape (51.8%) had access to improved drinking water sources in 2015. The number for Eastern Cape rural households was the lowest in the country, followed by rural households in KwaZulu-Natal (72.8%).

**3.2.7 KEY COMMITTEE OBSERVATIONS**

Members engaged with the presentation by the Office of the Auditor-General and raised issues/questions on the following:

* The funding model used by the Department of Water and Sanitation as it relates to the Bucket Eradication Programme, given the escalating costs at different stages of the Programme;
* Lack of capacity within municipalities to discharge their responsibilities as water service authorities as well as to operate and maintain water and sanitation infrastructure; and
* The linkages between the results and the health implications of poor drinking water quality resulting in deaths due to diarrhoea.

The World Health Organisation sets minimum standards for quantity of safe drinking water between 20-40 litres per person per day. The Department of Water and Sanitation sets this figure at 25 litres per person per day, and also monitors the extent to which these minimum standards are adhered to.

**3.3 SUBMISSIONS BY THE DEPARTMENT OF WATER AND SANITATION ON FINDINGS OF THE BLUE AND GREEN DROP REPORTS**

On 25 January 2017, the Department of Water and Sanitation provided an overview of its findings in respect of assessing water quality and efficacy of wastewater treatment works in municipalities in South Africa.

**3.3.1 BLUE DROP REPORT**

The Department of Water and Sanitation led by Mr Anil Singh presented the Blue Drop report to the Committee.

The Department reported that the Blue Drop Certification Programme was an incentive-based regulatory programme initiated in 2008 which seeks to amalgamate legal requirements and best practices within the domain of drinking water quality management towards sustainable improvement. It includes implementation of risk management. In spite of relatively good performance since inception, challenges remain in the following areas, namely, process controlling with insufficient skilled process controllers and many vacancies; and a second issue related to monitoring which focused on inconsistent and insufficient monitoring which compromised good performance and lack or limited data uploading on the Blue Drop system. Furthermore, water services institutions are not always sufficiently prepared for adverse incidents and there is a lack of investment on infrastructure as well as vandalism of infrastructure.

Blue Drop Assessment criteria include water safety planning, process management and control, drinking water quality verification, management and accountability and local regulation, water use efficiency and loss management. All these assessment criteria carry different weightings and individual key parameters by which they are measured.

National trends since the inception of the Blue Drop reveal that the national Blue Drop score has decreased since the inception of the Blue Drop in 2009. The number of water service authorities has remained the same, the number of systems assessed has steadily increased from 402 in 2009 to 2036 in 2014 and the number of Blue Drop status awarded has decreased from 98 in 2012 to 44 in 2014. The provincial Blue Drop performance is reflected as follows in the table below:

|  |  |
| --- | --- |
| **Province** | **Provincial Blue Drop Score** |
| **Gauteng** | 92% |
| **Western Cape** | 89% |
| **KwaZulu Natal** | 86% |
| **Free State** | 75% |
| **Eastern Cape** | 72% |
| **Mpumalanga** | 69% |
| **Northern Cape** | 68% |
| **North West** | 63% |
| **Limpopo** | 62% |

The provinces which have systems in the critical risk category include Eastern Cape, KwaZulu Natal, Limpopo, Mpumalanga and North West. The Blue Drop Risk Rating (BDRR) serves as a precautionary tool for water service authorities to implement strategic and operational decisions to improve service delivery or to mitigate identified risks. It is not to be confused with the Blue Drop Status which cannot be achieved without the requirements of the BDRR (water safety planning, technical skills, and drinking water quality compliance).

The Department reported that the decline of systems moving out of critical risk category is encouraging, although there is a decline in systems achieving Blue Drop status. The Department noted that the following interventions should be prioritised by Water Service Authorities, namely:

* Monitoring and data uploading to be prioritised and aligned;
* Implement water safety planning;
* Improve compliance of final water;
* Source relevant technical skills;
* Operational capacity within treatment plants need focussed attention;
* Infrastructure asset management; and
* Enhancement of funding to address operation and maintenance and related financial investment aligned to technology in use and infrastructure.

**3.3.2 Green Drop Report**

The Green Drop process, initiated in 2008, measures and compares results of the performance of Water Service Institutions (WSIs) and subsequently, rewards or penalises the institution upon evidence of their excellence or failures according to the minimum standards or requirements that are defined. The Green Water Services Audit and Progress Assessment Tool (PAT) are the tools whereby incentive and risk based regulation is conducted in South Africa. The Green Drop regulation programme is an Incentive Based Regulation. The programme seeks to identify and develop the core competencies required for the sector, which if strengthened, will gradually and sustainably improve the level of wastewater management in South Africa. Green Drop audits and certification takes place every second year using the full set of Green Water Services Audit (GWSA) criteria to assess performance of waste water system. Progress assessments takes place during the Green Drop ‘gap’ year using PAT to assess the cumulative risk status of treatment systems.

Audits were conducted for 152 Water Service Authorities (WSA or municipalities) in the nine provinces of South Africa with 824 Waste Water Treatments Works (WWTW) assessed in the municipal sector and four WWTW for private systems, with a further 13 for the Department of Environmental Affairs within the Kruger National Park.

Criteria for risk based regulation includes design capacity, operational flow, effluent failure and technical skills. The overall risk profile of WWTW plants remained reasonably constant over the period 2008-2013. It was noted that regress in the performance of municipal treatment facilities was evident from 2014. The lack of incentive (non-recognition of best performers due to the non-release of the 2013 Green Drop report) contributed towards the regression. Results indicated that despite significant regulatory pressure, processes or evidence are still lacking in terms of in-flow and or effluent quality monitoring.

In terms of the 2014 National Risk Profile, the majority of plants (259) are in high and medium risk (218) with 212 plants in critical risk and 135 plants in low risk. The plants which regressed by taking up increased risk ratios will be placed under surveillance, and continuously monitored for implementation of corrective interventions and risk mitigation measures.

The challenges noted by the Department showed that the 2015 Green Drop Assessment were not conducted due to delayed approval to advertise tender for appointment of PSP Professional Service Provider (PSP) . There was further a lack of capacity within the Department to internally undertake the assessments. The delayed release of the Green Drop report leads to lack of trust from the Water Service Authorities and is an institutional risk. In terms of the Water Service Authorities, challenges related to process controlling in respect of high vacancies and insufficient skilled process controllers were identified. In terms of monitoring, inadequate data uploading on Green Drop System resulted in misleading data on compliance. Furthermore, Water Service Institutions lack minimal maintenance of sewer pump stations due to lack of investment on infrastructure. Vandalism of infrastructure remains a significant challenge.

The following recommendations formed part of the report to address the sustainability of wastewater infrastructure:

* That the Water Service Authorities needed to prioritise implementation of risk based action plan that would start to identify and address the most critical risks pertaining to wastewater treatment performance;
* Installation of meters for inflow measurement;
* Undertake process audits to determine priority infrastructure interventions;
* Training and appointment of process controllers to meet minimum level of technical and supervisory expertise;
* Infrastructure asset management for optimal Waste Water Treatment Works and pump-stations performance;
* Focussed attention on sludge management;
* Release of the Green Drop Report to encourage data submission; and
* Explore opportunities for mutual partnerships with the private sector such as water stewardship

**3.3.4 KEY COMMITTEE OBERVATIONS**

Members engaged with the presentation by the Department of Water and Sanitation and raised issues/questions on the following:

* Of the 177 vacant Blue Scorpions posts, only 85 are filled with some provinces having no Blue Scorpions deployed at all. Furthermore, within that unit there is limited environmental inspectors;
* It was noted that the data uploading of the Blue Drop reports was outsourced as there is insufficient capacity within the Department to do the assessments. Budgetary constraints and delays in the appointment of service providers has resulted in delays in the issuing of Blue Drop reports. The issuance of these reports serves as an incentive for municipalities to perform well;
* The greater need for surveillance of plants and systems which are within the critical risk category;
* The high proportion of plants and systems at critical risk are indicative of the lack of capacities of municipalities to operate and maintain this infrastructure. There needs to be serious interventions in this regard and a possible amendment to legislation, which allows Water Boards to take over these functions in instances where municipalities have not demonstrated the capacity to do so;
* In terms of the Blue Drop status, eight of the nine provinces are in decline. There needs to be a change by the Department to change this from an incentives-based approach to start penalising those municipalities who not performing and polluting water sources due to dysfunctional waste water treatment plants;
* The number of plants and systems at critical risk is too high and serious interventions needs to be instituted to facilitate a turnaround;
* The Department provided conflicting reasons for the delays of the issuance of the Blue Drop reports, ranging from capacity to budgetary constraints. These issues need to be addressed; and
* A need to greater tightening of mechanisms to penalise municipalities who are contaminating water sources and which are not properly managing or maintaining water treatments works and waste water treatment plants.

**4. CONCLUSION AND RECOMMENDATIONS**

The centrality of the use of numerical data, performance audits, measurement and comparison of results during the above-mentioned presentations reflect the demand by policy makers and legislators for better, more diversified and detailed statistical data and information to demonstrate progress against targets, and also to plan and monitor the implementation and success of policy development to achieve the targets. This was evidenced in the report of the Office of the Auditor-General; Statistics South Africa and the compilation of reports (Blue and Green Drop) by the Department of Water and Sanitation on water quality and the efficacy of wastewater treatment works, whereby the effectiveness or failure of policy and the efficiency of operations of governments and businesses depend on access to timely and reliable data and information.

The study by the Office of the Auditor-General, entitled, “Performance audit on water infrastructure at the Department of Water and Sanitation”, reflected an examination of whether government undertakings, programmes, systems, activities or organisations are performing in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement[[1]](#footnote-1).

Members of the Portfolio Committee on Water and Sanitation, in appraising the value of the presentations, noted the importance of statistical data and audits to assist policy determination, which is most useful for the citizens of the country. It is within this framework that the Portfolio Committee agreed with the recommendations proffered by the Office of the Auditor-General, Statistics South Africa and the Department of Water and Sanitation. These recommendations are highlighted above.

In addition to recommendations proffered by the stakeholders at this particular workshop, the Portfolio Committee further **recommended** that:

**Presentations by the Office of the Auditor-General and Statistics South Africa**

4.1 Importance be attached to the oversight value of performance auditing, by AGSA to Parliament, which can be used as a benchmark in tracking effective water infrastructure development:

* + Procuring resources of the right quality in the right quantities at the right time and place at the lowest cost (economy);
	+ Achieve the optimal relationship between the output of goods, services or other results and the resources used to produce them (efficiency); and
	+ Achieve policy objectives, operational goals and other intended effects (effectiveness)[[2]](#footnote-2).

4.2 A performance audit be undertaken on the escalation of project costs to the raising of the Clanwilliam Dam wall as costs escalated from R2 million to R4 million over a period of two years;

4.3 The funding of capital projects by municipal grant funding requires a reassessment of funding sources, including loan funding and funding by beneficiaries. The lack of funding was due to inadequate planning and project management. This had an impact on the capacity of municipalities to operate and maintain infrastructure;

4.4 The Department of Water and Sanitation conduct an audit on all infrastructure and the capacity of certain municipalities to undertake large water and sanitation infrastructure in respect to sustainable operations and maintenance. There was a need to look at whether Water Boards in relevant municipalities could not take over the management of bulk water infrastructure;

4.5 The Portfolio Committee requests further studies be undertaken on the harmonisation of monitoring and evaluation processes within the Department to ascertain whether the requisite skills for water infrastructure development in South Africa is adequate or whether increased skills were needed to deal with the meshwork of water governance, which existed within a horizontal and vertical governance frameworks;

4.6 More work needed to be undertaken by National Treasury on the efficacy of the spend of the Municipal Infrastructure Grant;

4.7 That Statistics South Africa re-look at the depiction of predictors in its study and recommended that Statistics South Africa report the logistic regression in decimal points for the predictors. Furthermore, a need existed of incorporating other factors (health) and outcomes, which would provide the Portfolio Committee with an accurate representation of the impact of water in the country;

4.8 The Department of Water and Sanitation provide the Portfolio Committee with a progress report on its Master Plan, as the Plan is a blueprint for the implementation and improvement of water valuation;

4.9 The Department of Water and Sanitation to provide the Portfolio Committee with a progress report on the funding for the bucket eradication programme;

4.10 A progress report to be submitted to the Portfolio Committee by the Department on its review of the Free Basic Water Policy;

**Blue and Green Drop Report**

4.11Detailed progress reports on a number of issues relating to the Blue and Green Drop Report be provided to the Portfolio Committee. These included:

* The timeframes in relation to the recommendations made by the Department in respect of installation of in-flow metres;
* On plants that regressed which would be placed under surveillance and continuously monitored; and
* Increased capacity for the full functioning of regulatory mechanisms, such as the Blue Scorpions.

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Statistics South Africa, General Household Series Volume VII – Water and Sanitation: In-depth analysis of the General Household Survey 2002 – 2015 and Community Survey 2016 data

Department of Water and Sanitation, Presentations on Blue and Green Drop Reports, 25 January 2017

1. Auditor-General South Africa, 2016, “Performance audit on water infrastructure at the Department of Water and Sanitation. [↑](#footnote-ref-1)
2. Auditor-General South Africa, 2016, “Performance audit on water infrastructure at the Department of Water and Sanitation. [↑](#footnote-ref-2)