



B U S A

BUSINESS UNITY SOUTH AFRICA

PROPOSED NATIONAL WATER RESOURCES STRATEGY 2 SUMMARY

SUBMISSION BY BUSINESS UNITY SOUTH AFRICA

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INTRODUCTION

BUSA welcomes the release for public viewing of the second edition of the National Water Resource Strategy (NWRS-2). We strongly support the objective of the NWRS-2 to provide strategic direction to the water sector for the next 20 years, focusing on priority objectives for 2013 to 2017.

BUSA and its affiliates are currently working on a comprehensive review of the draft strategy and this document reflects a high level summary of their collective views to date. BUSA is disappointed that limited consultation occurred with business during the development of the draft and believes that the current version would have benefitted from such consultation. BUSA therefore appreciates the opportunity arranged for engagement with the Department before the deadline for final submissions.

CONCERNS

BUSA recognises the significant challenge that the review of the National Water Resources Strategy must have entailed. A document that is required in terms of the National Water Act and some parts of the Water Services Act, however, needs to be firmly anchored in the context of the current status of implementation of the National Water Act and must be shown to build on existing initiatives.

An approach to the revision along the following lines would therefore have been preferred:

- Review of current strategy
- Identification of implementation challenges
- Development of a revised approach based on review
- Inclusion of clearly articulated high level objectives
- Objectives supported by implementation instruments, which may be legislation, sub strategies, etc. but include measurable action plans with clear accountabilities and time frames for implementation
- Support measures

Although there is reference in the draft strategy to an implementation plan, which is welcomed, there is no timeframe for its development, which is a concern. The seventy nine key strategic actions listed in Section 9 of the strategy is largely a list of actions the strategy commits the DWA to do (“DWA will...”), which in the absence of providing clear deliverables, including accountabilities and realistic time frames, is not helpful. The strategy gives hardly any guidance on the “who will do what by when and how”.

In addition the strategy must comply with the requirements of a NWRS as set out in the National Water Act. A review of the level of compliance with these requirements as set out in Annexure 1 reveals that the draft strategy has largely been drafted in isolation of these requirements.

BUSINESS PERSPECTIVE

Business recognises that the consistent availability of water underpins the functioning of communities, economies and ecosystems. Water is critical for ensuring public health, food security, energy security, poverty reduction, economic growth, conflict reduction, climate change adaptation, biodiversity and ecosystem functioning, etc. It is recognised that different stakeholders will view – and emphasise - the strategy from different perspectives. The purpose of this document is to view the draft strategy from a Business perspective.

From a Business perspective the key challenges faced by the water sector over the next five years include:

- Security of supply
- Complex regulatory regime which is not achieving required objectives
- Availability and mobilisation of necessary resources
- Inadequate maintenance and operation of infrastructure
- Lack of clarity on functional responsibility in some areas
- Private sector participation
- Monitoring and evaluation
- Disfunctionality of the Water Tribunal

The current draft seeks to address too many issues with no prioritisation and no clarity on who will take responsibility or where the resources will come from.

As responsibility is not allocated for most of the actions it is assumed that these are to be carried out by DWA. This is not considered an optimal use of resources. DWA has a specific role to play and is already facing significant challenges. No additional burden should be placed on the department by this draft strategy.

There are five different lists of actions: critical thrusts, core strategies key strategic actions and support strategies which are not aligned.

Business would see value with the document if it addressed the challenges identified by Business along the following lines:

SECURITY OF SUPPLY

More accurate projections of demand need to be developed and used as the basis of planning. BUSA is disappointed that the revised strategy does not provide updated quantitative figures of the total quantity of water available within each water management area which is a key requirement of the strategy. The need for water use planning should be incorporated in the provincial regulations which will be promulgated to give effect to the Spatial Development and Land Use management bill currently in parliament.

Security of supply needs to be dealt with from both the supply and demand side. Security of supply is also dependent on quality.

Supply side

On the supply side alternative sources of supply are discussed as follows:

- Water re-use
- Groundwater
- Desalination
- Optimising existing water supply systems

All four of these alternatives should be prioritised in the strategy with clear outcomes set and plans to achieve them.

Universal access to basic water supplies must be prioritised and a clear action plan to achieve the required coverage by 2014 must be included in the strategy.

Water for productive purposes needs to be aligned with sectoral development strategies.

Demand side

Water Demand Management is also an important intervention in stretching current use of the resource.

Water demand management needs to be pursued much more aggressively, particularly in the water supply systems, where water losses remain unacceptably high. An aggressive approach to this needs to be adopted. The private sector has been exploring in a limited way some innovative opportunities in this field and engagement with the private sector on further joint initiatives is proposed.

Industry sectors are currently working with the Department on developing audit protocols to be applied in industrial facilities. The strategy should reflect recognition of this.

COMPLEX REGULATORY REGIME

Business has repeatedly expressed concern about various aspects of the regulatory regime which is not achieving required objectives. Although the draft strategy refers to regulatory reform, there is no indication that there is common ground on the challenges faced by the most affected sectors. Business wishes to see the following issues addressed in a regulatory reform process:

- Consideration of a nationally harmonised approach to licensing
- Review of licensing processes
- Introduction of a time bound tracking system for license applications
- Review of the approach to development of Recourse Water Quality Objectives

AVAILABILITY AND MOBILISATION OF NECESSARY RESOURCES

The draft strategy does not quantify any resource requirements. This is an essential element of prioritisation and must be included in the revised strategy. This is particularly important because it is considered impossible to undertake all the proposed actions in the five year period with the existing resources.

INADEQUATE MAINTENANCE OF INFRASTRUCTURE

This is an area where despite a long standing recognition of the challenge, interventions to date have failed to remedy the situation. Possible joint initiatives with the private sector should be investigated.

Lack of maintenance, particularly at municipal level, is impacting negatively on the provisioning of water services and the question that needs to be asked is whether compensation should be available for loss of production as a result.

LACK OF CLARITY ON FUNCTIONAL RESPONSIBILITY IN SOME AREAS

The draft strategy refers to numerous institutional arrangements, many of which appear to be new. Business does not support a proliferation of institutions without a sound business case being developed for each proposal. Functional responsibility needs to be clearly defined, particularly between the National Department of Water Affairs and both new and existing institutions.

PRIVATE SECTOR PARTICIPATION

Although partnership with the private sector is referred to in the draft strategy, there is no practical action to achieve it. Business requests an opportunity for a specific engagement on this issue.

MONITORING AND EVALUATION

The draft strategy refers to information management in a range of ways but a clear plan to implement a management information system that allows all monitoring information to be stored and used is considered a top priority. Implementation of any action in the strategy needs to be monitored and evaluated. It is also proposed that progress with implementation of the strategy should be included in the annual report of the Department.

DYSFUNCTIONALITY OF THE WATER TRIBUNAL

The Water Tribunal needs to be reviewed to ensure functionality.

STRUCTURE OF THE DOCUMENT

In addition to the above, the structure of the document would be improved if it followed a more logical approach. A proposal in this regard is shown in Annexure 2.

CONCLUSIONS

BUSA believes that the establishment of the catchment management agencies which are the cornerstone of the implementation of the National Water Act should be prioritised and undertaken on the basis of a sound business case for each one. Delegation of functions from the Department should be undertaken in a manner that ensures a seamless transition.

ANNEXURE 1

REQUIREMENTS FOR STRATEGY (AS SET OUT IN SECTION 6 OF THE NATIONAL WATER ACT)

| Section 6 of the NWA requires the NWRS to set out the following : | Extent covered in proposed strategy |
|---|---|
| Strategies | Not adequate |
| Objectives | Not explicit |
| Plans | No clearly articulated plans with timeframes, resources and allocation of responsibility |
| Guidelines and procedures of the Minister | None |
| Institutional arrangements | Covered but does not explicitly set out the approach for each institution, some of which appear to be new |
| (a) ...relating to the protection, use, development, conservation, management and control of water resources within the framework of existing relevant government policy in order to achieve: | |
| (i) the purpose of the Act | |
| (ii) any compulsory national standards prescribed under section 9(1) of the Water Services Act, 1997 (Act No. 108 of 1997); | No reference |
| (b) provide for at least - | |
| (i) the requirements of the Reserve and identify, where appropriate, water resources from which particular requirements must be met | Not dealt with |
| (ii) international rights and obligations | Dealt with |

| | |
|---|--|
| (iii) actions to be taken to meet projected future water needs | No concrete actions based on quantitative analysis |
| (iv) water use of strategic importance | Partially covered |
| (c) Establish water management areas and determine their boundaries; | Covered but with no resource allocation |
| (d) Contain estimates of present and future water requirements; | No quantitative analysis |
| (e) State total quantity of water available within each water management area; | No quantitative analysis |
| (f) State water management area surpluses or deficits; | No quantitative analysis |
| (g) Provide for inter-catchment water transfers between surplus water management areas and deficit water management areas; | No quantitative analysis |
| (h) Set out principles relating to water conservation and water demand management; | Reference is made but no principles are included |
| (i) State the objectives in respect of water quality to be achieved through the classification system for water resources provided for in this Act; | No such objectives included |
| (j) Contain objectives for the establishment of institutions to undertake water resource management; | No clear objectives for such institutions, although a number are referred to |
| (k) Determine the inter-relationship between institutions involved in water resource management; and | No inter- relationship shown |
| (l) Promote the management of catchments within a water management area in a holistic and integrated manner. | No reference to how this will be achieved |
| (2) In determining a water management | No indication that these issues were taken |

| area the following must be taken into account | into account |
|--|--------------|
| <i>(a)</i> watercourse catchment boundaries; | |
| <i>(b)</i> social and economic development patterns; | |
| <i>(c)</i> efficiency considerations; and | |
| <i>(d)</i> communal interests within the area in question. | |

STRUCTURE OF STRATEGY (SUMMARY)

| SECTIONS (ORIGINAL) | SECTIONS COVERING THE SAME ISSUES | PROPOSAL |
|--|---|--|
| | | |
| | | |
| 7 Enhanced water governance and developmental water management | New approach includes 11 key elements | Review key elements and critical thrusts and combine into a set of high level objectives as required by the Act |
| 7.1 Water governance | | |
| 7.2 Core values | | |
| 8 Making it happen: The core water strategies | 15 critical thrusts not necessarily related to 11 core strategies | As above |
| | | Review the core strategies to align with the objectives developed above and eliminate duplication and make a clear distinction between core and support strategies |
| Core strategy 1: Implementation of Equity Policy | | Combine 1, 2, 3 and 4 |

| | | |
|--|--|--|
| Core Strategy 2: Putting water at the centre of integrated development planning and decisionmaking | | Combine 1, 2, 3 and 4 |
| Core strategy 3: Ensuring water for equitable growth and development | | Combine 1, 2, 3 and 4 |
| Core strategy 4: Contributing to a just and equitable South Africa | | Combine 1, 2, 3 and 4 |
| Core strategy 5: Protecting water ecosystems | | See also Technical strategy 1 |
| Core strategy 6: Implementing water use efficiency, conservation and water demand management | | See also Technical strategy 2 |
| Core strategy 7: Optimising and stretching our water resources | | Focus on supply and demand side measures |
| Core strategy 8: Achieving effective water governance and Developmental Water Management | | |
| (DWM) | | |
| Core strategy 9: Embedding sustainable business principles and practices | | Incorporate in core strategy 8 |
| Core strategy 10: Implementing a water sector | | This should be part of the funding support |

| | | |
|--|---|--|
| investment framework | | strategy |
| Core strategy 11: Engaging the private and water use sectors | | Part of core strategy 8 |
| | | Insert additional core strategies from section 14 |
| | | Climate change |
| | | Disaster management |
| | | International Water Management and Cooperation |
| 9 Key strategic actions | | Key strategic actions should be directly linked to the core strategies, which they are currently not |
| 10 Revising the water management area boundaries | Move to before 7 | |
| 11 Water resource information | New support strategy | |
| 12 Implementing the NWRS-2 | Move to after current 14 | |
| 13 The New Paradigm: Key Elements | Does not really add value | Delete or add at the end |
| 14 Support strategies | Many of these are not support strategies but include elements of the core strategies or are | |

| | core strategies | |
|--|-----------------|---|
| 14.1. Technical Strategies | | |
| Protection of water resources | | Combine with core strategy 5 |
| Water Conservation and Water Demand Management | | Combine with core strategy 6 |
| Infrastructure Development and Management | | Combine with core strategy 7 |
| Climate change | | Core strategy |
| Disaster management | | Core strategy |
| Groundwater development and management | | Part of supply side measures in core strategy 7 |
| Water Resources System Operations | | |
| Desalination | | Part of supply side measures in core strategy 7 |
| Water Re-Use | | Part of supply side measures in core strategy 7 |
| 14.2. Enabling Strategies | | |
| Water finance and funding | | |
| Water sector capacity building | | |

| | | |
|--|--|---|
| Monitoring and Information | | |
| Research and innovation | | |
| 14.3. Governance Strategies | | |
| Water allocation reform and equity | | Combine with core strategies 1, 2, 3 and 4 or 8 |
| Regulation of water resources | | Combine with core strategies 1, 2, 3 and 4 or 8 |
| Water Sector Institutional Arrangements | | Incorporate core strategy 8 |
| International Water Management and Cooperation | | Core strategy |
| | | 12 Implementing the NWRS-2 |