

Presentation to the Portfolio Committee on Human Settlements

Progress Report Rural Household Infrastructure
Programme
by the Director-General – Mr. T. Zulu

02nd May 2012



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Presentation Outline

- Purpose of Presentation
- Rural Household Infrastructure Programme Progress Report
- Update on the Quantity Survey Report
- Report on the revision of the Sanitation Policy
- Conclusion



Purpose

- To provide a progress report on the implementation of the Rural Household Infrastructure Programme
- To provide a report a Quantity Survey Report findings and proposed interventions
- To provide a report on the compilation of the sanitation strategy



RHIP Objectives

- Support municipalities to address rural basic water and sanitation backlog
- Contribute to the rural development priority of government
- Contribute to job creation and Local Economic Development
- Contribute towards meeting the water and sanitation MDG targets of the country
- Accelerate delivery of water and sanitation to meet the 2014 target
- Improve the general quality of life of rural communities



Progress Per Province - 2010/11

Province	Allocation: 2010/2011 (R'000)	Number of Benefiting Municipalities	Target Number of Toilets	Toilets completed at 31 March 2012	% Completion
Eastern Cape	R18,000	5	2559	2559	100%
Free State	R3,000	1	300	300	100%
Limpopo	R27,000	9	3600	3376	94%
Kwa-Zulu Natal	R27,000	7	3674	3674	100%
Mpumalanga	R4,000	1	515	515	100%
Northern Cape	R3,000	1	400	400	100%
North West	R6,000	2	828	828	100%
National Programme Management	R12,000				
Grand Total	R100,000	26	11 876	11 652	98%



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Challenges of 2010/11

- Programme started very late, October 2010
- Service providers struggled with its implementation
- Excessive rainfall during December and January 2010 and 2011 respectively
- Small contractors struggled to source building material and have it delivered on site on time.
- Some contractors struggled with difficult ground conditions i.e. hard rock and high water table
- Some municipalities wanted to implement programme themselves (appoint contractors & material suppliers)



Progress Per Province - 2011/12

Province	Allocation: 2011/2012 (R'000)	Number of Benefiting Municipalities	Estimated Target Number of Toilets	Toilets completed at 31 March 2012	% Completion
Eastern Cape	R65,000	13	7 458	7 129	99.9%
Free State	R10,000	3	1 139	936	87.8%
Limpopo	R48,000	12	3 612	2 015	61.6%
Kwa-Zulu Natal	R68,000	15	6 753	5920	84.8%
Mpumalanga	R8,000	2	950	372	91.5%
Northern Cape	R8,000	1	374	320	73.8%
North West	R28,000	7	2 788	2 533	78.5%
GRAND TOTAL	R231.5	53	23 074	19225	83.3%



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Financial Performance: 2011/12

Province	2011/12 Allocation & Rollovers	Expenditure at 31March 2012	Balance
KwaZulu- Natal	R80 487 091	R63 207 997	R17 279 094
Eastern Cape	R65 000 000	R55 868 072	R9 131 928
Limpopo	R54 552 091	R26 688 032	R27 864 059
North West	R30 063 533	R22 711 497	R7 352 036
Free State	R12 924 676	R8 548 344	R4 376 332
Mpumalanga	R10 086 447	R7943 553	R2 142 894
Northern Cape	R4 394 162	R2 298 425	R2 095 737
Total	R257 508 00	R187 265 920	R70 242 080



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Job Creation - 2011/12

Province	No of Benefiting Municipalities	Estimated no. of Toilets	Jobs created as at 31 March 2012
Eastern Cape	13	7 462	1 372
Free State	3	1 139	181
Kwa Zulu Natal	15	6 753	1 254
Limpopo	12	3 612	867
Mpumalanga	2	950	324
Northern Cape	1	374	70
North West	7	2 788	658
Grand Total	53	23 078	4 726



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Quantity Survey Report

Realizing the challenges faced by the programme in the first and second years of implementation, the Department undertook to conduct a quantity survey assessment to scientifically identify bottlenecks and devise means of redressing the matters affecting performance



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Quantity Survey Objectives

- To assess the capacity of programme service providers to implement and complete their scope of work within the timeframes set.
- To identify risk areas in the delivery chain that required special attention
- To assess the linkages and delivery outputs of Maxima Global and the two service providers - Mvula Trust and the IDT.
- To provide recommendations to the Department to improve the rate of delivery of the programme



Key Findings of the QS Study

- The scope of work approved for the IDT was at high risk of not being completed by end of the 2011/12 financial year.
- The two service providers are not sufficient to implement such a programme and achieve the outcomes set.
- The service level agreements existing between Department and programme manager - Maxima Global on one hand and Mvula Trust and IDT on the other are not consistent with each other.
- There is a need to restructure the process of handling claims of the service providers to assist them with cash-flow management.
- The recovery plans submitted by the service providers were too optimistic.
- The procurement of building materials poses a serious challenge to the outcomes of the programme.



IDT Performance - 2011/12

Province	2011/12 Allocation (R'000)	Targeted No of Units	Completed units (31 03/ 2012)	% Progress against Target	Expenditure (R'000)
Eastern Cape	R9 000	1 142	1 160	102%	R7 500
KZN	R34 500	4 374	3 513	93%	R25 772
Limpopo	R16 000	2 028	1 605	100%	R12 000
NC	R4 000	507	320	74%	R1 900
NW	R20 000	2 535	2 048	89%	R16 200
Total	R83 500	10 586	8 646	94%	R63 372



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- The 7 098 Units were reallocated from the IDT and allocated to the Mvula Trust will be completed by the end of the current financial year.
- A total of 1697 units were completed by Mvula Trust as at 31st March 2012
- The balance is under construction and is expected to be completed by June 2012

Revision of the Sanitation Policy

- The current Basic Household Sanitation White Paper was approved by Cabinet in September 2001.
- This policy requires revision as it does not address all issues currently facing municipalities as it deals only with “basic” and “household” sanitation
- It has become increasingly evident that there is a need to revise current policy to accommodate aspects of the delivery of sanitation that have arisen as a result of the changed service delivery environment and priorities since 2001 and to address gaps identified by the sector.
- This policy is under revision as well as a coordinated sanitation strategy.



- Although part of the sanitation **function** is now with the Department of Human Settlements (NDHS), the Department of Water Affairs is still the **custodian** of the Water Services Act which includes sanitation.
- The two Departments as well as SALGA are therefore working on the revision of the strategy and policy.

REVISION PROGRESS TO DATE

- **Nov 2010 - Policy Discussion Document** was developed for use in Bilateral meetings
- **Nov 2010 - Feb 2011** - Departmental Bilateral meetings were held subsequently, a **Conceptual Policy Framework Document** was developed for national bilateral stakeholder meetings and provincial stakeholder consultations.
- **July 2011 - Version 1.0** Draft National Sanitation Policy was developed
- **Aug 2011 - Version 2** Draft National Sanitation Policy was developed
- **Sept 2011-** National Workshop held and comments received.
- **Oct 2011 - Version 3** was developed.
- **Oct 2011 - Dec 2011** - Phase 2 Provincial Stakeholders Consultations held
- **Jan 2012 - Version 4.0** of the Draft Sanitation Policy was developed
- **Feb 2012** - Drafting Team met and provided comments and **version 4.1** of the Draft Sanitation Policy was completed



Conclusion

- On the RHIP: The Department will ensure that all the recommendations of the Quantity Survey report are implemented in the remaining years of the programme - 2012/13 and 2013/14.
- Periodic report will be provided to the Portfolio Committee on progress.
- Sanitation Policy Review and Strategy Formulation: The Department will request to brief the PC on the final draft policy before it is submitted to Cabinet for approval

