

WATER RESEARCH
COMMISSION
ANNUAL PERFORMANCE
PLAN
2023/24



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PLAN**

2023/24

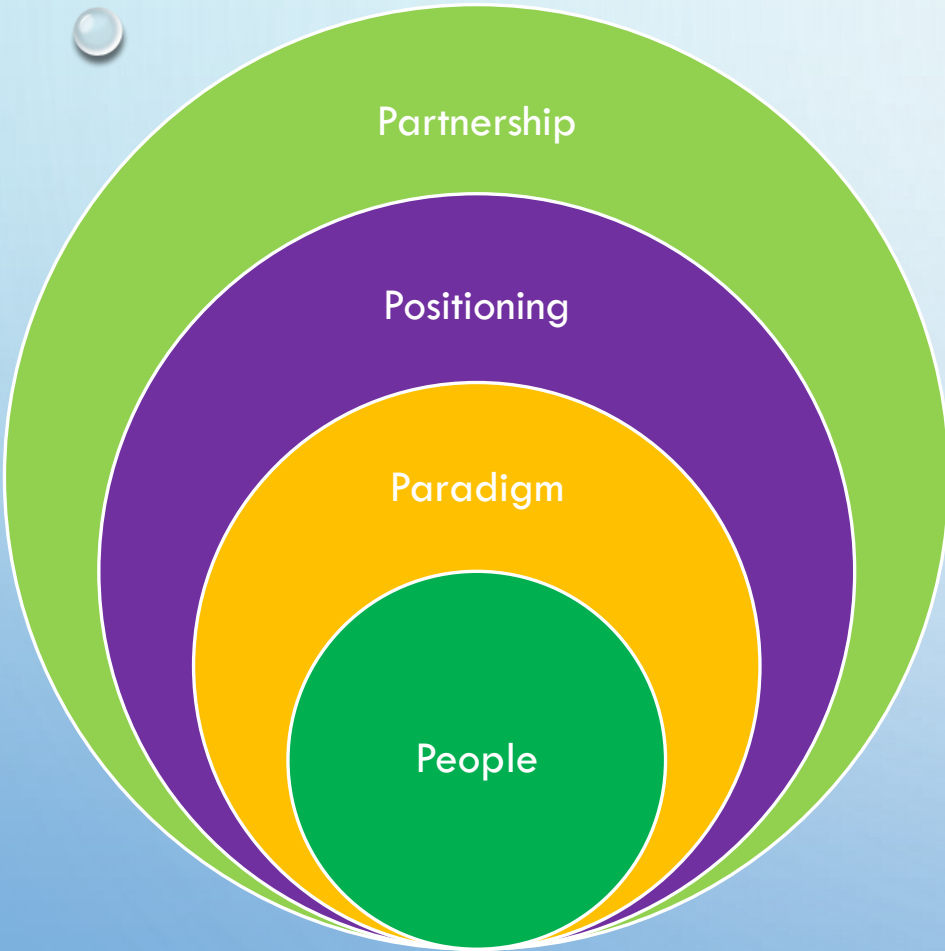


Water Research Commission's Mandate

The legislative environment, policies and frameworks of Government, which among others provide developmental priorities for the country and the water sector in particular are a strategic impetus for the Water Research Commission (WRC). Key legislation and policy mandates relevant to functioning and delivery of the WRC mandate are as follows:

- ❖ **Constitutional mandate**
- ❖ **Water Research Act, 1971 (Act 34 of 1971)**
- ❖ **Public Finance Management Act, 1998 (Act 1 of 1998)**
- ❖ **National Water Act, 1998 (Act 36 of 1998)**
- ❖ **Water Services Act, 1997 (Act 108 of 1997)**
- ❖ **Water Research Amendment Bill**
- ❖ **National Water Resource Strategy³**
- ❖ **National Development Plan, 2030**
- ❖ **National Water and Sanitation Masterplan**
- ❖ **African Union, Agenda 2063**
- ❖ **United Nations Sustainable Development Goals**
- ❖ **Presidential Commission on the Fourth Industrial Revolution**
- ❖ **Economic Reconstruction and Recovery Plan**
- ❖ **White Paper on Science, Technology and Innovation 2019**

Strategic Focus



The WRC's performance environment is created on the premise that the crux of the water and sanitation challenge in South Africa is a capacity and capability challenge which requires evidence-based and scientific decision making. The three dimensions addressed by the WRC include new knowledge, human capital, and technological solutions through; funding and facilitation of water RDI; knowledge generation and dissemination and the translation of research and innovation products for the advancement of national water security. The recipients of this knowledge may be HEIs, science councils, or private agencies/contractors, as well as the various tiers of government.

Strategic Focus- External & Internal Factors

External Factors

The outcome of an external environmental analysis is identification of strategic capabilities and external considerations that may affect mandate delivery. The impact of these external factors is immense to the 7 industry drivers of sectors, are disruptive to current business models and the water sector and the WRC are no exception. The external environmental analysis was organised across the following key dimensions:

- ❖ **Climate Change**
- ❖ **Fourth Industrial revolutions in the water sector**
- ❖ **A new Societal deal**
- ❖ **State of the South African water research enterprise**
- ❖ **State of the South African Water resources and services**
- ❖ **The South African Economic environment**

Internal Factors

The outcome of the internal environment is identification of core competencies and a focus on addressing critical internal vulnerabilities to build an effective water research institution. The internal environmental analysis is organised among the following dimensions:

- ❖ **Resourcing of the water research mandate**
- ❖ **Information and Communication Technology**
- ❖ **Organisation and culture**
- ❖ **Organisational Structure**

Institutional Programme Performance Information

The optimal operating model design was utilized to organize organizational capabilities into a programme structure to implement strategy as follows:

- Programme 1: Administration and Governance, aligned to outcome 1;
 - Programme 2: Corporate Services, aligned to outcome 1
 - Programme 3: Finance, aligned to outcome 2;
 - Programme 4: Research and Innovation, aligned to outcome 3, 4 and 5;
- and
- Programme 5: Knowledge and Stakeholder Engagement, aligned to outcome 3, and 5.

Purpose

To support the business of the WRC in terms of planning, risk management, assurance services, governance structures and setting of appropriate parameters for organisational performance.



Outcome 1



Efficient & Engaged Organisation

**Programme 1:
Administration
and Governance**

Purpose

Addresses organisational transformation and focus on the enhancement of effective leadership and an improved level of staff performance and empowerment of communities as active participants in research projects



Outcome 1



Efficient & Engaged Organisation

**Programme 2:
Corporate Services**

Purpose

Executes two competencies being financial management and supply chain management that provides support services to the WRC operations



Outcome 2



Financially Sustainable Organisation

**Programme 3:
Finance**

Purpose

Focuses on the generation of new knowledge and innovation, as well as the mechanisms needed to support this, such as continuously building human capital and the cohort of skills required to support sustainable water management.



Outcome 3,4,5



3- Innovation driven Water Sector
4- Empowered & Influenced Stakeholders
5-Adaptation & Resilience

**Programme 4:
Research
&
Innovation**

Purpose

Collaborative partnerships and stakeholder engagement (both local and international) are not only aimed at extending the WRC footprint and profile, but also to enhance the impact of WRC knowledge & innovation products through the multiplier effect. Awareness and access to credible research and innovation products and solutions relevant to the world's water challenges will lead to improved decision making, and uptake within the water sector.



Outcome 3, 4 & 5



- 3- Innovation driven Water Sector
- 4- Empowered & Influenced Stakeholders
- 5-Adaption & Resilience

Programme 5: Knowledge and Stakeholder Engagement

WRC Annual Targets

Outcome	Output	Output indicators	Annual targets		
			Estimated performance		
			2023/24	2024/25	2025/26
Outcome 1: Efficient and engaged organisation	Employee development	Percent implementation of employee development programmes	5% of development plans implemented	20% of development plans implemented	40% of development plans implemented
	Optimal technology capabilities	Implemented enterprise architecture	Enterprise architecture assessment and roadmap development	Enterprise architecture roadmap implementation	Enterprise architecture roadmap implementation
	Effective ICT governance	Implemented ICT governance architecture	ICT governance assessment and roadmap development	ICT governance roadmap implementation	ICT governance roadmap implementation
	Effective B-BBEE governance	<i>Development & Implementation B-BBEE governance strategy</i>	B-BBEE governance assessment and roadmap development	B-BBEE governance roadmap implementation	B-BBEE governance roadmap implementation
Outcome 2: A financially sustainable organisation	Cost control	Working ratio	80%	80%	80%
	Solvency	Current ratio	1,5:1	1,5:1	1,5:1
	Partnerships/collaboration	Number of new <u>partnership</u> agreements with associated Leverage Funding	4	5	5

WRC Annual Targets

Outcome	Output	Output indicators	Annual targets		
			Estimated performance		
			2023/24	2024/25	2025/26
Outcome <u>3:Innovation</u>	Water research data observatory	Water research data observatory implemented	Data observatory plan and table of contents completed	Data portal in test mode	Data portal approved for launching
driven water sector	Technologies demonstration	Percent of the listed innovations demonstrated	0% (Listing of produced innovations)	30% of listed innovations demonstrated	70% of listed innovations demonstrated
	Technology transfer	Percent of produced Innovations transferred to stakeholders	5% of produced innovations transferred	10% of produced innovations transferred	20% of produced innovations transferred
	Stakeholder engagement	Satisfactions index from annual survey of prioritized stakeholders	60% Satisfaction index	70% Satisfaction index	80% Satisfaction index
Outcome <u>4:Empowered and influenced stakeholders</u>	Science communication	Number of new water science publications disseminated <u>to</u> the public	3	4	5
	Human Capacity Development	Number of candidates supported for capacity enhancement (bursaries and other financial support)	200	250	250
		Number of new co-hosted training programmes	3	3	3
	Knowledge dissemination	Number of special publications based on topical water themes	5	5	5
Outcome 5: Adaptation and resilience	High impact publications and knowledge products	Percent of Resilience products produced to total number of completed projects.	50% of products identified.	50% products identified and listed	50% of the RDI products available for use by the sector
	High impact publications and knowledge products	Percent of Adaptation products produced per total number of completed projects.	30% of products identified.	30% products identified and listed	30% of the RDI products available for use by the sector

WRC Quarterly Targets

Output indicators	Annual Target 2023/24	Quarterly Targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percent implementation of employee development programmes	5% of development plans implemented	Development of plans	Development of plans	Implementation of plans	5% of development plans implemented
Implemented enterprise architecture	Enterprise architecture assessment and roadmap development	Enterprise architecture assessment	Enterprise architecture assessment	Enterprise architecture assessment	Development of architecture roadmap
Implemented ICT governance architecture	ICT governance assessment and roadmap development	ICT governance assessment	ICT governance assessment	ICT governance assessment	Development of architecture roadmap
Working ratio	80%	80%	80%	80%	80%
Current ratio	1,5:1	1,5:1	1,5:1	1,5:1	1,5:1
Number of new partnership agreements with associated Leverage Funding	4	Partnership negotiations	Partnership negotiations	4	4
Water research data observatory implemented	Data observatory plan and table of contents completed	Development of data observatory plan and contents table	Development of data observatory plan and contents table	Development of data observatory plan and contents table	Completed data observatory plan and contents table
Percent of the listed innovations demonstrated	(0%) Percent of the listed innovations demonstrated	Development of listed demonstrated innovations	Development of listed demonstrated innovations	Development of listed demonstrated innovations	(0%) Listing of demonstrated innovations
Percent of produced Innovations transferred to stakeholders	5% of produced innovations transferred	Engagement with stakeholders on technology transfers	Engagement with stakeholders on technology transfers	Engagement with stakeholders on technology transfers	5% of produced innovations transferred

WRC Quarterly Targets

Output indicators	Annual Target 2023/24	Quarterly Targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Satisfactions index from annual survey of prioritized stakeholders	60% Satisfaction index	Carry out stakeholder engagement activities	Carry out stakeholder engagement activities	Perform a stakeholder satisfaction survey	60% Satisfaction index
Number of new water science publications disseminated to the public	3		1 Publication		2 Publications
Number of candidates supported for capacity enhancement (bursaries and other financial support)	200		100		200
Number of new co-hosted training programmes	3		1 co hosted programme		3 co hosted programmes
Number of special publications based on topical water themes	5		2 special publicaitons		3 special publicaitons
Percent of Resilience products produced to total number of completed projects.	50% of products identified.	Implementation and identification of projects	Implementation and identification of projects	Implementation and identification of projects	50% of products identified.
Percent of Adaptation products produced per total number of completed projects.	50% of products identified.	Implementation and identification of projects	Implementation and identification of projects	Implementation and identification of projects	30% of products identified.

Total Revenue Budget

Description	Budget - 2023/2024	Budget - 2024/2025	Budget - 2025/2026	Budget - 2026/2027	Budget - 2027/2028
Levy income	301,393,359	316,463,027	331,037,103	345,867,565	361,362,432
Leverage income	104,370,267	74,706,759	82,177,435	90,395,179	94,444,883
Interest received	7,407,886	7,737,537	8,084,179	8,446,350	8,824,747
Other income	290,159	303,071	316,649	330,834	345,656
Total income	413,461,671	399,210,395	421,615,366	445,039,928	464,977,717

WRC Programme Financial Considerations

Revenue

Levy income:

- The WRC derives its primary income from the WRL payable by the Department of Water and Sanitation (DWS) and Waterboards.
- The WRL is governed by a signed Memorandum of Agreement in which the DWS undertakes to pay a monthly amount for water research levies.
- The levy income budget is based on an assessment of the historical water sales volumes received from the waterboards and includes a 5% proposed levy increase for 2023/2024 and 2024/2025 and thereafter an increase of 4,48%, in line with the National Treasury inflation rate guidelines.

Leverage income:

- Leverage income is earned based on funding partnership agreements entered into with external funders.
- The leverage income forecasts for the 2023/24 financial year is supported by detailed budget business plans that are underpinned by funding agreements which are signed or in the process of being signed.
- The leverage income forecasts for the 2024/25 financial year and beyond are less certain as there are no guarantees regarding availability of funds from research partners and other research institutions.

Investment income:

- Investment income arises from interest that the WRC earns on the cash resources held and is not a primary source of income.
- Investments income is expected to increase in line with the amount of anticipated cash holdings throughout the medium term.

Total Expenditure over Medium-Term

Description	Budget estimates - 2023/2024	Budget estimates- 2024/2025	Budget estimates - 2025/2026	Budget estimates- 2026/2027	Budget estimates- 2027/2028
Fixed costs	13,408,583	14,393,093	15,451,441	16,589,196	17,862,350
Running costs	26,265,194	16,936,034	17,371,020	18,402,968	18,906,581
Human resource costs	140,261,169	149,599,638	161,649,235	175,031,857	189,599,475
Research, development and innovation costs	222,445,780	211,104,998	219,596,911	224,891,415	230,994,654
Corporate expenses	3,160,191	3,300,819	3,461,414	3,623,331	3,792,969
Capital expenditure	7,920,754	3,875,813	4,085,345	6,501,162	3,821,688
Total expenditure	413,461,671	399,210,395	421,615,366	445,039,928	464,977,717

WRC Programme Financial Considerations

Expenditure

- The expenditure over the medium term is expected to increase year on year in line with the National Treasury inflation outlook guideline over the five-year period (2023/2024 to 2027/2028), except where increases are stipulated in agreements.
- The increase in running costs during for the 2023/2024 financial year, relates to the implementation of the WRC's Digital Transformation Strategy. These cost are only expected to be incurred in the 2023/24 financial year.
- The human resources budget took into account the annual cost of living increases and performance adjustments in accordance with WRC's remuneration policy.
- RDI costs is the funding allocated to the core business/mandate of the WRC. Fluctuations in the RDI costs from year to year is directly associated with the fluctuations in anticipated leverage income for that year. An increase in leverage income will result in an increase in RDI costs.
- Capital expenditure fluctuates year on year based on the needs of the organisation.

Key Risks & Mitigation

The approach to risk management assumed an integrated Enterprise Wide Risk Management which incorporates internal controls into the entire risk management process. The risk management process is premised on a notion that the WRC provides value to its Stakeholders. Risks identified will enable the WRC to effectively mitigate against any events that may impede achievement of the WRC strategy, effectively deal with uncertainty, associated risks and opportunities.

Outcome	Strategic risk	Risk mitigation
Outcome 1: Efficient and engaged WRC	Disgruntled employees	<ul style="list-style-type: none"> • Training and consultation of policies and processes • Timeous feedback and communication
	Outdated digital tools of trade	<ul style="list-style-type: none"> • Implementation of the ICT strategy to enable employees to executive their task under the new normal
Outcome 2: A financially sustainable organization	Reduced revenue base	<ul style="list-style-type: none"> • Leverage funding through partnerships and MoUs • Implementation of the WRC rates for projects.
Outcome 3: Innovation Driven Water Sector	Stakeholders separated from research, development and innovation offering of the WRC	<ul style="list-style-type: none"> • Conduct provincial stakeholder roadshow engaging different stakeholders • Young water sector research program • Transfer of WRC products to benefit communities • Initiate joint RDI initiatives with stakeholders in the water sectors.
Outcome 4: Empowered and influenced stakeholder	Reputational damage from unrealistic expectations	<ul style="list-style-type: none"> • Communicate the WRC message t all stakeholders in a fit for purpose manner • Respond to future and current research needs • Engage stakeholders on issues of concern. • Initiate joint programs with stakeholders for easy knowledge and innovation uptake. • Nurture and improve working relations with DWS and other knowledge users.
Outcome 5: Water Security adaptation and resilience	Research output that are not responsive to climate change impacts	<ul style="list-style-type: none"> • Tailor research, development, and innovation to respond to current and future climate change impacts <ul style="list-style-type: none"> • Water resources and ecosystem • water use for agriculture • water use and sanitation future • business development and innovation

THANK YOU



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