

120424 SELAND



Select Committee: Land and Environmental Affairs

Department of Water Affairs APP 2012/13

Director-General's Overview
Mr Maxwell Sirenya



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REPUBLIC OF SOUTH AFRICA



PRESENTATION OVERVIEW

- Value Chain (Water management)
- Overview of the functions and Structure
- What does the Department Do?
- Strategic Overview
 - Vision, Mission & Values
 - Strategic Goals & Objectives
- ENE allocation per programme
- Progress on MDGs

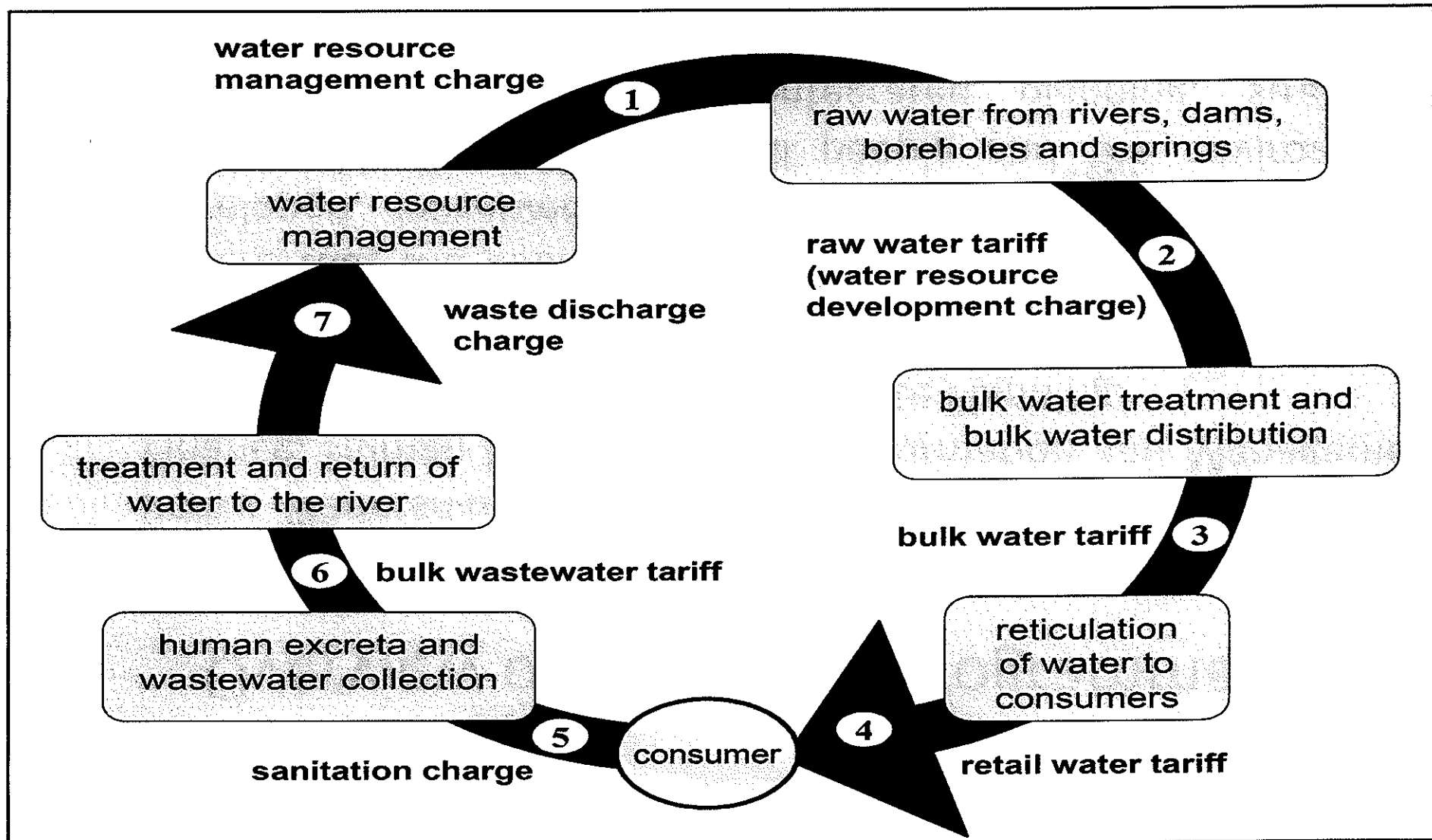


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Example: Managing Water along the Value Chain (Municipal Sector – also applicable to other Sector value chains)





Overview of Functions/Programmes

- **Administration:** The purpose of the programme is to provide policy leadership, advice and core support services, including Finance, Human Resources, Legal, Information and Management Services, Communication and Corporate Planning.
- **Water Sector Management:** The purpose of the programme is to ensure that the country's water resources are protected, used, developed, conserved, managed and controlled in a sustainable manner for the benefit of all people and the environment, through effective policies, integrated planning, strategies, knowledge base and procedures.



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Overview of Functions/Programmes

- **Water Infrastructure Management:** The purpose of the programme is to ensure a reliable supply of water from bulk raw water resources infrastructure, within acceptable risk parameters to meet sustainable demand objectives for South Africa. Solicit and source funding to implement operate and maintain bulk raw water resources infrastructure in an efficient and effective manner by strategically managing risks and assets.
- **Regional Implementation and support:** The purpose of the programme is to coordinate implementation of the Department's strategic goals and objectives at the regional level, including the establishment of water resource management institutions. It facilitates water conservation and demand management and access to water infrastructure by communities.



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Overview of Functions/Programmes

- **Water Sector Regulation:** The purpose of the programme is to ensure the development, implementation, monitoring and review of regulation across the water value chain in accordance with the provisions of the National Water Act (Act No.38 of 1998) and the Water Services Act (Act No. 108 of 1997).
- **International Water Co-operation:** The purpose of the programme is to strategically develop, promote and manage international relations on water resources between countries through bilateral, and multilateral cooperation instruments and organisations. A further aim is to drive national interest in both Africa multilateral and global multilateral organisations and fora.



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ENE PROGRAMME STRUCTURE VS ORGANOGRAM

ENE PROGRAMME STRUCTURE	ORGANOGRAM / MACRO STRUCTURE
PROGRAMME 1: ADMINISTRATION	Minister, Deputy Minister and Office of the DG Branch: COO Branch: Corporate Services Chief Financial Officer
PROGRAMME 2: Water Sector Management	Branch: Policy and Regulation (Proposed new Branch Policy and Planning)
PROGRAMME 3: Water Infrastructure Management	Branch: National Water Resources Infrastructure
PROGRAMME 4: Regional Implementation and Support	Branch: Regions
PROGRAMME 5: Water Sector Regulation	Branch: Policy and Regulation (Proposed new Branch Policy and Planning)
PROGRAMME 6: International Water Co-operation	Branch: International Water Co-operation



STRATEGIC PLANNING



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Link to Government Priorities

- The performance plan has been developed in alignment with the 2009 - 2014 MTSF. The Department contributes to a number of outcomes.
- The Department of Water Affairs is a significant partner and central to the service delivery programme. It directly contributes to five (5) out of twelve (12) outcomes in line with the government's approach to facilitate a focused implementation programme.
- Note that the priorities of the Department for the medium-term (2011/12-2013/14), parallel to addressing the outcomes as per the Performance Agreement of the Minister, are also aimed at addressing the "sustained" agenda of the Department which addresses equally important and urgent service delivery issues



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DEPARTMENTAL STRATEGIC GOALS ALIGNMENT WITH MTSF OUTCOMES

DEPARTMENTAL STRATEGIC GOALS	MTSF OUTCOMES
1. Contribute to Economic Growth, Rural Dev, Food Security and Land Reform	6. Efficient, competitive and responsive economic infrastructure network
	7. Vibrant, equitable and sustainable rural communities with food security for all
	8. A responsive, accountable, effective and efficient local government system
2. Support local government to deliver water services	9. A responsive, accountable, effective and efficient local government system
3. To promote Sustainable and Equitable Water Resources Management	10. Environmental assets and natural resources that are well protected and continually enhanced



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DEPARTMENTAL STRATEGIC GOALS ALIGNEMENT WITH MTSF OUTCOMES

DEPARTMENTAL STRATEGIC GOALS

MTSF OUTCOMES

4. Strengthening the regulation of the water sector

6. Efficient, competitive and responsive economic infrastructure network

5. Contribute to Improved International Relations

11. Create a better South Africa and contribute to a better and safer Africa and the World

6. Build capacity to deliver Quality Services

12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship



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VISION, MISSION & VALUES

Vision:

- Safe Water for all for ever

Mission

- Our mission is to effectively manage the nation's water resources to ensure equitable and sustainable socio-economic development and universal access to water.

Values of the Department are:

- **Transparency:** we fulfil our mandate in an ethical and open manner
- **Respect:** we respect each other as well as our clients and the needs of our citizens
- **Excellence:** we are leaders and innovators in our sector, who get it right on time every time
- **Everyone:** we are a caring employer who, through teamwork, serves South Africa's people



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STRATEGIC GOALS AND OBJECTIVES

NO	STRATEGIC GOAL	STRATEGIC OBJECTIVES
1	Contribute to economic growth, rural development, food security and land reform	<ul style="list-style-type: none">1.1 To ensure the availability of water supply for economic and domestic use1.2 To implement programmes to create job opportunities
2	To promote sustainable and equitable water resources management	<ul style="list-style-type: none">2.1 Setting a strategic framework for water management in the country2.2 To ensure balance of water supply and demand2.3 To improve the protection of water resources and ensure sustainability2.4 To improve equity in water allocation2.5 To improve water use efficiency2.6 To improve the management of the water resources



NO	STRATEGIC GOALS	STRATEGIC OBJECTIVES
3	Strengthening the regulation of the water sector	3.1 To improve the regulation of the water sector 3.2 To improve the water use authorisation 3.3: To improve the regulation of water quality through compliance, monitoring and enforcement
4	Support local government to deliver water services	4.1 Ensure the provision of local government institutional support 4.2 To broaden access to water services (basic services and eradication of backlog)
5	Contribute to improved International Relations	5.1 To coordinate strategic international water cooperation
6	Build capacity to deliver quality services	6.1 To ensure organisational performance and leadership 6.2 To ensure transformed socio-economic participation





CFO:MEA



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ENE ALLOCATION PER PROGRAMME



Indicative/ Revised allocations per programme

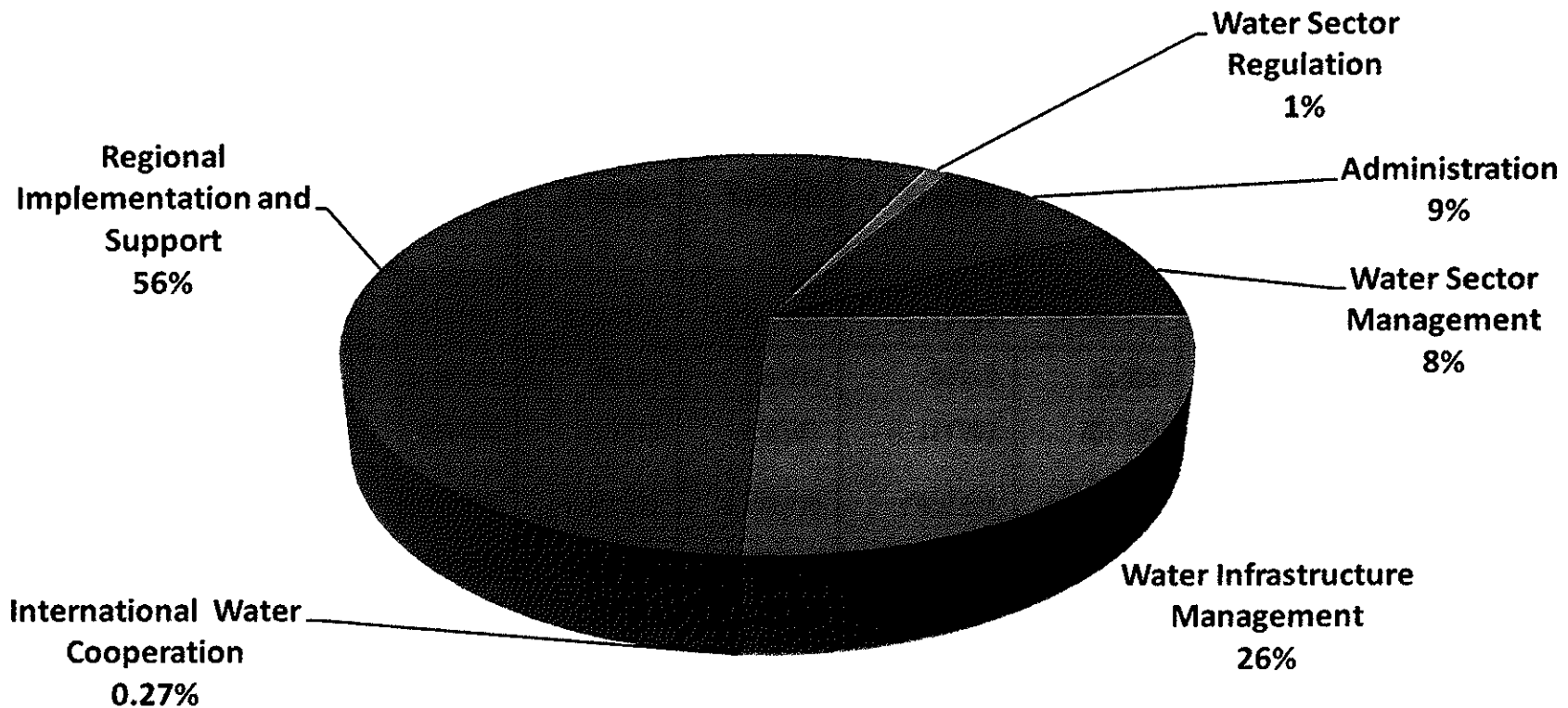
Programmes	2011/12		2012/13		2013/14		2014/15	
	Rand thousand	Budget	AENE	Indicative	Revised	Indicative	Revised	Indicative
Administration	862,122	869,065	888,117	883,128	930,983	975,738	986,843	1,075,837
Water Sector Management	718,726	882,151	797,953	618,859	685,212	521,582	726,325	610,007
Water Infrastructure Management	2,607,963	2,384,963	2,658,070	2,273,496	3,039,102	2,967,102	3,221,448	3,145,448
Regional Implementation and Support	5,608,933	4,753,659	5,743,839	4,896,682	6,078,509	5,135,697	6,443,217	5,709,726
Water Sector Regulation	112,370	112,370	116,097	114,683	121,792	119,890	129,102	123,993
International Water Cooperation	26,111	26,111	27,411	25,813	27,878	25,670	29,550	27,506
Total	9,936,225	9,028,319	10,231,487	8,812,661	10,883,476	9,745,679	11,536,485	10,692,517
<u>Economic classification</u>								
Current payments	4,005,157	2,919,301	4,586,023	2,636,027	4,619,305	2,659,776	4,545,680	2,938,004
Transfers and subsidies	3,767,153	3,512,408	3,336,670	2,913,420	3,758,070	3,655,701	3,986,846	3,875,798
Payments for capital assets	2,163,915	2,596,610	2,308,794	3,263,214	2,506,101	3,430,202	3,003,959	3,878,715
Total	9,936,225	9,028,319	10,231,487	8,812,661	10,883,476	9,745,679	11,536,485	10,692,517



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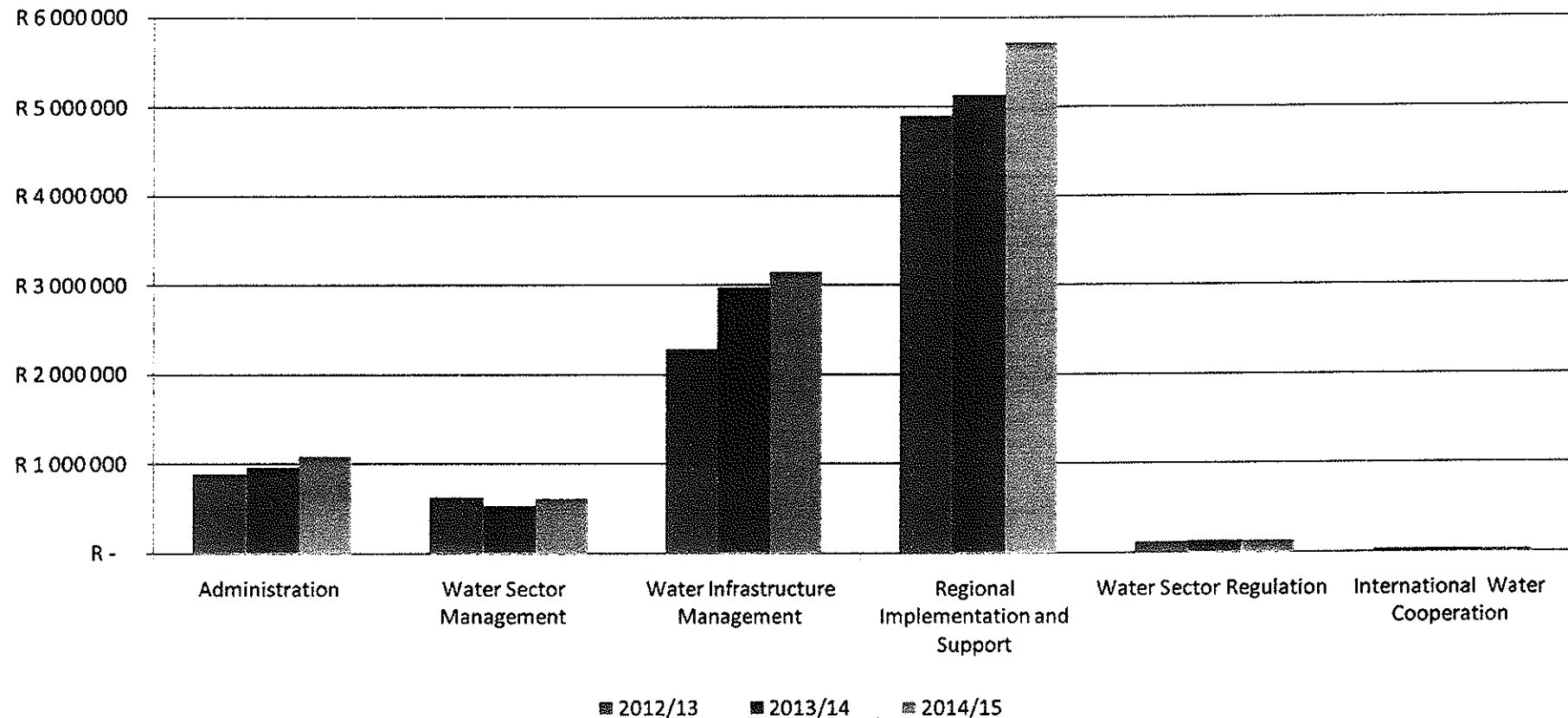
ENE allocation per programme (%)



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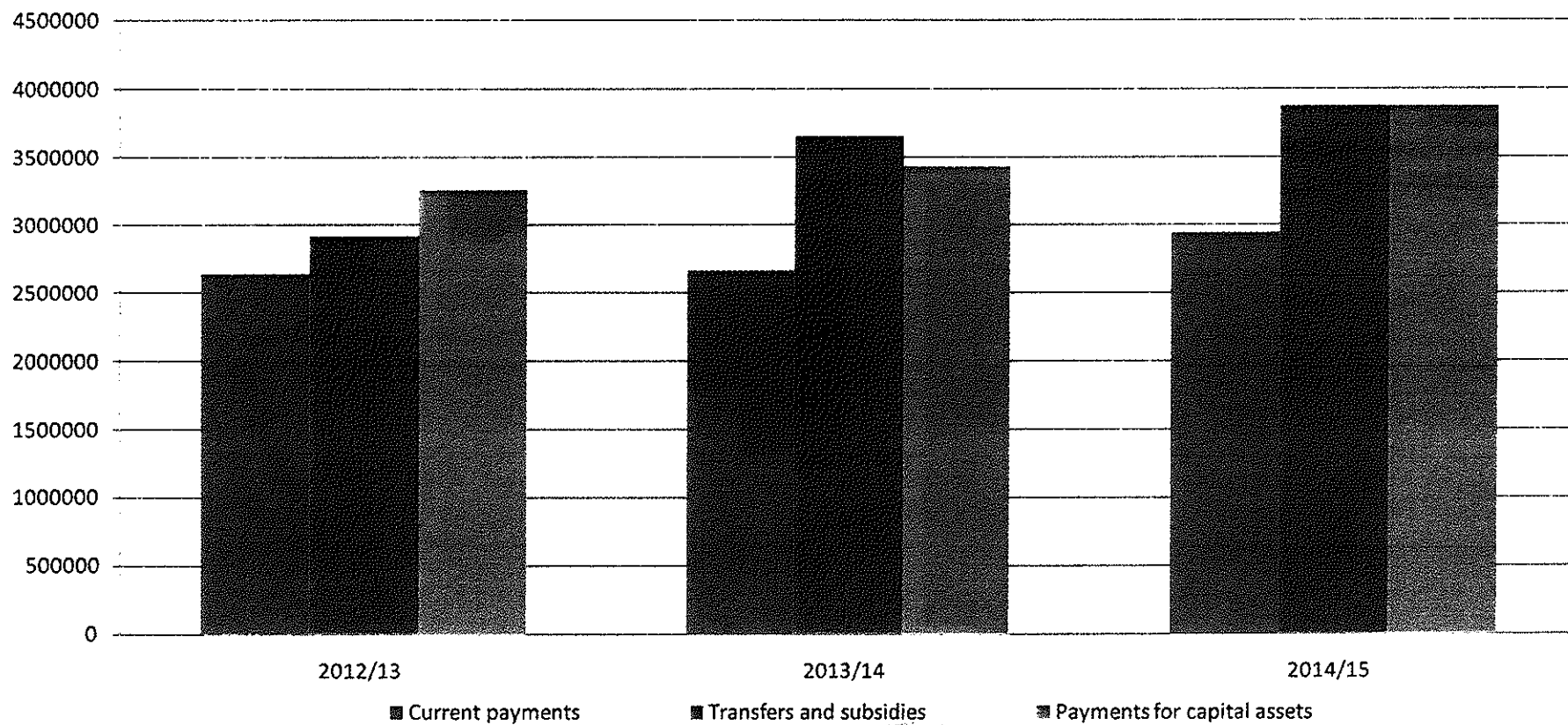
ENE allocation per programme p/year



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ENE allocation per economic classification



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aCFO: WTE



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PROGRAMME 3 BUDGET 2012/13

TOTAL AUGMENTATION NWRI R1.9 billion

Programme 3
**TOTAL
Augmentation R
2.3 billion (Vat
inclusive)**

**Projects R1.33
billion**

**Support
R367 million**

**NWRI VAT
R237 million**

**TOTAL OTHER AUGMENTATION R339
million (Vat inclusive)**

**Water Resource
Management R159 million**

KOBWA R180 million



AUGMENTATION FUNDED PROJECTS BUDGET 2012/13 (including support)

PROJECT NAME	Total Project Budget R'000	Project cost to date R'000	ENE			Comments
			2012/13 R'000	2013/14 R'000	2014/15 R'000	
ORWRDP (Ph 2A) - De Hoop Dam	3,074,000	2,719,584	284,527	43,368		<ul style="list-style-type: none"> - Completion December 2012 - Build houses for affected families - Finalizing construction activities around the Dam
ORWRDP BDS - Bulk distribution (Sub Phases 2C and 2D)	2,585,000	658,111	300,092	684,942	703,954	<ul style="list-style-type: none"> - Completion March 2014 - Installation of pipes - Cash flow challenges, current financial year R1.2 billion is required.
GLeWAP Phase 1 (Nwamitwa Dam and Tzaneen dam)	1,325,000		59,491	233,471	212,015	<ul style="list-style-type: none"> - Completion March 2018 - Site establishment - Raising of Tzaneen dam
Dam Safety Rehabilitation Programme	2,800,000	1,582,470	349,820	347,762	405,000	<ul style="list-style-type: none"> - Continuous projects - Rehabilitation of dams
Water Resources Project Raising of Clanwilliam Dam	1,830,000	9,829	50,849	317,956	520,056	<ul style="list-style-type: none"> - Completion May 2017 - N7 re-alignment - Dam wall raising
MCWAP-1	2,138,000	435,488	87,800	103,359	93,797	<ul style="list-style-type: none"> - Completion August 2015 - Construction of a 46 km ,1m diameter pipeline - Cash flow must be reprioritised to other projects. - MCWAP-2 to commence to comply with SONA
Development Raising of Hazelmere Dam	162,000	4,125	43,100	37,800	35,088	<ul style="list-style-type: none"> - Completion September 2014 - The installation of the crest gates - Civil work for safety and stability of dam wall. - Acquisition of additional land in the dam basin
Mopani DM Emergency Works	220,000		70,175	-	-	<ul style="list-style-type: none"> - Refurbish dilapidated infrastructure
ERP system upgrade from version 4.7 to ECC6	205,000	50,000	70,175	87,719	-	<ul style="list-style-type: none"> - Completion March 2014 - Upgrade and development of new modules
NWRI Support			205,309	216,662	236,753	
Financial management			161,281	155,080	190,465	
TOTAL	14,564,000	5,459,607	1,696,494	2,289,524	2,427,113	
VAT			237,509	320,533	339,796	
TOTAL			1,934,003	2,610,057	2,766,909	



DDG: NWIR



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NWRI Branch Objective

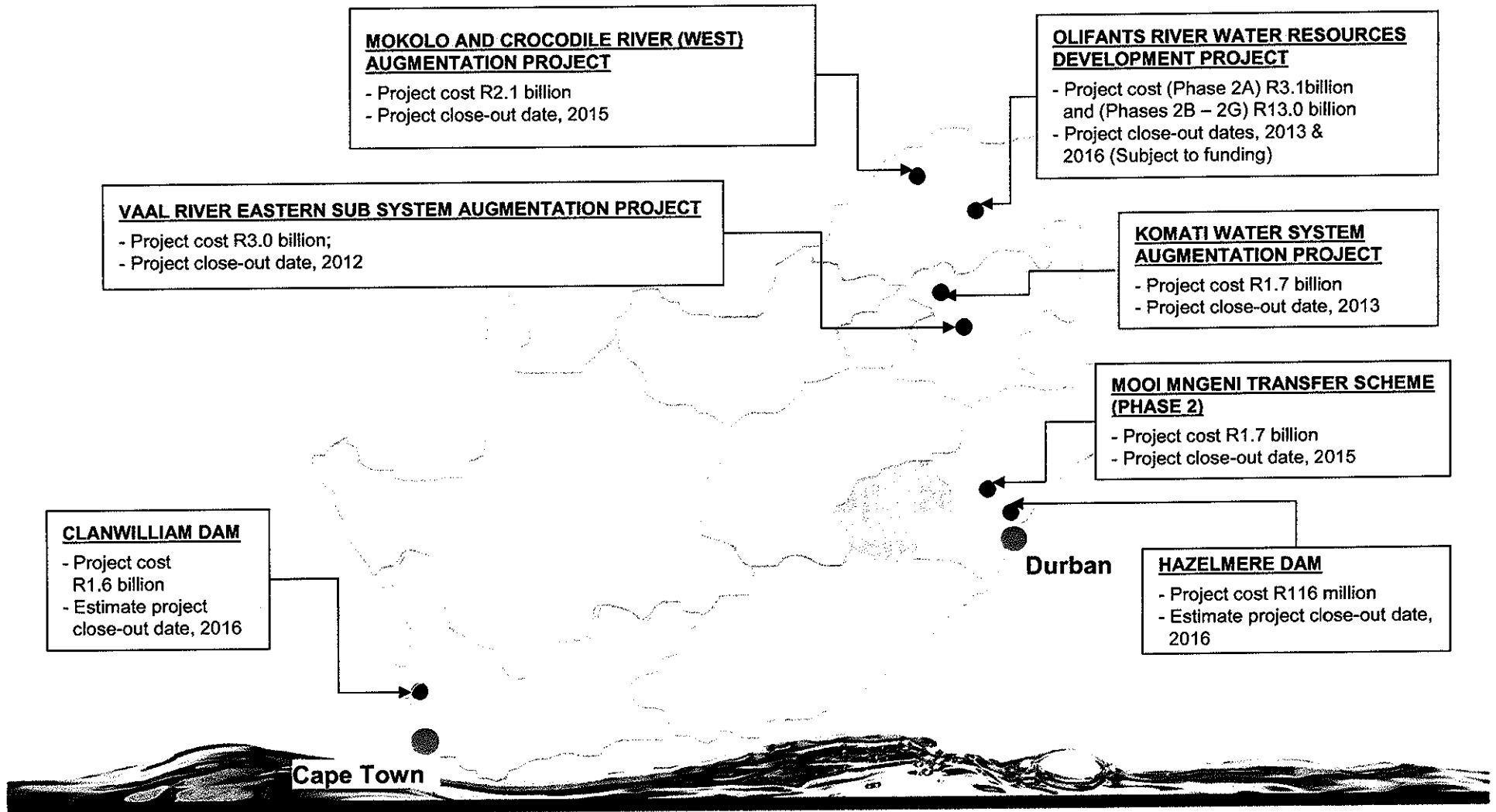
1. The National Water Resources Infrastructure Branch (NWRIB) is responsible for the **development of water resources infrastructure** to meet regional, social, economic and environmental objectives for all South African citizens.
2. It is responsible for the **rehabilitation, operations and maintenance** of existing infrastructure to ensure proper and strategic asset management



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Major Water Resources Development Projects



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Description of projects

- **MOKOLO AND CROCODILE RIVER (WEST) AUGMENTATION PROJECT**
 - Structures include , the building of Pipelines, Pump Station and incorporate existing Exxaro infrastructure

- **OLIFANTS RIVER WATER RESOURCES DEVELOPMENT PROJECT: DE HOOP DAM (PHASE 2A) AND BULK DISTRIBUTION SCHEME (PHASES 2B-2G)**
 - Phase 2A – Construct a 88m High Roller Compacted Concrete Dam and associated infrastructure;
 - Phases 2B to 2G – Construct a Network of Pipelines, Reservoirs and Pump Stations.

- **VAAL RIVER EASTERN SUB SYSTEM AUGMENTATION PROJECT**
 - Construction of a pipelines from Vaaldam to Secunda and a Pump Station

- **KOMATI WATER SYSTEM AUGMENTATION PROJECT**
 - Construction of a pipelines and a Pump Station



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Description of projects cont...

MOOI MNGENI TRANSFER SCHEME

- Construction of a 37m high Composite dam, pipelines and a Pump Station

➤ HAZELMEREDAM

- Increase the existing dam capacity by installing radial gates

➤ CLANWILLIAMDAM

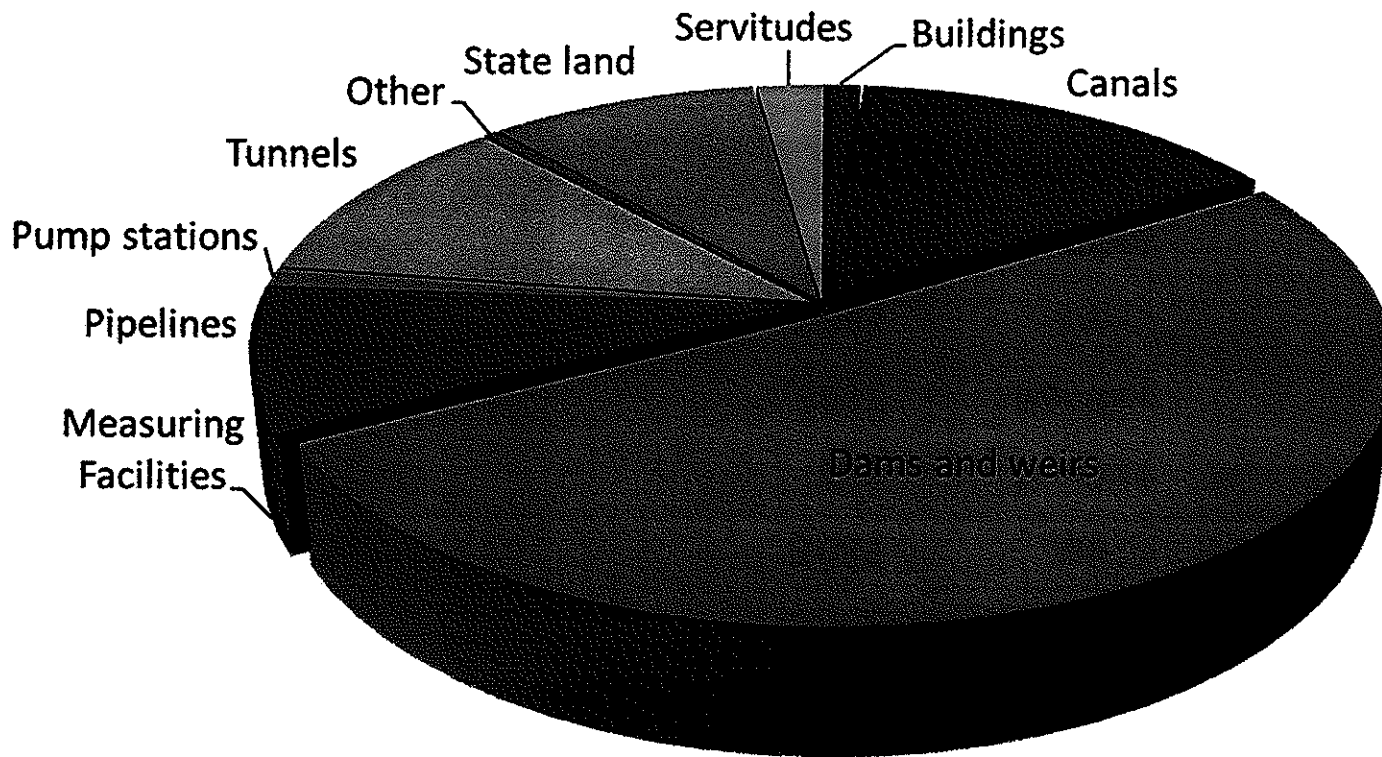
- Increase the existing dam capacity by increasing the wall high



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Distribution of asset value



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Extent of Assets

Asset Class	Extent		Replacement Value (R bn)
Buildings	2 572	Number	2 301
Canals	8 036	km	29 073
Dams and weirs	359	Number	72 002
Measuring Facilities	3011	Number	7 381
Pipelines	1 063	km	8 044
Pump stations	57	Number	1 673
Reservoirs	51	Number	631
Treatment works	62	Number	69
Tunnels	171	km	18 354
Other	77	Number	85
State owned land	343 237	Ha	6 792
Servitudes	51 849	Ha	769
TOTAL			147 174

WTE TOTAL INCOME 2012/13

WTE TOTAL
INCOME R 8.6
billion

TOTAL NWRI INCOME R8.1 billion

Augmentation
R1.7 billion

Water related
sales R 2.3
billion

Other income
R446 million

TCTA revenue R
3.7 billion

TOTAL WRM INCOME R484 million

Augmentation R154 million

Water relater sales R330
million



DDG: REGIONS



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Progress on MDGs





MDG Target 7C: Access to Basic Water Supply RSA Progress

April 2012



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Setting the Scene

- RSA already committed to Basic Water Supply delivery in 1994
- Target set to achieve “**total**” (100%) access to basic water supply by 2014
- This in contrast to MDG target to “**halve**” the backlog by 2015
- MDG target already achieved in 2005
- Success ascribed to strong political will, dedicated leadership, committed sector programme, policy, funding, organising, knowledge base and drive



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Progress

- Programme started in 1994 with a confirmed backlog of 41%
- At present (April 2012) the backlog is 5.3%, which reflects an 87% reduction in backlog since 1994
- Progress for 2011/2012 is 1.2% = 167000 households served
- Figures reflect access to infrastructure only
- Figures reflect National achievement: Provincial performance varies from 73 to 99% and even lower for some municipalities
- Figures are based on updated StatsSA data (update = programme reporting and municipal assessments)



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RSA Basic Water Supply Achievement (Meeting infrastructure standards)

	1994	2012
Access to Basic water	59%	94.7%
Backlog	41%	5.3%

**87% of backlog eradicated
(infrastructure)**





Challenges

- Figures reflect access to water infrastructure
- Challenge however is the functionality of delivered schemes
- Special surveys indicate a national picture of 74% functionality of water delivery – varying from 38% to 98% on a provincial basis (refer slide)
- Present delivery process complex with multi- departmental programmes, processes and responsibilities
- Addressing remaining needs more complex into solutions, water availability, service levels and funding

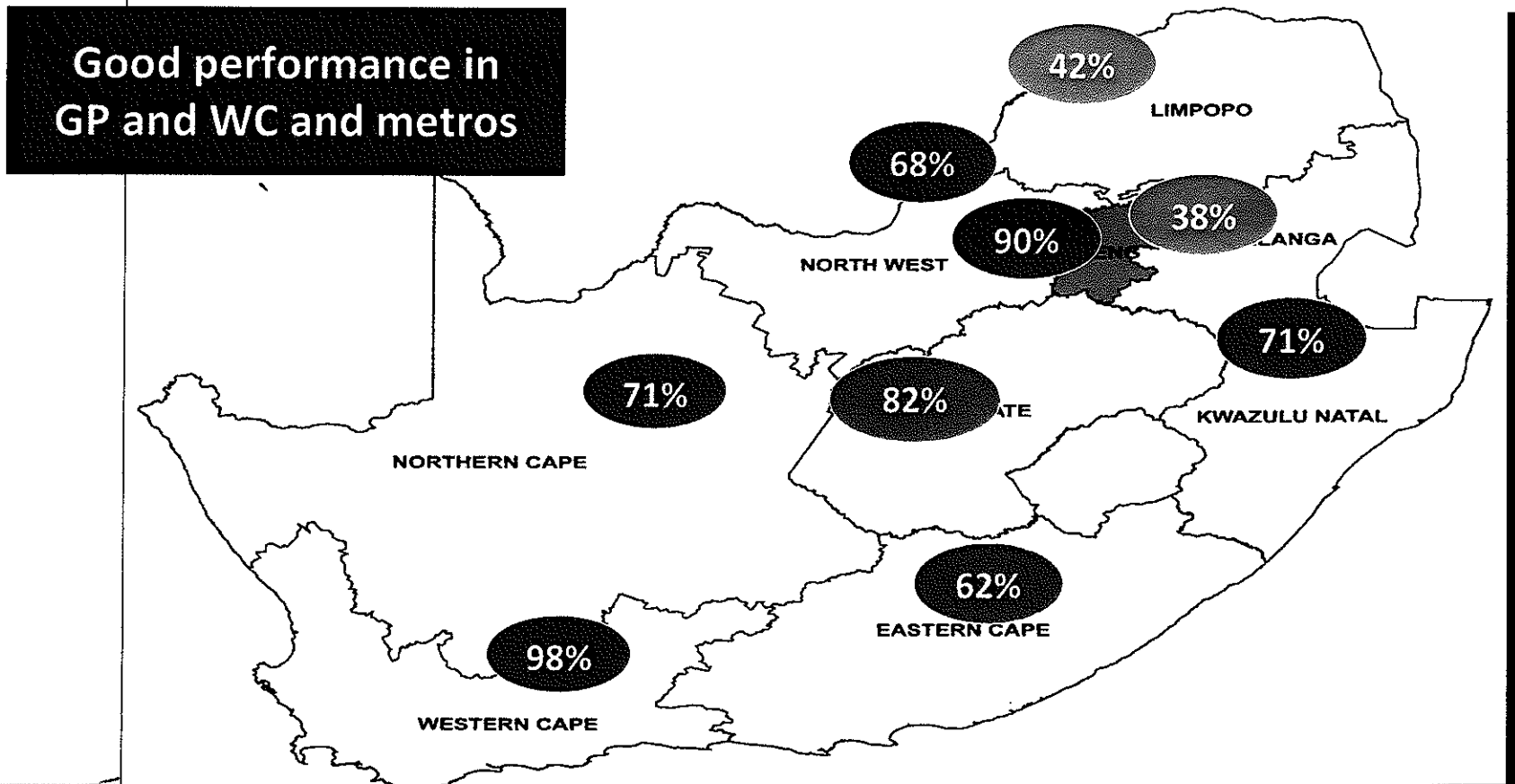


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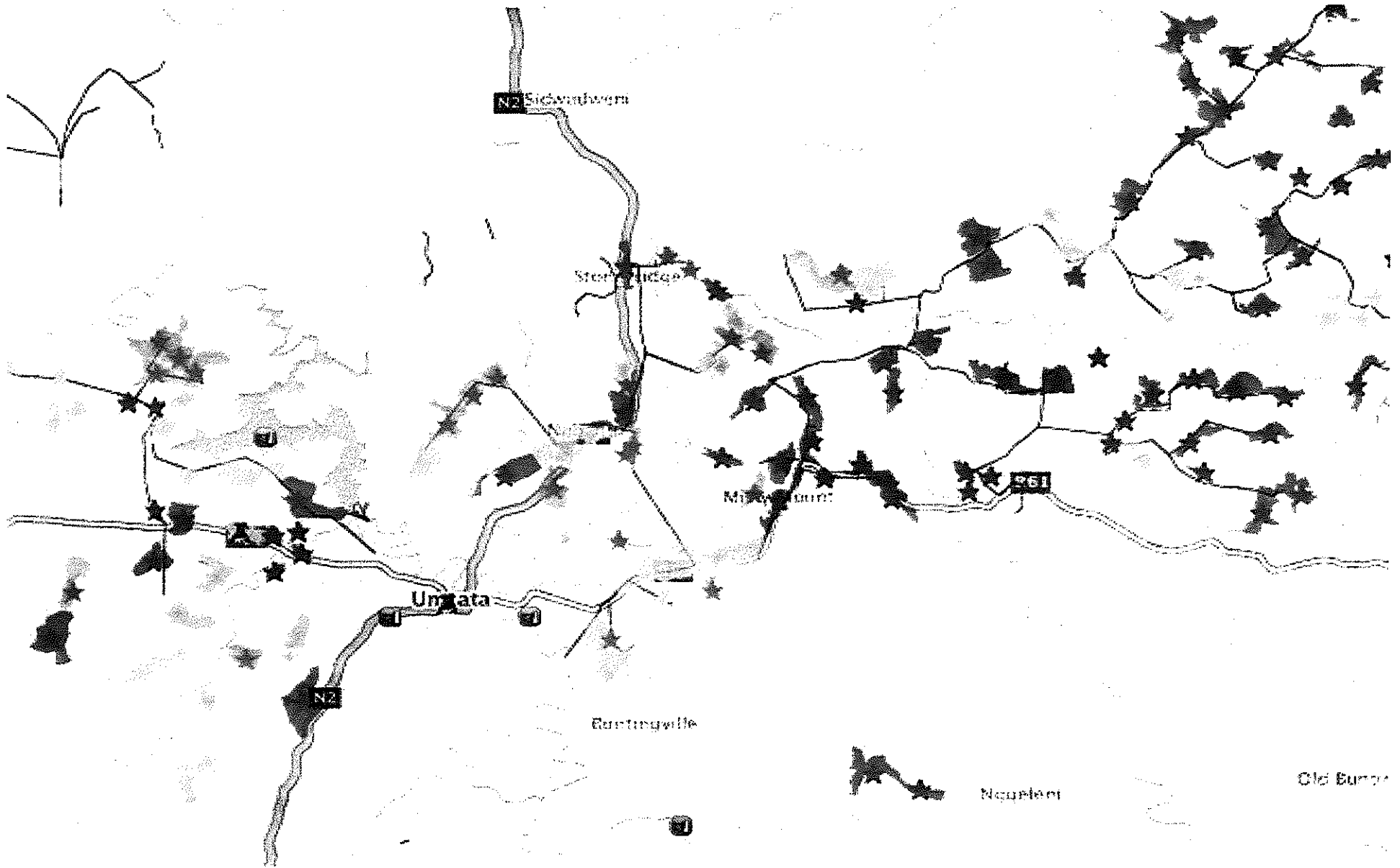


Functionality of services: Stable and unstable water supplies 2009/2010 (StatsSA)



National	2009	2010
unstable	24%	26%
stable	76%	74%

WS: non-functional infrastructure (Umtata)

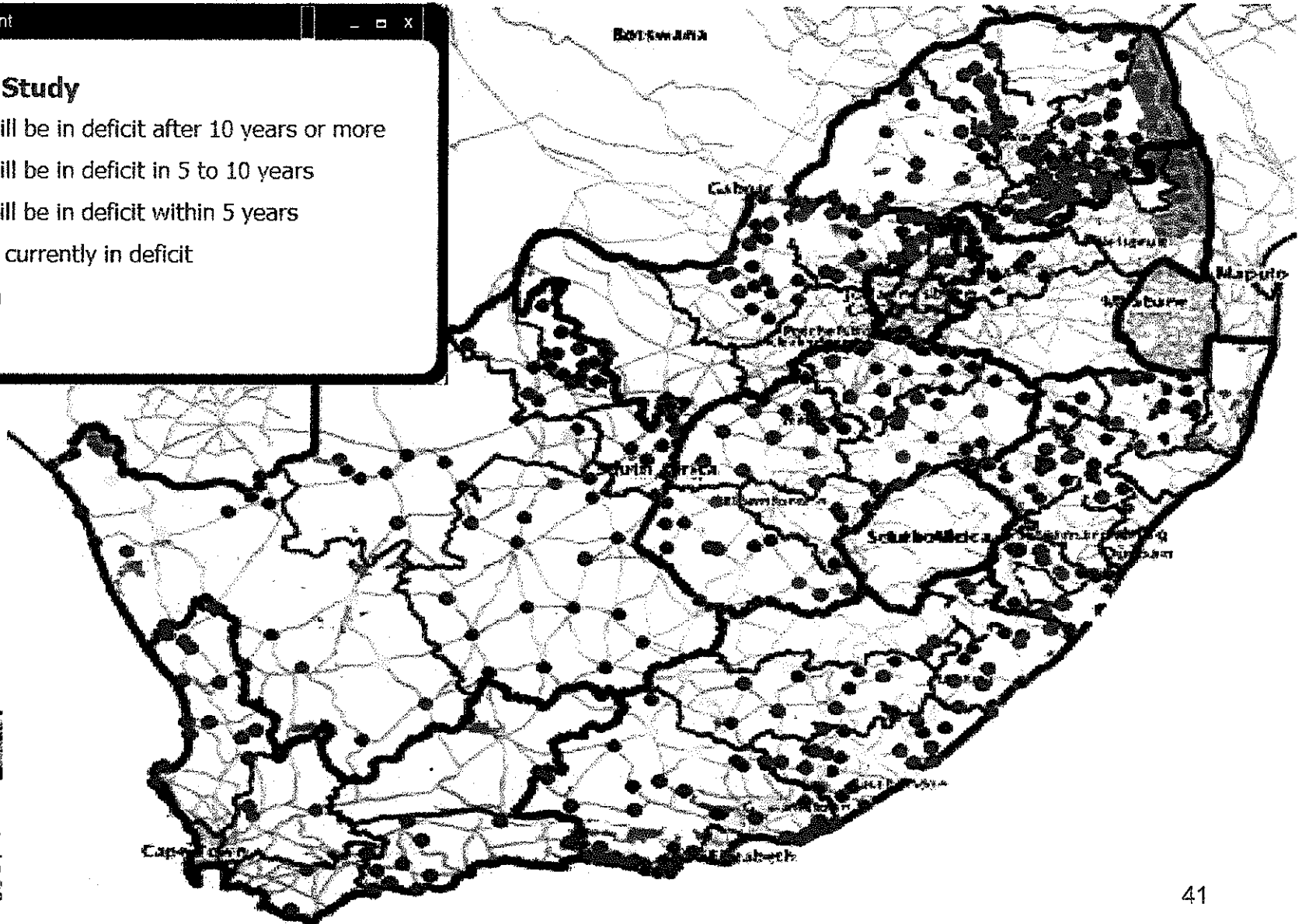


Water Resource Stressed Towns

Legend Management

All Town Study

- Town will be in deficit after 10 years or more
- Town will be in deficit in 5 to 10 years
- Town will be in deficit within 5 years
- Town is currently in deficit
- No Data



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The way ahead

- Social, security, economic and environmental risks
- High priority: Outcome 9, water users
- DWA to lead and drive basic water supply programme (history of limited responsibility and control)
- Integrated sector coordination and management
- Extended 5x action streams: formal backlog plus moving target (informal hh) as well as services functionality and water security
- Challenges to achieve target by 2014: delivery trends, funding, delivery mechanisms, solutions
- Need to implement and apply interim and intermediate solutions
- Cabinet Lekgotla prioritisation (21 + 2 District Municipalities).



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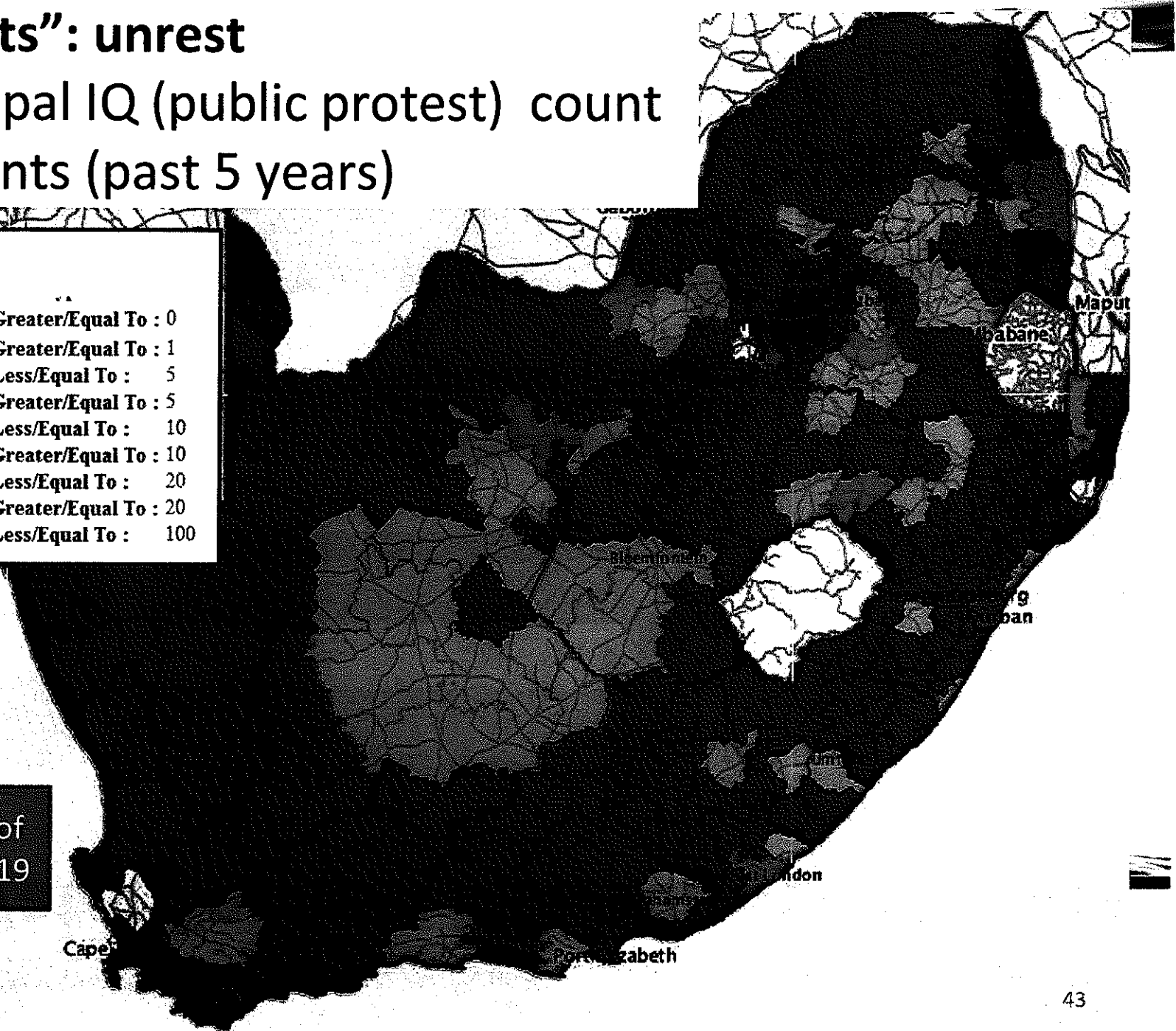
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“Hotspots”: unrest

– Municipal IQ (public protest) count of incidents (past 5 years)

Legend

- Greater/Equal To : 0
- Greater/Equal To : 1
- Less/Equal To : 5
- Greater/Equal To : 5
- Less/Equal To : 10
- Greater/Equal To : 10
- Less/Equal To : 20
- Greater/Equal To : 20
- Less/Equal To : 100

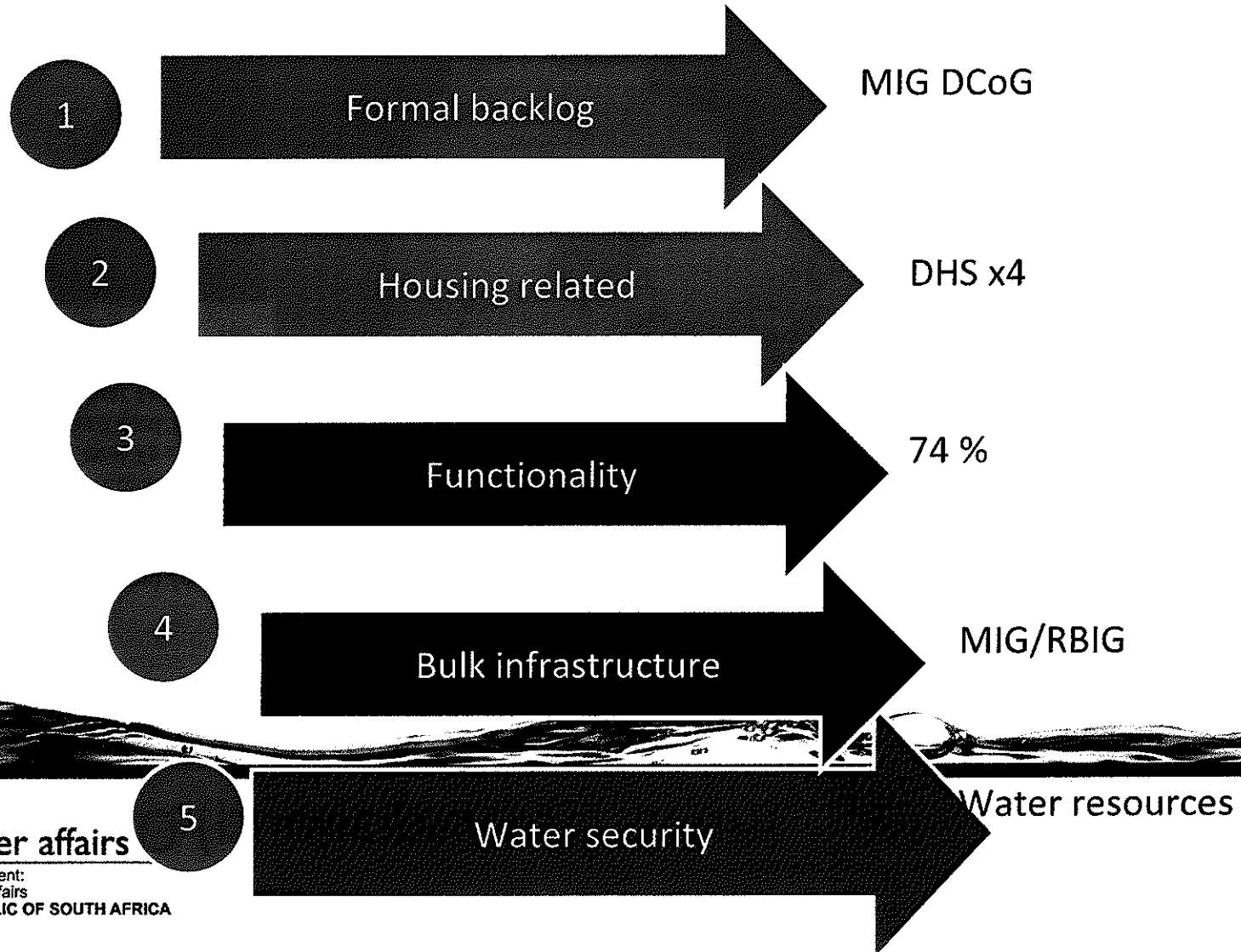


Total Count of Incidents = 419





Basic Water Services intervention streams:





Cabinet Lekgotla priority areas

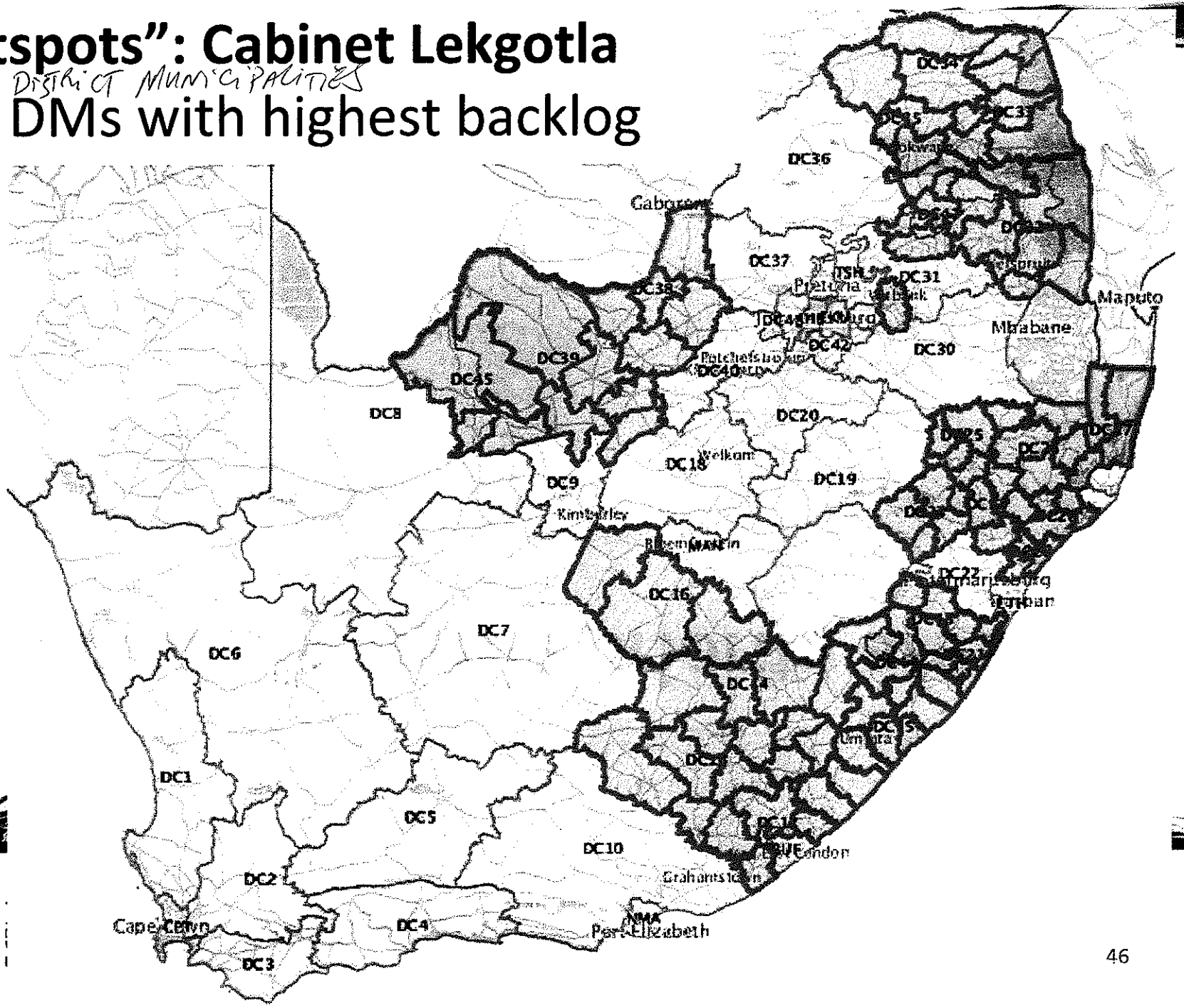


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“Hotspots”: Cabinet Lekgotla

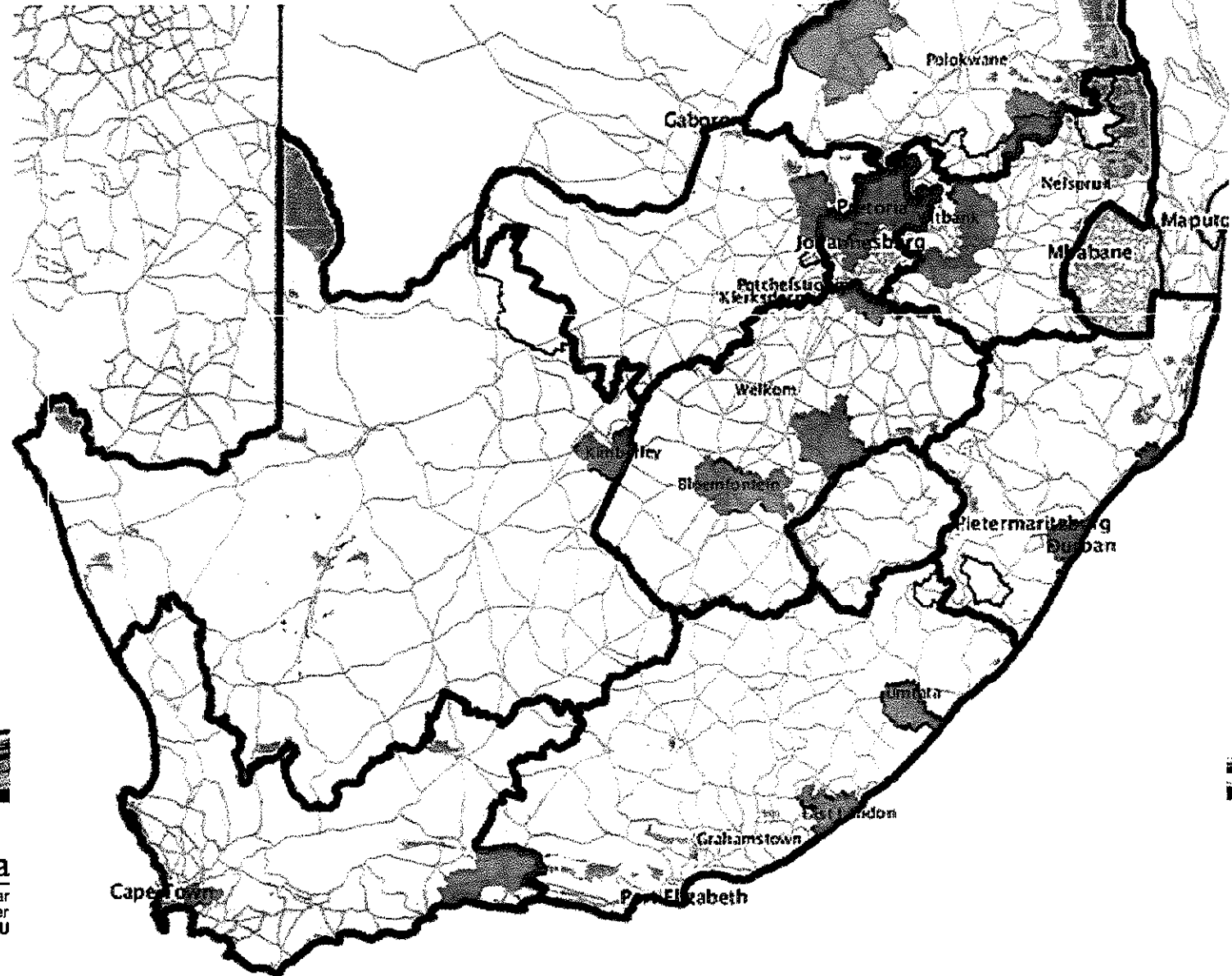
DISTRICT MUNICIPALITIES

– 23 DMs with highest backlog



“Hotspots”: Cabinet Lekgotla

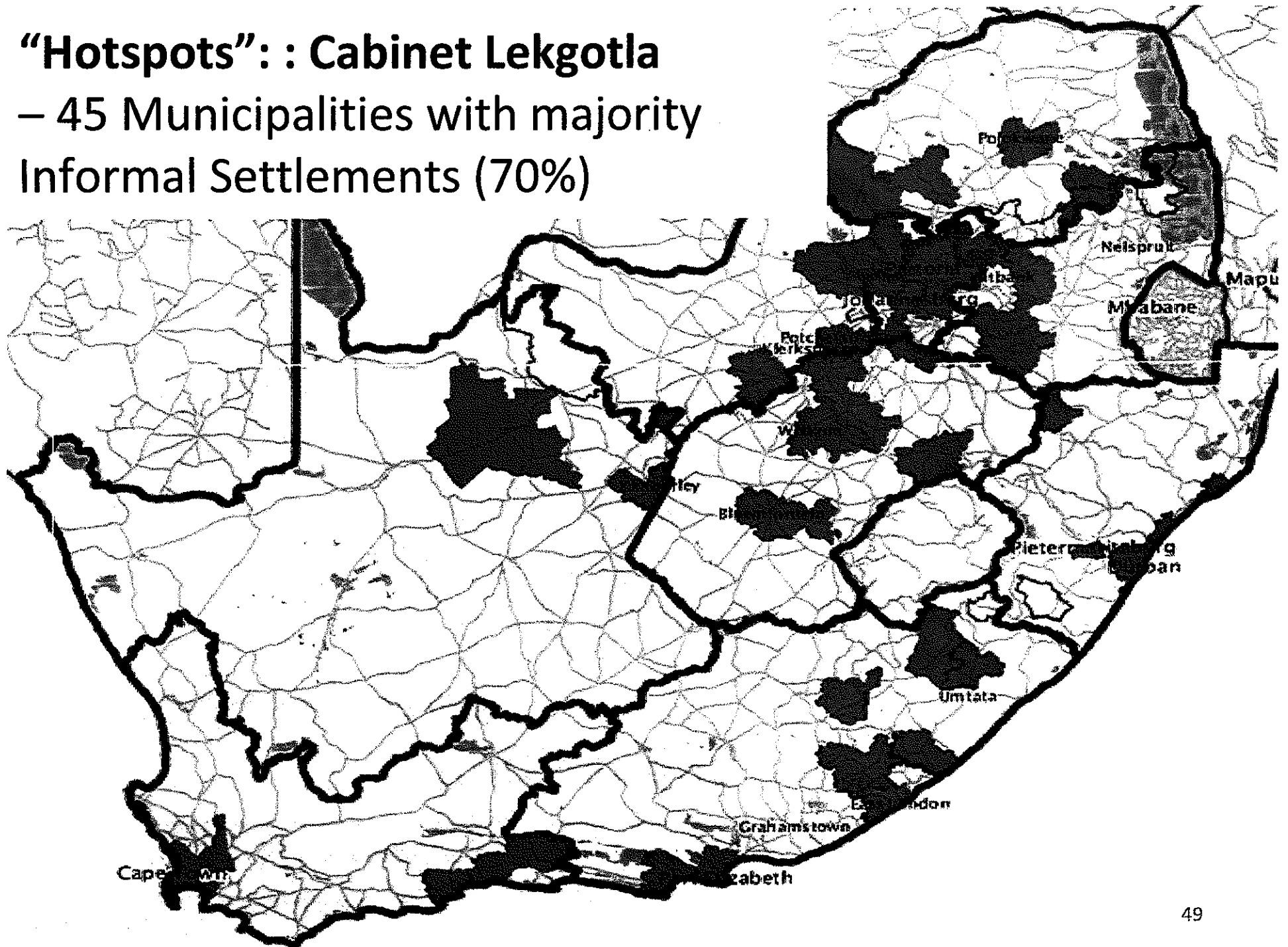
– 16 Rapid growing towns



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“Hotspots” : : Cabinet Lekgotla
– 45 Municipalities with majority Informal Settlements (70%)

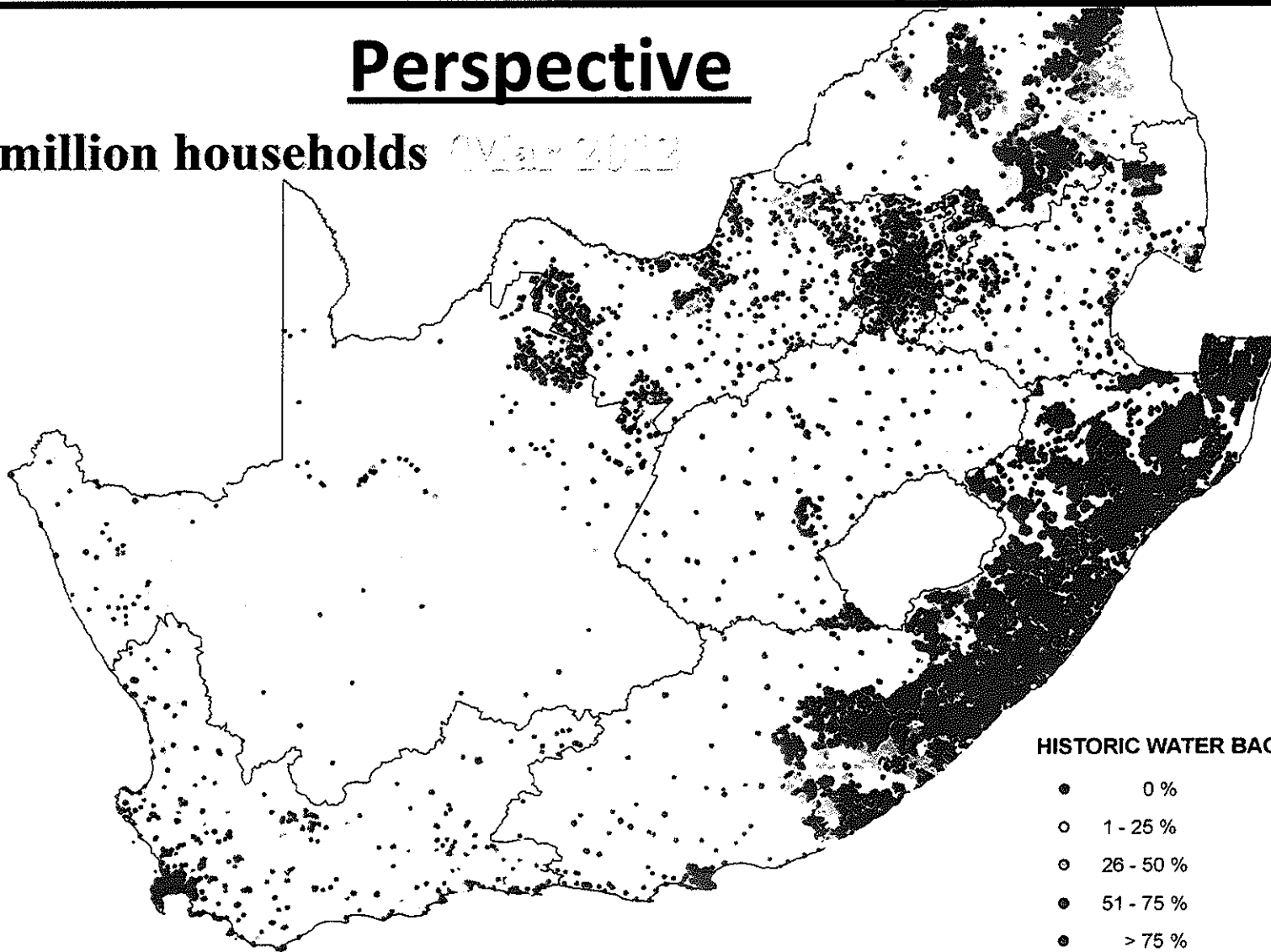




Formal Historic Basic Water Supply Backlog

Perspective

0.7 million households *(Mar 2012)*





Thank You



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