

Taking Charge of Basic Services Challenge

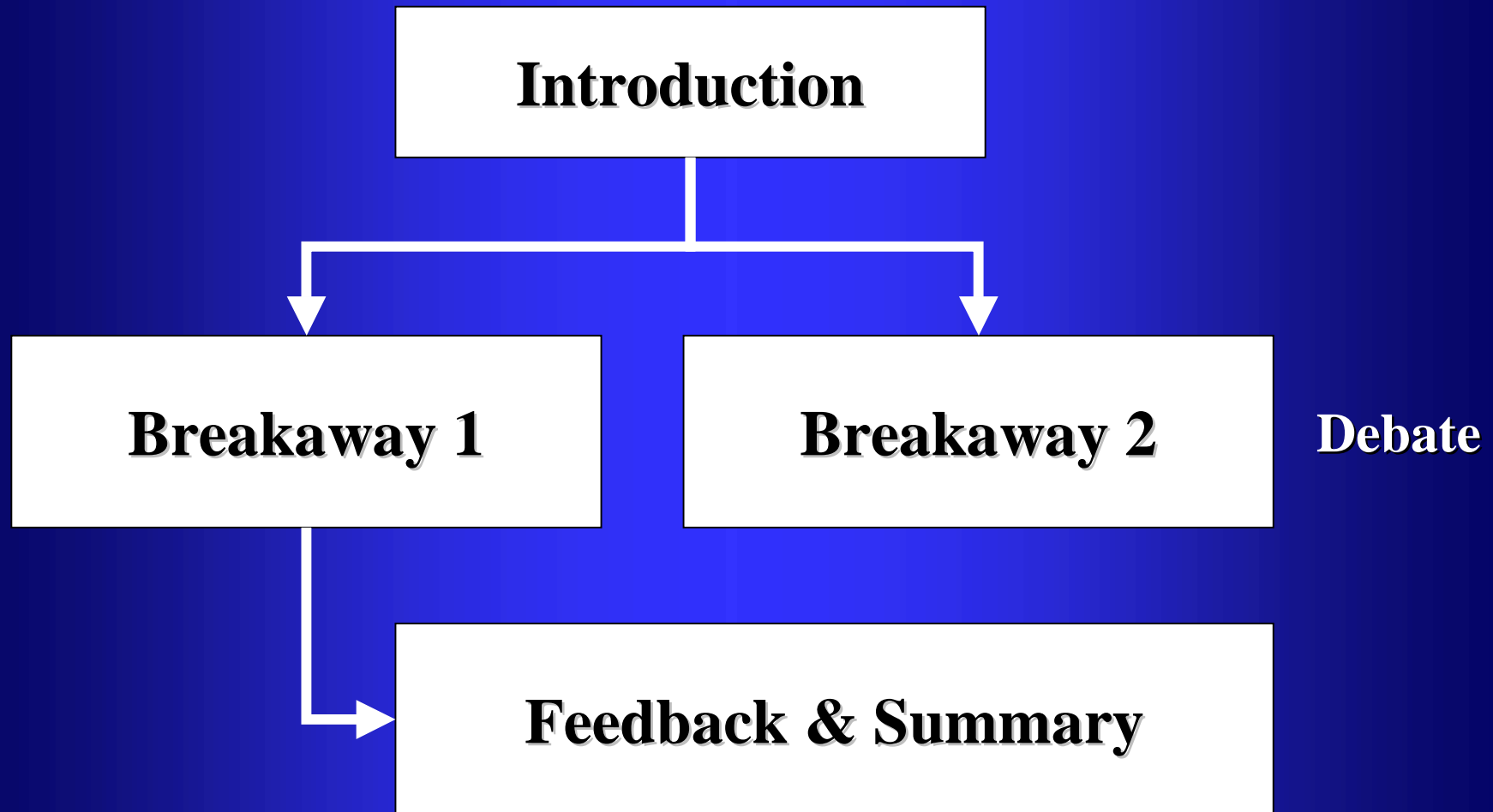
Fred van Zyl

22 November 2006

Objectives of Session

- Obtain sector perspective and solicit input to guide and inform National sector position statement
- To obtain input and guidance on appropriate intervention
- To solicit sector buy-in and commitment to achieve targets
- To get going

Format of Work Session



Are we going to achieve the 2008/10 Water Services Goals?

- If yes – how and what will it take ?
- If no – why not and how do we deal with this?

Position Statement 1

- Opinion
- Why ?
- Proposed action (how?).



When?

How?

Framework

- 2008/2010 Targets: Commitments & expectations
- Reality check: Do we comprehend what is required?
- Present performance
- Impacting factors
- Strategic perspective
- Options.

2008/10 Targets

- Continuous commitments that targets will be achieved
- Do we have clarity & shared understanding on what is to be achieved ?Implications and what is required ?
 - Service levels
 - Norms & Standards
 - Infrastructure delivery vs. sustainable services
 - Viability of solutions
 - Effort, Effort, Effort ?
 - Funding, Funding, Funding ?
- Continuous statements on potential non-achievement of targets – Municipalities e.g. Zululand, Sekhukhune, etc
- Expectations vs. Embarrassment
- Praise vs. Punishment?
- 2 Year timeframe water – 4 year timeframe sanitation.

Setting the Goals

- **Water supply goal:**
 - Eradicate backlog by 2008 (vs. MDG: halve backlog by 2015)
 - Developed specific criteria:
 - 25 liters per capita per day (6kl per household per month)
 - Within 200 meters
 - Potable water
 - Secure resource
 - Secure flow (min 10 liters per minute)
- **Basic sanitation goal:**
 - Eradicate backlog by 2010 (vs. MDG: halve backlog by 2015)
 - Developed specific criteria:
 - Clean, safe, healthy, environmentally acceptable and appropriate
 - Initially dry sanitation – now wet/dry mix with associated implications
- **No consistent international criteria**
 - E.g. Ethiopia, Uganda, Kenya – distance within 2 to 5 km & no specific quality criteria
 - MDG concern regarding sustainable service delivery.

Present Performance

Basic Water Supply Progress

MDG Achieved in 2005 (RDP Standards)

	1994	2001	2006
Access to	59%	71%	83%
Backlog	41%	29%	17%

*NB: Figures based on
Infrastructure delivery



59% Improvement
Backlog already halved in 2005

Basic Sanitation Progress

(RDP Standards)

	1994	2001	2006
Access to (RSA) (Sub-Sah Afri)	48% 32%(1990)	57%	69% 37%(2004)
Backlog	52%	43%	31%



40% Improvement
MDG: 50% by 2015

Provincial Perspective: Supply

April 2006

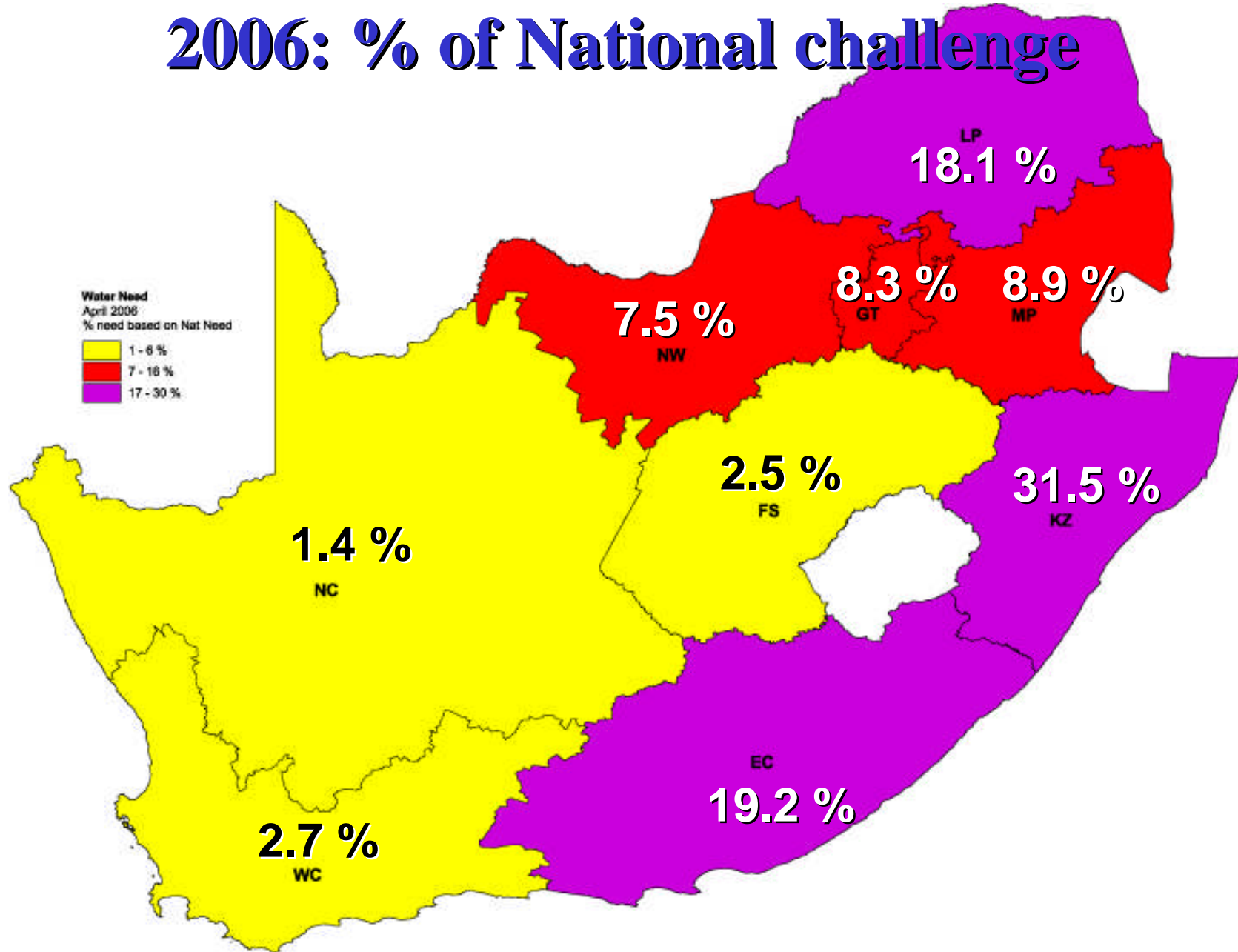
Province	1994 % Backlog	2006 % Backlog	% Improvement	2 Years action
Eastern Cape	60.0 %	24.7 %	59 %	41 %
Free State	24.0 %	7.5 %	69 %	31 %
Gauteng	17.5 %	6.5 %	63 %	37 %
KwaZulu-Natal	47.1 %	24.7 %	48 %	52 %
Limpopo	53.2 %	28.1 %	47 %	53 %
Mpumalanga	42.4 %	20.2 %	52 %	48 %
North West	37.3 %	18.0 %	52 %	48 %
Northern Cape	38.9 %	11.7 %	70 %	30 %
Western Cape	38.5 %	4.3 %	89 %	11 %
National	40.9 %	16.9 %	59 %	41 %

Provincial Perspective: Sanitation

April 2006

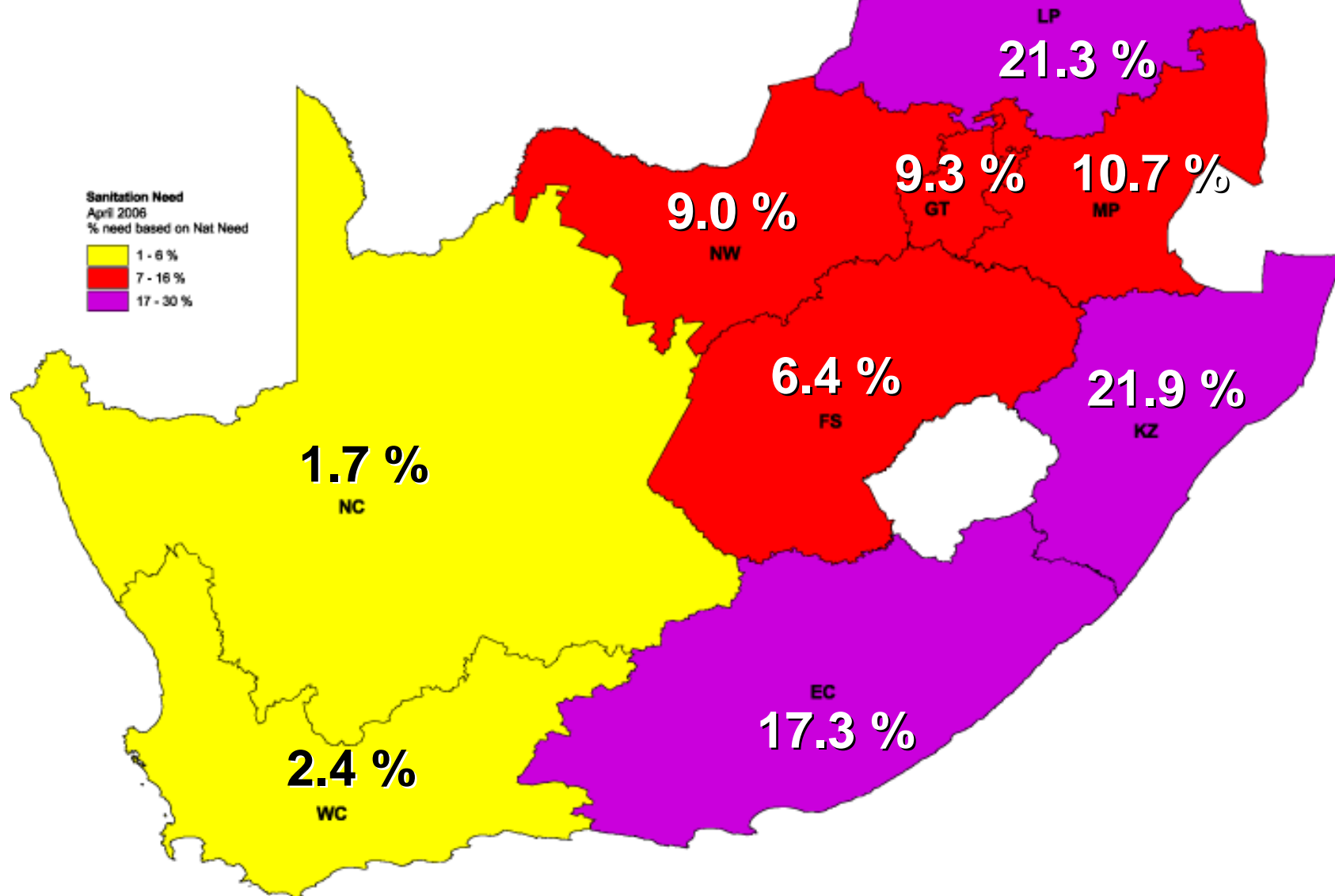
Province	1994 % Backlog	2006 % Backlog	% Improvement	4 Year action
Eastern Cape	67.7 %	41.4 %	39 %	61 %
Free State	54.6 %	35.4 %	35 %	65 %
Gauteng	27.9 %	13.4 %	52 %	48 %
KwaZulu-Natal	52.4 %	32.0 %	39 %	61 %
Limpopo	75.7 %	61.5 %	19 %	81 %
Mpumalanga	61.0 %	44.9 %	26 %	74 %
North West	51.4 %	40.3 %	22 %	78 %
Northern Cape	54.8 %	25.3 %	54 %	46 %
Western Cape	38.4 %	7.1 %	81 %	19 %
National	52.5 %	31.4 %	40 %	60 %

Basic Water Supply Backlog 2006: % of National challenge



Basic Sanitation Backlog

2006: % of National challenge



Reality Check 1

- WOW ! On target to achieve MDG Goals
- Concern !
 - Figures only reflect infrastructure delivery
 - Major comebacks, sustainability concerns & revisits
 - 59% of supply backlog addressed in 12 years (average 5% per annum): remaining 41% to be addressed within 2 year = 20% per annum
 - 40% of sanitation backlog addressed in 12 years (average 3.3% per annum): remaining 60% to be addressed within 4 year = 15% per annum
 - Moving targets.

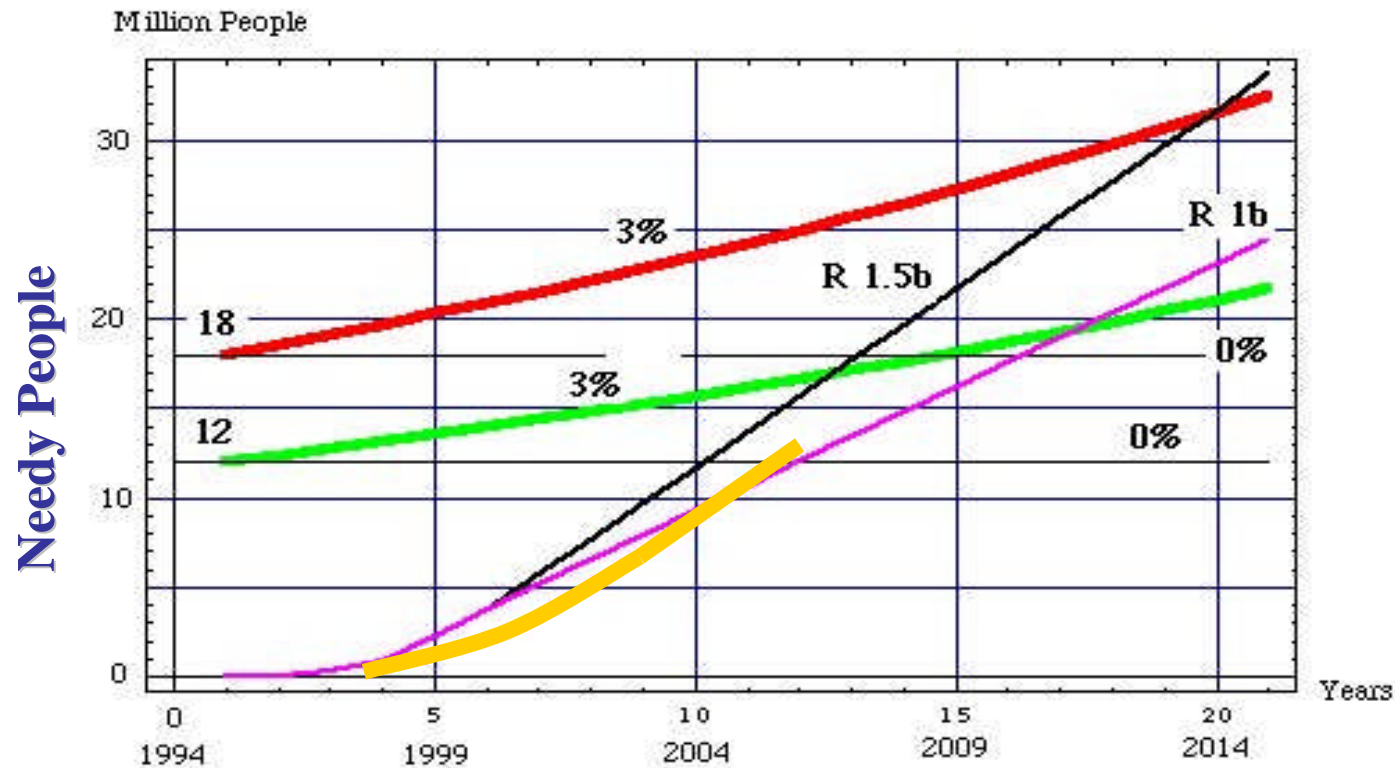
Historic Perspectives

- Minimum supply funding request of R 1.5 b per annum in 1996 (Basic supply = 12 m people)
- Minimum supply funding request of R 2 b per annum in 1998 (Basic supply = 16 m people)
- R1.5 b allocation only achieved in 2003 & R2 b allocation only in 2007.

Historic statements - 1996



Strategic Perspective Water Supply

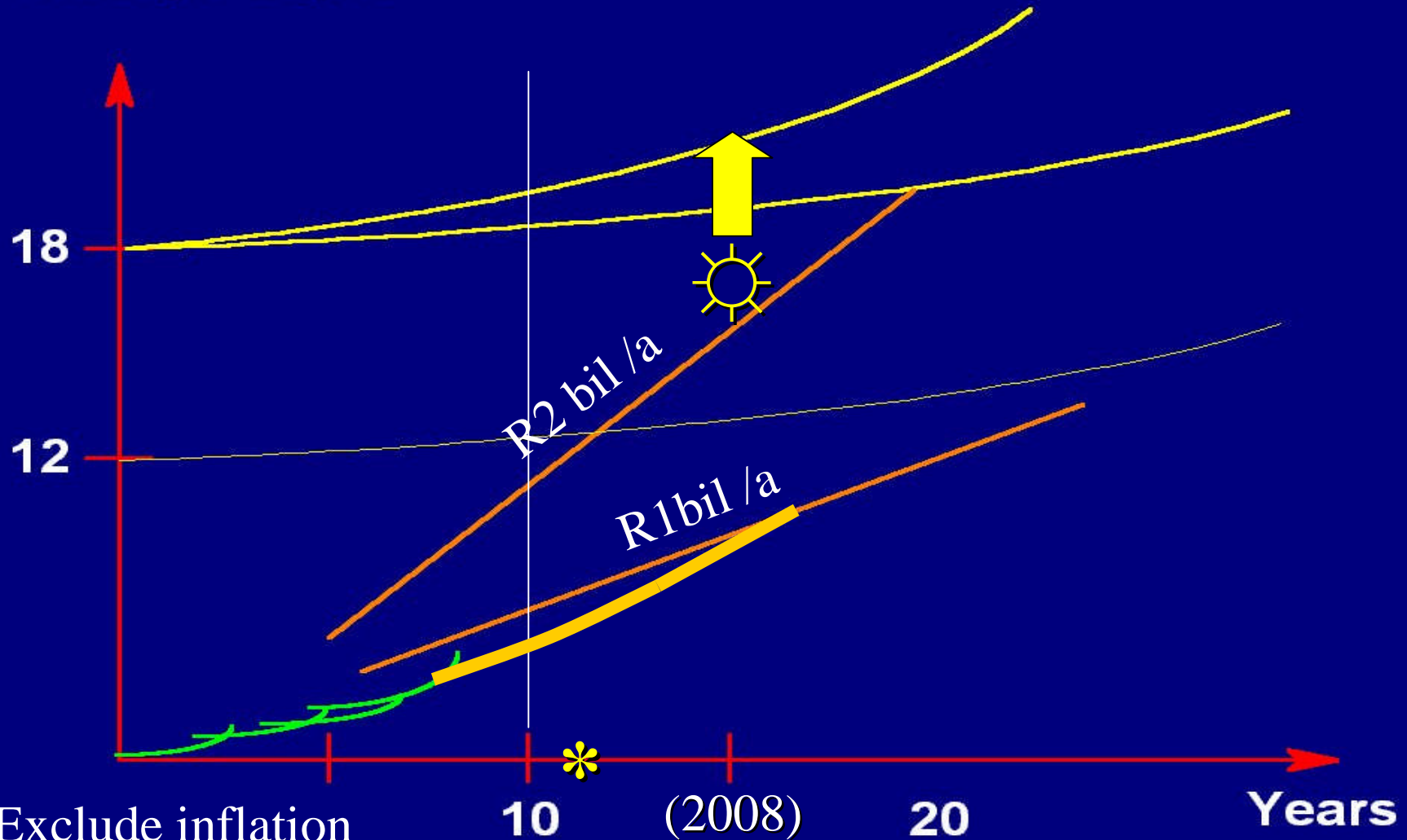


*Exclude inflation

Historic statements - 1998



Needy People



Present Performance ???!!!???

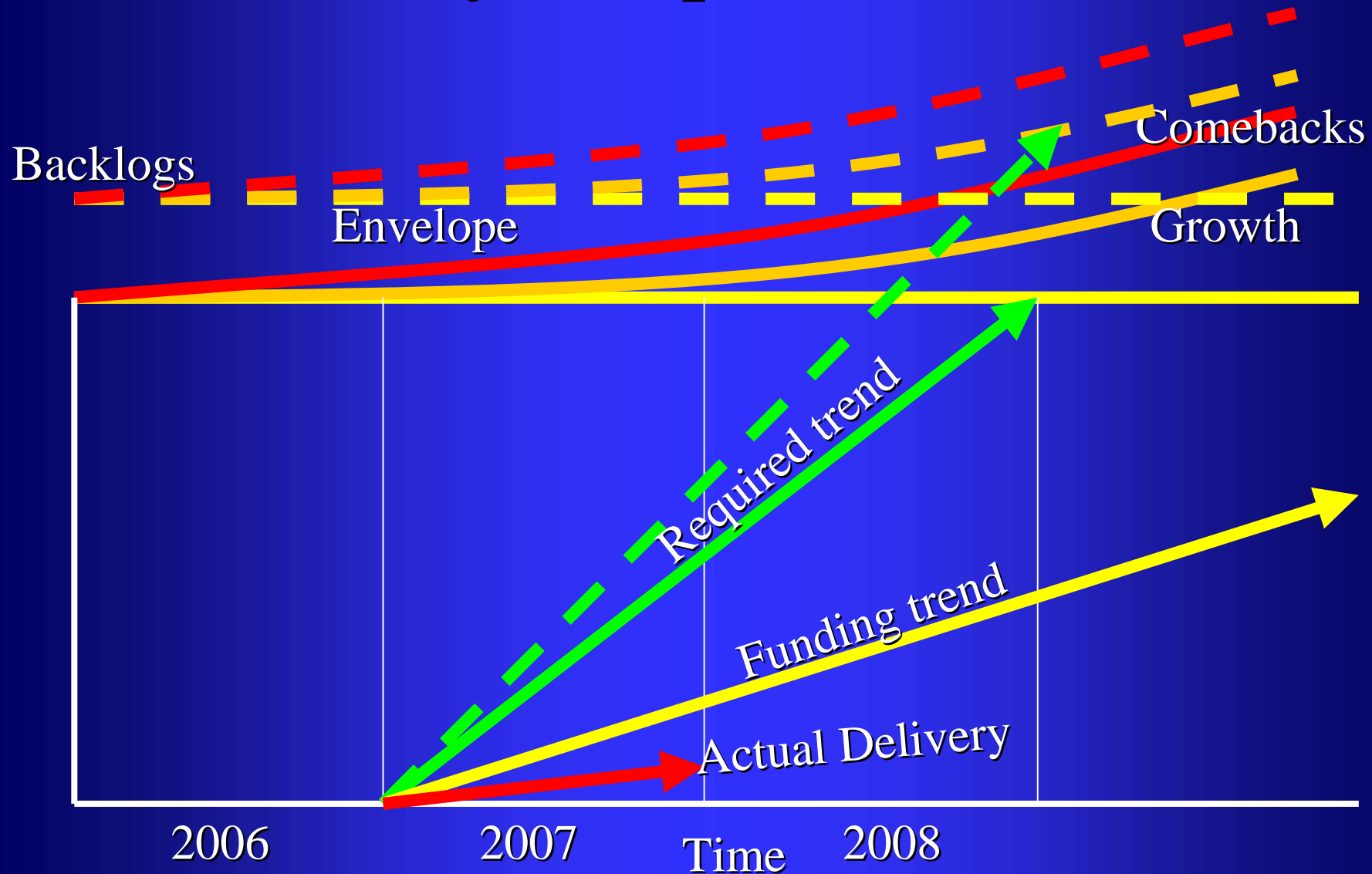
- 2006/07 Expenditure:
 - 17% after 5 months (40% TARGET)
 - Eastern Cape - 21%
 - Free State - 17%
 - Gauteng - 14%
 - KwaZulu Natal - 19%
 - Limpopo - 14%
 - Mpumalanga - 7%
 - Northern Cape - 15%
 - North West - 16%
 - Western Cape - 32%

Key Issues

- Backlog figures
- Present performance
- Funding
- Processes & Culture
- Drive
- Role of DWAF
- Present trends.

Future Perspectives

Reality Perspective Model



Basic Water Supply Delivery Trend

R1.8 billion /a

R21 bil +
12 mil

R12 bil +
8.2 mil

Required trend
(3.6 to 6m p/a)

Potential delivery
(1.5m p/a)

Present delivery <1m p/a

2006

2008

2015

2013/14

?

?

Basic Sanitation Reality Perspective

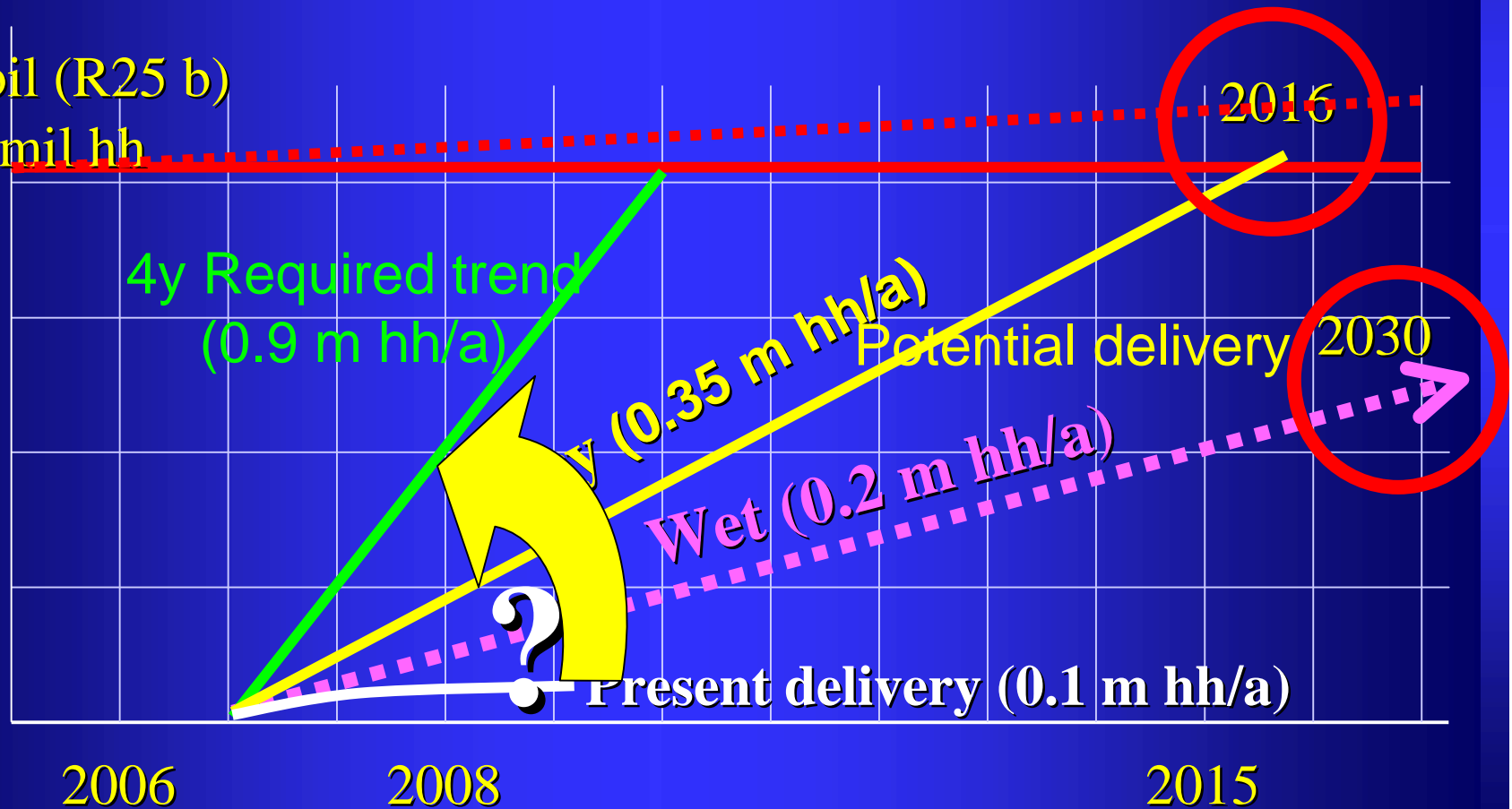
R1.2 billion/a

R16 bil (R30b)

5 mil hh

R12.5 bil (R25 b)

3.8 mil hh



Basic Sanitation Reality Perspective

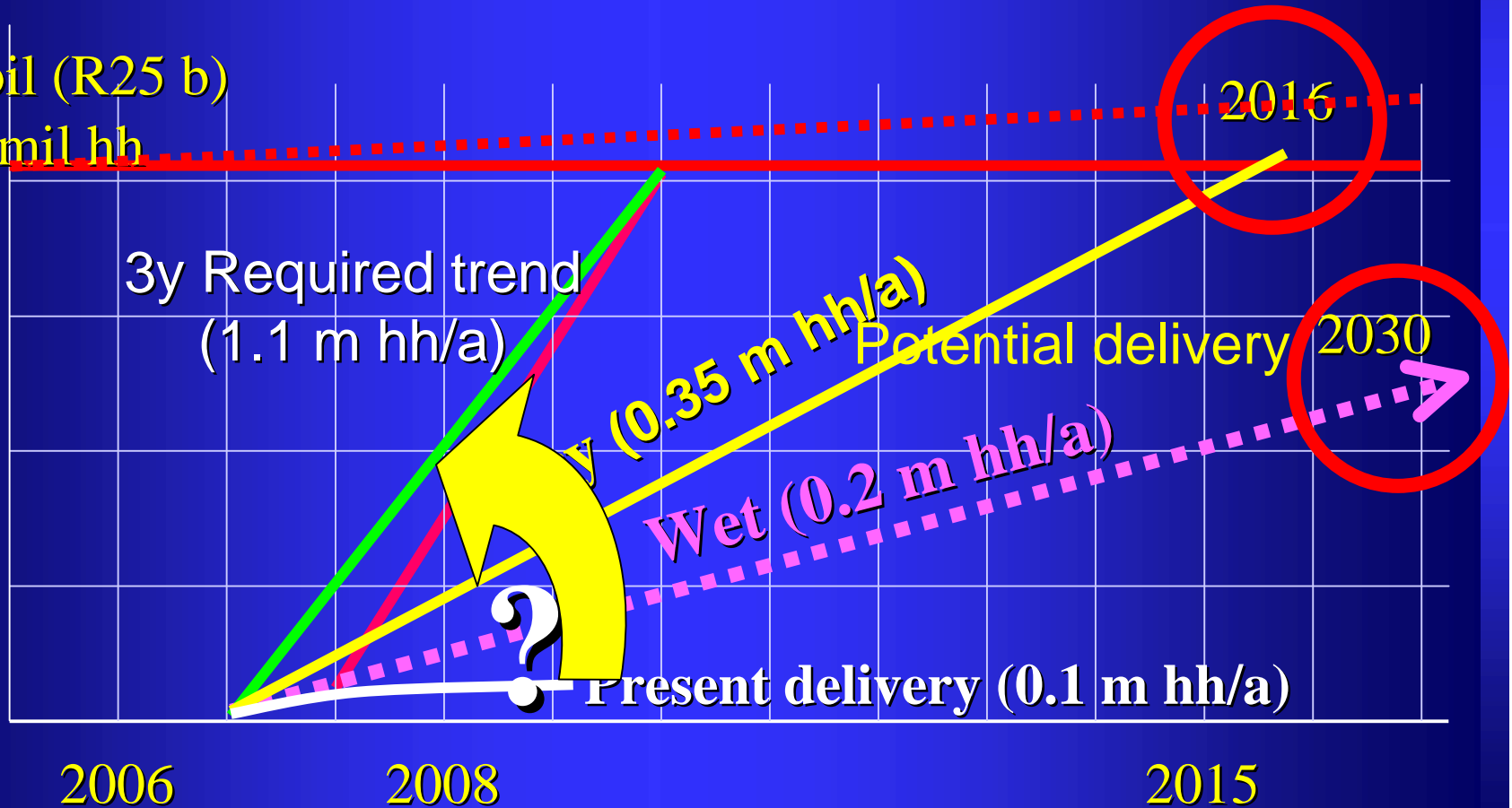
R1.2 billion/a

R16 bil (R30b)

5 mil hh

R12.5 bil (R25 b)

3.8 mil hh



Future Perspective

Dramatic Improved performance required

	2006	2007	2008
Water backlog	8.2 million people over 3 years = 2.7 mp/a 270%	7.1 million over 2 years = 3.6 mp/a 360%	6.1 million over 1 year = 6.1 mp/a 550%
Sanitation backlog	3.8 million hh over 5 years = 0.8 mhh/a 400%	3.6 million hh over 4 years = 0.9 mhh/a 450%	3.4 million hh over 3 years = 1.1 mhh/a 500%

Schools & Clinics

- D-Date already passed for schools
- Confusion regarding backlog
 - Present backlog based on schools with no service
 - Actual requirement: Focus to be on schools with inadequate services
 - Water supply backlog: 2688 schools → 10%?
 - Sanitation backlog: 1622 schools → 7%?
 - ?? Criteria: no services vs. inadequate services: 10% vs. 28% backlog for supply (2002 assessment)
 - 7% vs 59% backlog for sanitation
- Clinics: 15%/5% backlog vs. 61/69% inadequate (water/sanitation)?

Key facts - 1

- Insufficient funding (Requires 400% increase per annum)
- Implementation capacity concern (Requires 500% improvement)
- Implementation process challenges e.g. Procurement, decision making, insufficient planning
- Sustainability
- Project comebacks and failures
- Impacting factors: Physical & appropriate solutions.

Key facts - 2

- Present implementation trend
 - Required target for water supply – 3.6 million people per annum → present trend 1 million
 - Required target for sanitation – 0.9 million households per annum → present target 0.2 million hh/a → present delivery 0.1 m hh/a
 - Waterborne sanitation has serious implications: high cost → moving from R3,000/hh to R18,000/hh (R500,000/hh) with associated increased water requirements & environmental impacts
- Moving target – migration, urbanisation, population growth
- Fund leakage & misuse
- Moving service levels
- Water resource limitations.

Attitude & Culture

- Ignorance
- Not my problem
- Naivety
- Wait for miracle
- Mental Blockage
- No acceleration momentum
- Negative drivers e.g. sufficient money
- Misuse & abuse
- Ownership & commitment
- Grasping of situation (Comprehension).

DWAF's role

- 1994 to 2002
 - Policy development
 - Extensive backlog studies
 - Criteria & service levels
 - Planning & project selection
 - Funding
 - Implementation management
 - Programme management
 - Monitoring & evaluation.

DWAF's role ?

Sector Leader but... ?

- 2003 to 2006 (Hands-off instruction)
 - Policy development ✓
 - Extensive backlog studies ✓
 - Criteria & service levels ✓
 - Planning & project selection ✗ ✗ ✗
 - Funding management ✗ ✗ ✗
 - Funding negotiator ✓
 - Implementation management ✗ ✗ ✗
 - Programme management ✗ ✗ ✗
 - Monitoring & evaluation ✗ ✗ ✗ (DoRA Exclusion)
 - Advisory & Support service ✓
 - No direct control.

Other Views

- Continuous statements by DWAF that targets will be achieved
- DBSA & Treasury statements that present funds are more than sufficient to eradicate backlogs
- Extensive backlog in rural areas with total inadequate funding
- Sector statements – targets will not be achieved
- Specific areas where water resource availability is the controlling factor e.g. Sekhukhune
- Strategic perspective presents serious concerns.

Need Position Statement

- Objective perspective: Are we going to achieve the targets?
- If Yes: What will it take? Do we have the guts & resources?
- If No: Then what?
 - How do we deal with political expectations?
 - How do we deal with punishment?
 - How do we communicate?
- There is a compromise solution.

Social & Moral Obligation

Generations without appropriate water & sanitation services



Quantity
Quality
Flow
Affordable
Assurance
Effective
Sustainable



“Yes” Scenario (S1)

- 2 & 4 years to perform and deliver
- Immediate and drastic mobilization
- 400% increase in funding within 2 months (otherwise 500-600% within 1 year)... possibility?
- 500% improvement in implementation within 3 months (Massive mobilization – complete 40% of backlog in 2 years & ensure sustainability)
- Improved processes
- Improved resources (Materials)
- Improved drive
- Improved implementation models
- Risk... if not realized (achieved), then what?
- *Is this achievable – be honest?*

“No”... Scenario (S2)

- Postponement of D-Date
 - Political embarrassment
 - DWAF & Sector integrity on the line
 - Loss of drive, dynamics & commitments
- Scenario not recommended.

“No”... but Scenario (S3)

(F van Zyl Proposal)

- Maintain target dates
- 2 & 4 years to perform and deliver
- Immediate and drastic improvement on existing delivery management
- Soften goal to be achieved by 2008
 - Target “all for some” (Interim targets – 10/15 liters per capita)
 - Parallel total service level approach (2013/15)
 - Target Quick-Wins (Achievable areas)
- Reprioritization of funding and projects (id target areas)
- DWAF take charge of programme coordination
- Dramatic mobilization of total sector
- Parallel focus on effective & sustainable service delivery
- This scenario will still require dynamic management, additional funding & discipline, but is potentially achievable
- Minimize political embarrassment.

**Sector needs to take a realistic
Standpoint!**

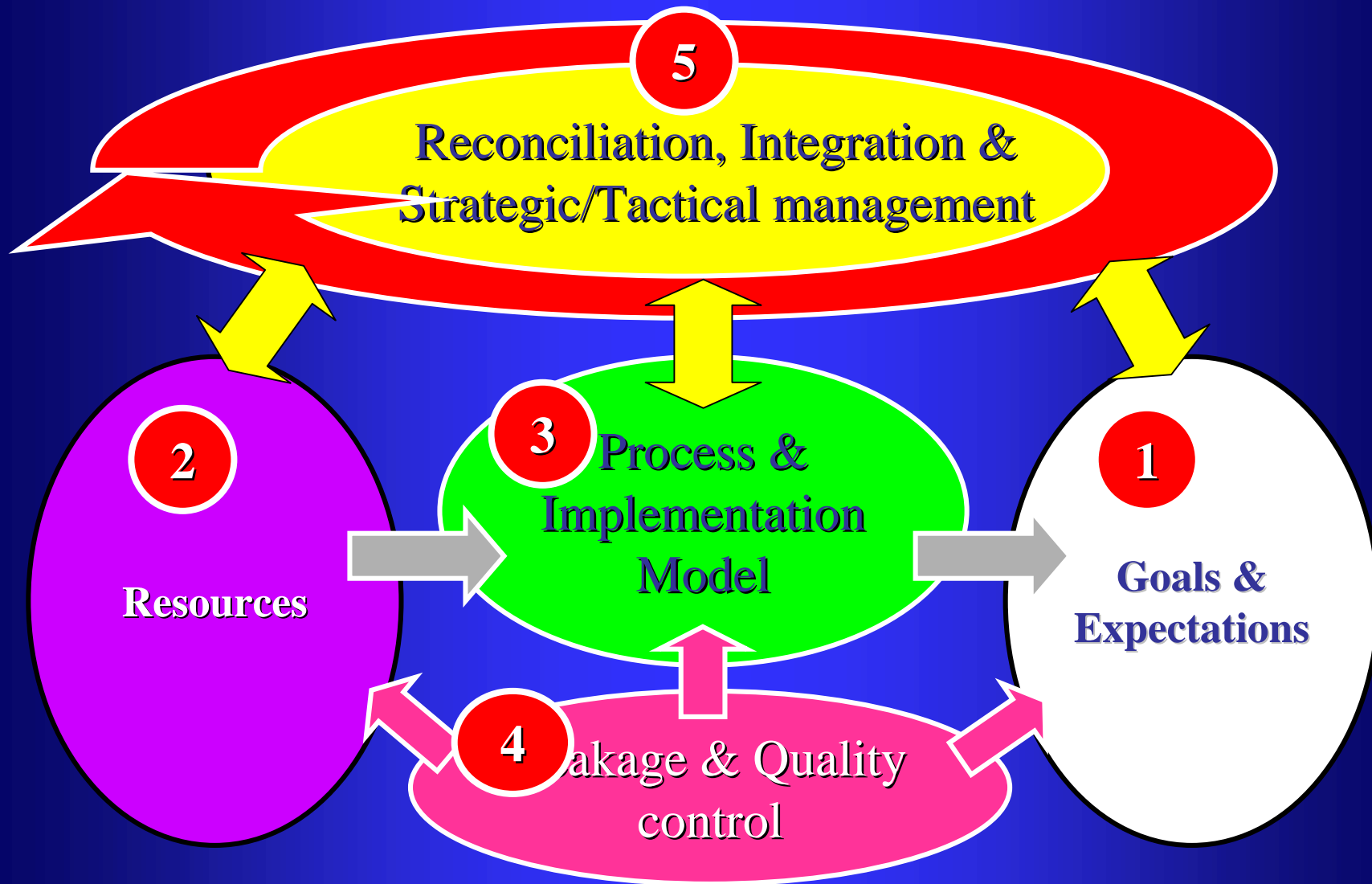
Sector needs mobilization & drive!

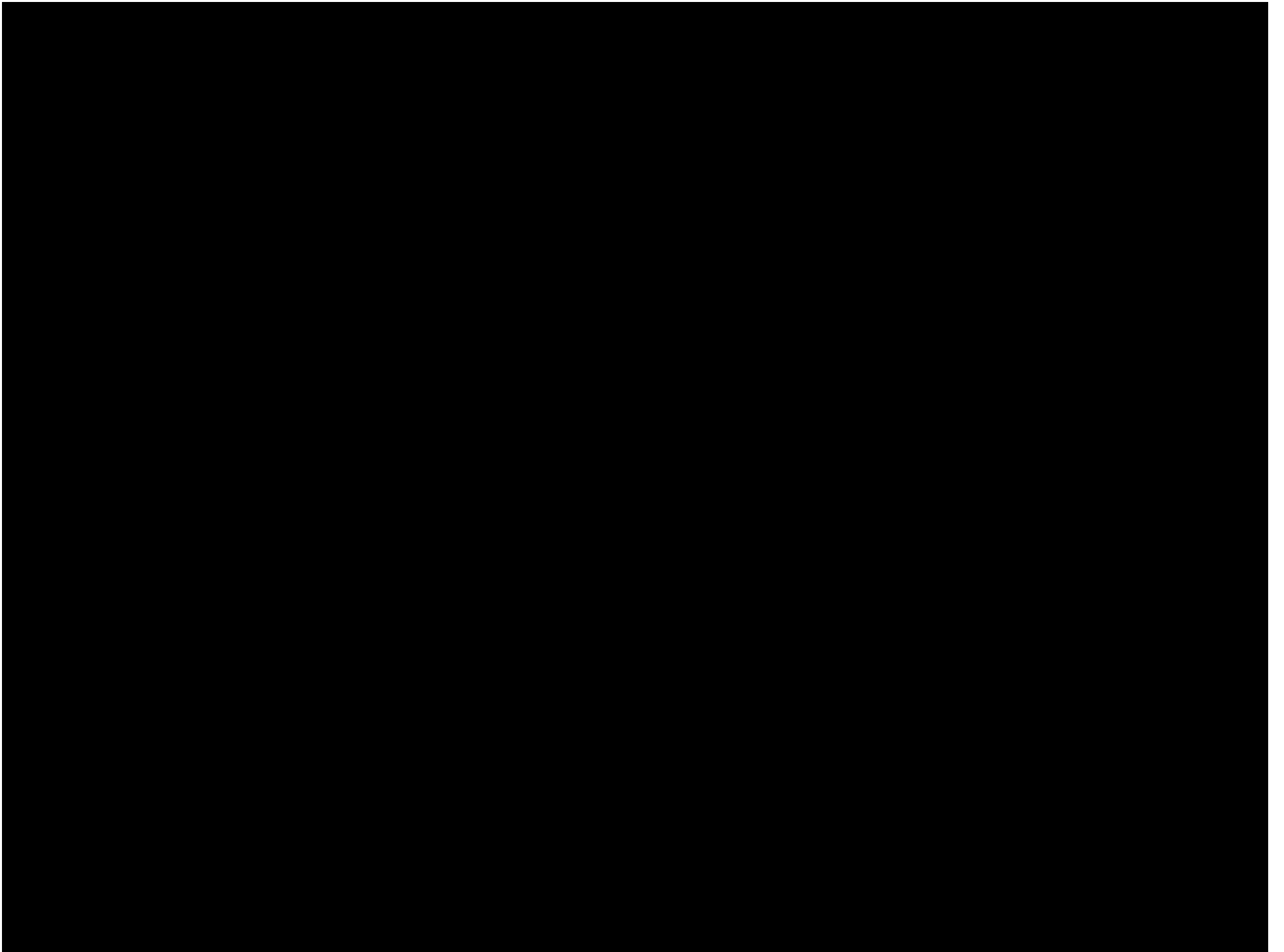
**DWAF's role to be clarified &
agreed to!**

Choices: Areas of Intervention



Choices: Areas of Intervention





Choices: Areas of Intervention

Goals:

- Move target date
- Redefine service levels
- Ring-fence backlogs
- Redefine standards
- Flexible approach
- Interim goal: Focus on some for all instead of all for some
- Etc.

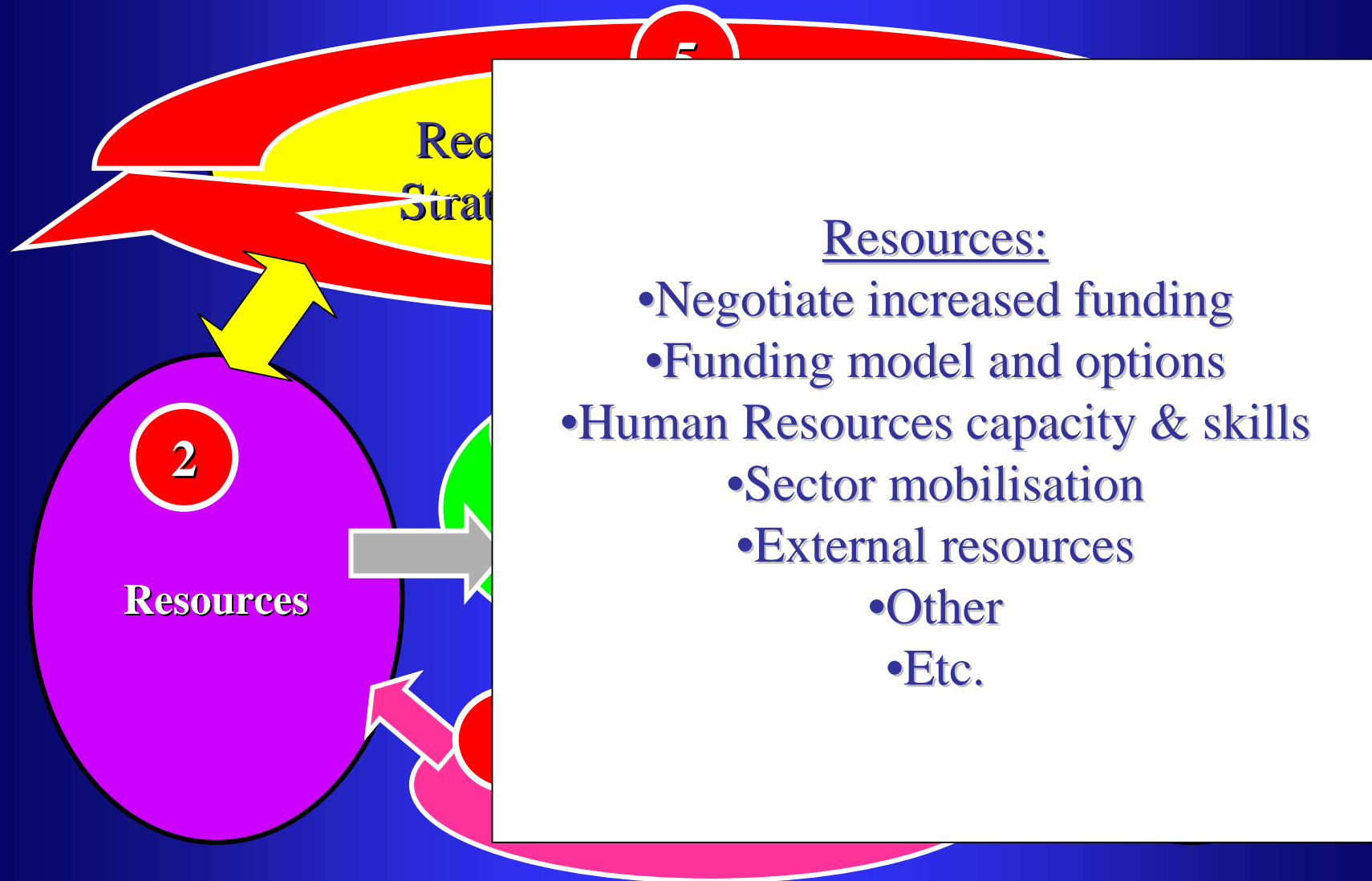
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Goals &
Expectations

5

Choices: Areas of Intervention



Choices: Areas of Intervention

Processes:

- Implementation models and options
 - Influence decision making
 - Contract management
 - Life cycle management
 - Project approval
 - Procurement
 - Integrated solutions
 - Partnerships/Sector mobilisation
 - Appropriate solutions
 - Etc.

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Goals &
Expectations

Choices: Areas of Intervention

Leakage & Quality Control:

- Focus on purpose & target
- Control funding leakage and misuse
 - Cost control
 - Quality control
 - Sustainability
- Project comebacks
 - Etc.

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Expectations

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akage & Quality
control

Choices: Areas of Intervention

5

Reconciliation, Integration &

Reconciliation, Integration & Strategic/Tactical management:

- Areas of intervention interdependent
- Requires integrated modeling
 - Option analysis
- Strategic & tactical choices
 - Team management
 - Dedicated programme
 - Commitment & ownership
- Political will (Local Government level)
 - Effective communication
 - Etc.

2

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Goals & expectations

Time is running out

Need Team Effort

Let's mobilize!!

So: Lets take charge !

- Strategic:
 - Develop a reality perspective per Municipality & Province (incl. scenarios & options)
 - Identify critical factors to be addressed
 - Develop an integrated delivery strategy & perspective with associated intervention areas
 - Ring-fence and define services & levels to be rendered (Set intermediate targets)
 - Secure additional funding.

So: Lets take charge !

- Planning:
 - Objective backlog perspectives & ring fencing
 - Develop macro feasibility studies e.g. Sekhukhune
 - Infrastructure reference framework
 - Bulk infrastructure planning
 - Raw water bulk
 - Regional (Macro bulk)
 - Internal bulk
 - Refurbishment
 - Extension
 - New
 - Scheme feasibility studies.

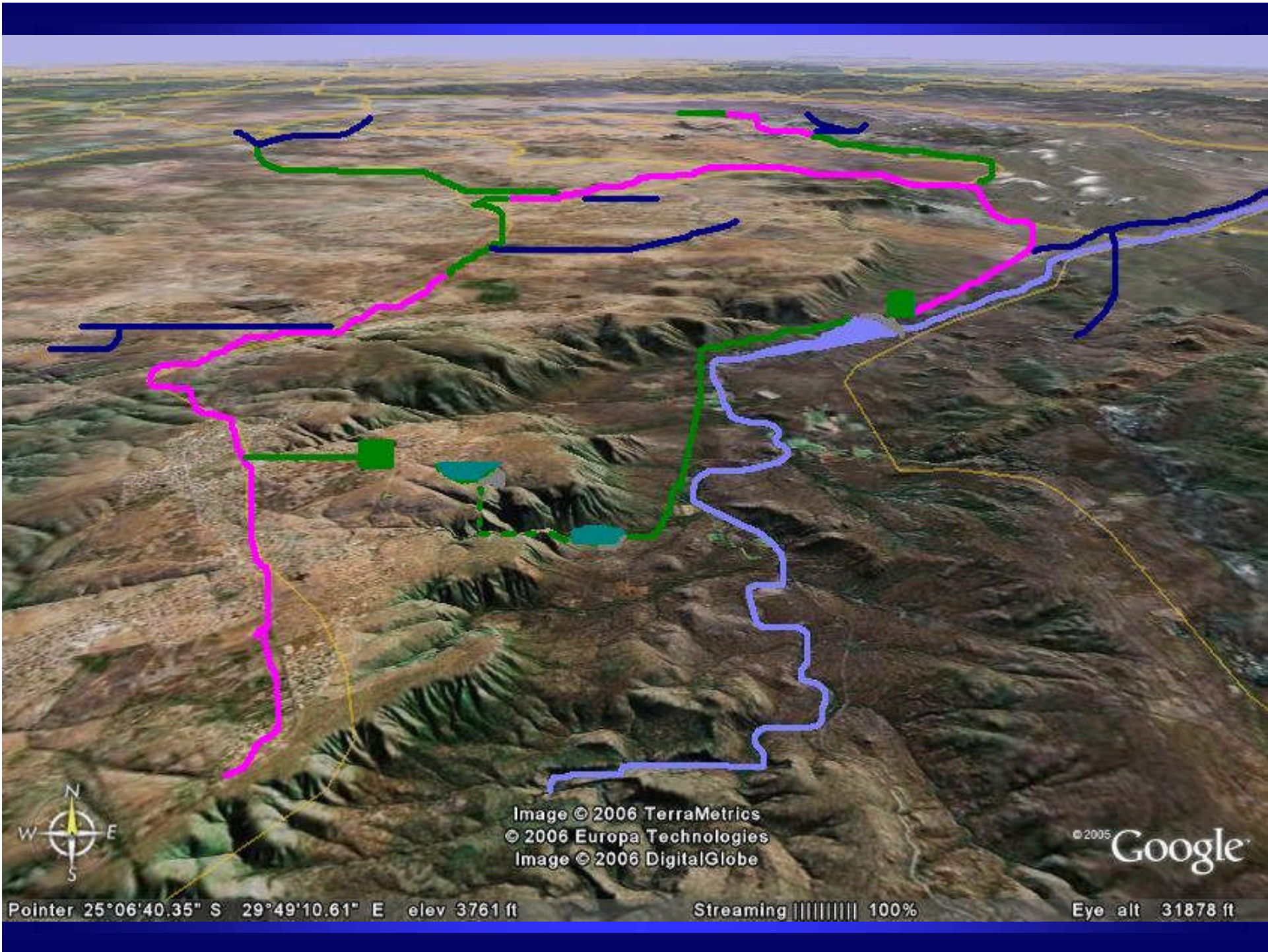


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So: Lets take charge !

- Project registration:
 - Decision-making
 - IDP/WSDP compliance
 - Ensure condition compliance
 - Ensure appropriate solutions
 - Ensure quality solutions
 - Ensure complete solutions
 - Capturing.

So: Lets take charge !

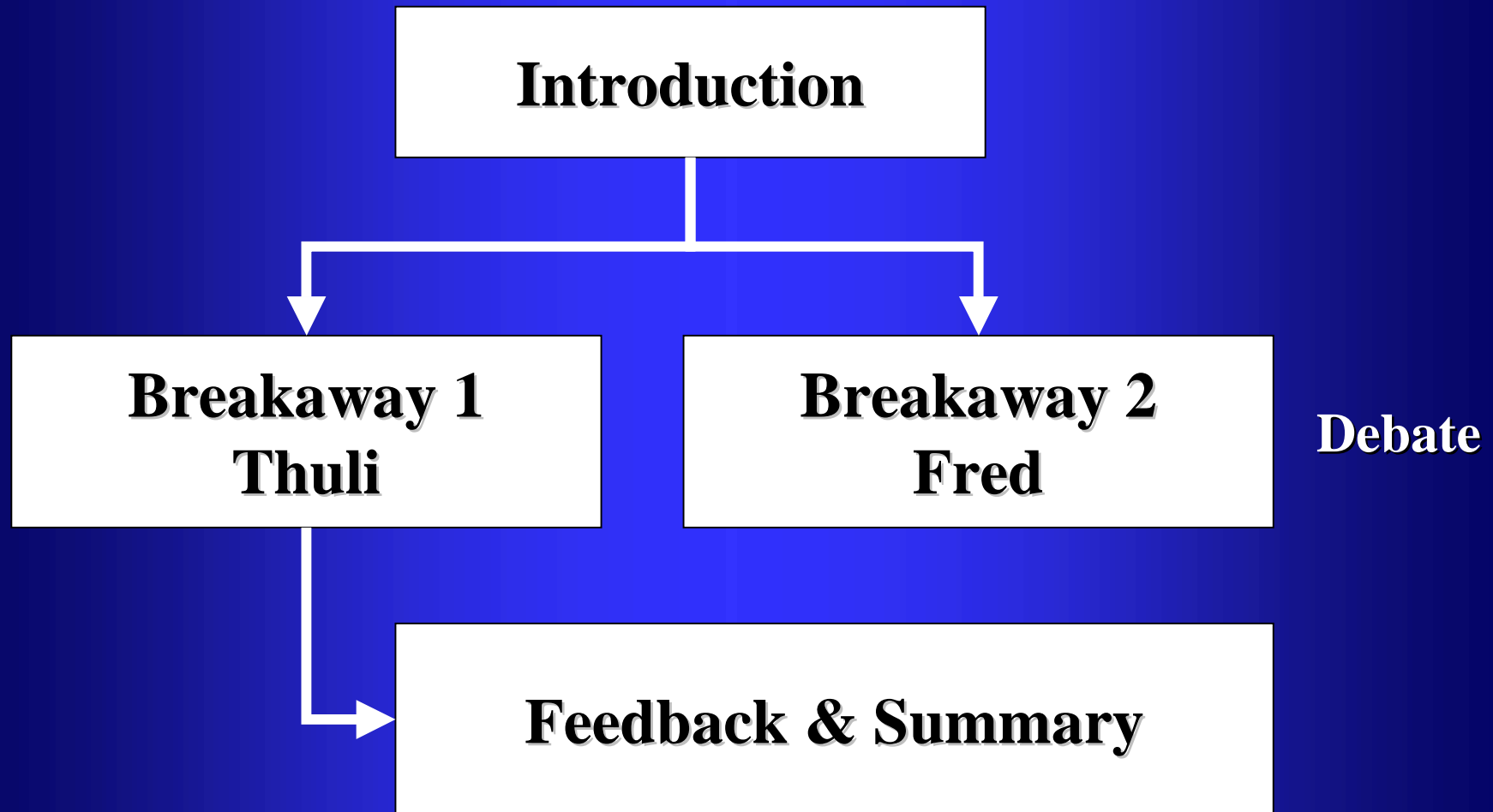
- Project management:
 - Contract management
 - Project administration
 - Project control
 - Financial management
- Quality control (Sector responsibility)
- Capacity building
- Implementation models.

So: Lets take charge !

- Monitoring & Evaluation:
 - Planning and registration
 - Progress – require monthly reports
 - Quality & Correctness (info)
 - Quality (product)
 - Financial
- Strategic monitoring
- Outcome monitoring
- Reference system ?

Action ! ? !

Format of Work Session



Format of Discussion

1. SECTOR STATEMENTS & OPINION

2. INTERVENTION AREAS AND ACTION

2.1 Addressing the goals/targets

2.2 Resource mobilization (Funding & HR & Tools)

2.3 Implementation process & models (Capacity)

2.4 Program management & discipline

2.5 Program governance (Planning, institutional, control, coordination)

2.6 Ownership, culture and commitment

2.7 Other

3. THE WAY AHEAD

3.1 Immediate preparatory actions

3.2 Mind change, creative & innovative solutions, commitment & dedication

3.3 Tactical & strategic planning

3.4 Sector mobilization & coordination

3.5 Performance: Implementation, sustainability & monitoring

3.6 Support & resource mobilization

PRODUCTS

- Statement
- Mobilization & Action business plans
 - National
 - Local
 - Sectors
 - Resources e.g. Financing.

End

Work Session

- Comments, opinion, statements
- Proposed interventions
- The way forward – making it happen!

Work Session

1. Sector comments & statements

Work Session

2. Proposed intervention

2.1 Addressing the goals/targets

2.2 Resource mobilization (Funding & HR & Tools)

2.3 Implementation process & models (Capacity)

2.4 Program management & discipline

2.5 Program governance (Planning, institutional, control, coordination)

2.6 Ownership, culture and commitment

2.7 Other

Work Session

3. The Way forward

3.1 Immediate preparatory actions

3.2 Mind change, creative & innovative solutions, commitment & dedication

3.3 Tactical & strategic planning

3.4 Sector mobilization & coordination

3.5 Performance: Implementation, sustainability & monitoring

3.6 Support & resource mobilization

Comebacks and Leakages

- MIG fund used for Higher levels of service
- Sanitation – waterborne → yard connection
- Revisits
- Refurbishment
- Poor maintenance (new backlog definition)
- Higher costs (R3,000 – R30,000 for toilet)
- Urbanisation & Migration
- Misuse
- Poor quality of projects.

And THEN ?

Team Effort

Let's mobilize!!

Key Challenges - 3

- Positive issues:
 - Dedicated and committed program and funding
 - Drive and focus
 - Maintain goals (positive driver)
 - Develop creative and flexible solutions e.g. Interim rudimentary goals, ring fencing of goals
- Critical issue: Focus on sustainability
- Achievement of MDG:
 - Water supply on track
 - Sanitation requires dedicated & disciplined management including clear definition of expectations.

Options

- Do nothing – wait for a miracle to happen
- Do nothing – and take the punch – embarrassment
- Intermediate solution approach.