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GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF WATER AND SANITATION

NO. 7914 **11 September 2026**

Strategic Framework for Water and Sanitation Services

Water is life, sanitation is dignity

January 2026

Preface

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1. INTRODUCTION AND BACKGROUND

1.1. Why the Strategic Framework for Water and Sanitation Services

Water and sanitation are not just basic services, they are the foundation of dignity, health, and development. In South Africa, the right to access sufficient water and adequate sanitation is enshrined in the Constitution. Yet, delivering on this right remains a complex challenge, shaped by geography, inequality, climate pressures, and institutional capacity.

The Strategic Framework for Water and Sanitation Services (SFWSS) exist to bring clarity, coherence, and direction to this vital sector. It is more than a policy document, it is a shared commitment to ensuring that every person, regardless of where they live, has access to safe, reliable, and sustainable water and sanitation services.

The original SFWS, published in 2003, laid the groundwork for reform and progress. It helped define institutional roles, set service standards, and guide investment, but much has changed since then. The sector now faces new and evolving challenges: rapid urbanisation, ageing infrastructure, climate-related risks, and persistent service delivery gaps, especially in rural areas and informal settlements. In response to these evolving challenges, the sector has undertaken significant reforms, including the review of the Local Government White Paper, amendments to the Water Services Act and the National Water Act, and the development of new policy instruments aimed at improving governance, accountability, and service delivery.

This updated framework responds to those realities. It builds on lessons learned, integrates new policy directions, and aligns with national priorities. It also reflects the growing importance of digital transformation, climate resilience, and inclusive governance.

Ultimately, this framework is about people. It is about ensuring that water and sanitation services are not only technically sound and financially sustainable, but also responsive to the lived experiences of communities. It is about restoring trust, strengthening institutions, and delivering services that uphold dignity and drive development.

1.2. Evolution from the 2003 Framework

The 2026 Strategic Framework for Water and Sanitation Services (SFWSS) represents a comprehensive update to the original 2003 Strategic Framework for Water Services (SFWS), reflecting over two decades of evolving national priorities, legislative reforms, and sectoral insights. This refreshed Framework is designed to address contemporary challenges and position the sector for sustainable, equitable, and resilient service delivery aligned with South Africa's constitutional obligations and international commitments. Key Innovations and New Provisions in the 2026 Framework include:

Integration of Recent Policy Shifts: The Framework explicitly incorporates directives from critical policy and legislative milestones that post-date the 2003 SFWS. These include the National Water Policy Review (2013), National Sanitation Policy (2016), National Water Resource Strategy III (2023), revised tariff norms (2024), compulsory national water and sanitation service standards (2025), and recent amendments to the Water Services Act. This ensures alignment with current legal and regulatory requirements, including cost-reflective tariffs, expanded service standards, and strengthened regulatory oversight.

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Emphasis on Climate Resilience: Recognising the mounting impacts of climate change on water security and infrastructure, the Framework enshrines climate risk assessments, scenario-based planning, and climate adaptation strategies into core service delivery, planning, and financing processes. This anticipates and responds to climate variability and extreme weather events to sustain reliable water and sanitation services.

Digital Transformation and Innovation: The Framework introduces digital tools as transformative enablers for the sector. Innovations such as smart metering, integrated data systems (like NIWIS and IRIS), asset management platforms, and digital compliance monitoring are integrated to enhance transparency, operational efficiency, revenue protection, and consumer engagement.

Focus on Social Equity and Inclusion: Building on the 2003 emphasis on access, the updated Framework broadens its social equity commitments to prioritise formal and informal settlements, peri-urban populations, and service provision on privately owned land where historical inequalities persist. This includes gender mainstreaming, prioritisation of vulnerable groups, and the advancement of inclusive governance models.

Institutional and Regulatory Strengthening: The establishment of an independent economic and water services regulator is a cornerstone innovation, aimed at reforming tariff setting and enforcing service quality standards. The Framework advances performance-based regulation and mandates comprehensive water and sanitation policies for Water Services Authorities to promote accountability and institutional maturity.

Comprehensive Financial Framework: Lifecycle costing and full value chain financial planning are embedded to ensure tariffs, subsidies, and grant allocations reflect the true costs of sustainable water and sanitation service delivery. The Framework balances affordability for indigent households with the financial sustainability of service providers through pro-poor tariff design and blended financing models.

Sanitation Sector Advancements: Building on global best practices, the Framework adopts international standards such as ISO 30500 for non-sewered sanitation systems to ensure safe, health-promoting, and environmentally sound sanitation infrastructure, especially in areas lacking centralised sewerage networks.

Evidence-Based Target Setting and Monitoring: The Framework acknowledges mixed results against 2003 targets, reinforcing the need for robust data-driven monitoring, transparent performance reporting, and adaptive management to guide continuous improvement.

This Framework centres on water and sanitation services delivery governance, operations, and regulation. While it acknowledges the pivotal role of water resources management—particularly in agriculture consuming high water volumes — issues concerning irrigation access and broader water resource allocation remain within the remit of the National Water Resource Strategy and water resources policy units.

By articulating these innovations and policy evolutions, the 2026 SFWSS provides a clear roadmap aligned to the current sector context. It ensures that stakeholders at all levels—from national policymakers to local municipalities and service providers—can collaboratively advance South Africa's water and sanitation objectives with clarity, accountability, and foresight.

1.3. Purpose and Scope

This framework reaffirms the constitutional right to water and sanitation. It sets out clear roles and responsibilities across government and the sector, updates norms and standards, and promotes inclusive planning, climate resilience, and digital innovation. It also ensures alignment with national development

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priorities like the NDP, SDGs, and the District Development Model. Importantly, it provides a basis for reviewing and amending sector targets to reflect current realities and drive continuous improvement.

This framework applies to water and sanitation services in urban, peri-urban, and rural areas. It covers how water and sanitation services are planned, delivered, regulated, and financed. It also addresses environmental sustainability, social inclusion, and systems for monitoring and accountability.

1.4. Sector Overview

South Africa's water and sanitation services sector operates within a complex and evolving environment. It comprises multiple institutions, including national departments, provincial governments, municipalities, Water Boards, Catchment Management Agencies, private sector and Water Services Providers. Despite progress since 2003, the sector continues to face persistent and emerging challenges. These include high levels of non-revenue water, failing wastewater treatment works, and inadequate sanitation in informal settlements. Significant disparities remain between urban and rural areas, and between formal and informal settlements, while an infrastructure backlog and ageing assets hinder service expansion and maintenance. Climate-related risks such as droughts and floods further strain systems already under pressure. In response, new policies and regulatory reforms have been introduced to strengthen governance, improve financial sustainability, and accelerate infrastructure investment. There is also a growing emphasis on revenue management, digital transformation, community engagement, and performance-based regulation to ensure accountability and resilience.

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2. SECTOR VISION, GOALS AND TARGETS

2.1. Sector Vision

Water is life, sanitation is dignity.

This enduring vision, first articulated in the SFWS 2003, continues to guide South Africa's water and sanitation services sector. It reflects the fundamental importance of water and sanitation in upholding human dignity, promoting public health, enabling inclusive economic development, and protecting the environment.

In the new SFWSS, this vision is reaffirmed and expanded to reflect South Africa's evolving context and global commitments:

To ensure universal access to safe, reliable, and sustainable water and sanitation services that uphold human dignity, promote public health, support inclusive economic development, and protect the environment.

This vision is grounded in the Constitution of the Republic of South Africa, and aligns with the country's commitments to climate resilience, social equity, and international development goals.

2.2. Evolution of Sector Goals

The updated SFWSS builds on the foundation laid by the 2003 SFWS. While the original seven goals remain relevant, the sector has faced significant changes over the past two decades. These realities have required a rethinking of priorities and the introduction of new goals.

Below are the new goals, followed by a comparison table that shows how they relate to the 2003 SFWS goals, highlighting what has been retained, refined, or introduced.

- **Universal Access**: Ensure that all households have access to safe, reliable, and sustainable water and sanitation services, with progressive improvements over time.
- **Service Quality and Reliability**: Improve the quality, continuity, and reliability of water supply and sanitation services, including compliance with SANS 241 and wastewater discharge standards.
- **Institutional Capacity and Accountability**: Strengthen the capacity of Water Services Authorities (WSAs) and Water Services Providers (WSPs) to plan, deliver, and regulate services effectively.
- **Financial Sustainability**: Promote cost-reflective tariffs, efficient revenue management, and equitable funding models.
- **Climate Resilience and Environmental Protection**: Integrate climate risk assessments, ecological infrastructure, and circular economy principles into service planning and delivery.
- **Digital Transformation and Innovation**: Leverage digital platforms, smart infrastructure, and open data to enhance decision-making, transparency, and citizen engagement.
- **Social Equity and Inclusion**: Prioritise vulnerable populations, promote gender mainstreaming, and ensure non-discrimination in service quality and access.

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Goal No.	2003 SFWS Goal	New Goal	Explanation of Change
1	All people have access to appropriate, acceptable, safe, and affordable basic water and sanitation services	Universal access to safe, reliable, and sustainable water and sanitation services	Expanded from "basic" to include reliability, sustainability, and progressive improvements.
2	Education in healthy living practices and wise use of water	Integrated in social equity and inclusion	Education remains important but is integrated into equity and community engagement strategies.
3	Services provided equitably, affordably, effectively, efficiently, sustainably, and gender sensitively	Social equity and inclusion	These principles are retained but consolidated into two focused goals: one on equity and inclusion, and another on service quality and reliability. Sustainability is expanded to include climate resilience.
4	WSAs accountable to citizens and able to regulate services effectively	Institutional Capacity and Accountability	Strengthened to include governance, performance management, and capacity-building for WSAs and WSPs.
5	WSPs accountable, cost-effective, efficient, viable, and implementing gender equity policies	Institutional Capacity and Accountability	Provider accountability is integrated with institutional strengthening and oversight mechanisms.
6	Prices reflect water as both a social and economic goods, promoting access, wise and sustainable use of resources and ensures financial sustainability.	Financial Sustainability Equitable and affordable access to water and sanitation services	Expanded to include cost-reflective tariffs, equitable funding models, and efficient revenue management to ensure long-term viability.
7	Services effectively regulated to ensure ongoing achievement of goals	Digital Transformation and Innovation for effective and efficient management	Use of digital platforms, smart infrastructure and open data for transparency to assist in achievement of effective regulation.
8	Not in 2003	Climate Resilience and Environmental Protection	This is a new goal introduced to address climate risk, integrate ecological infrastructure and promote circular economy.
9	Not in 2003	Social Equity and Inclusion	This is a new goal that aims to provide a broader focus on vulnerable groups, gender mainstreaming and non-discrimination in service delivery.

2.2.1. Millenium Development Goals (MDGs)

The Millenium Development Goals (MDGs) comprised of eight development targets established by the United Nations. These goals were designed to address the most pressing challenges faced globally, with a particular focus on developing countries.

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As a member state, South Africa sought to implement initiatives which would assist in achieving the targets set out by the MDGs. These targets had a deadline of 2015.

MDG 7 set the goal of ensuring environmental sustainability. As part of this goal, target 7C aimed at halving the proportion of people without sustainable access to safe drinking water and basic sanitation. South Africa was able to achieve and exceed the goal set by MDG 7C.

The MDGs were followed by the Sustainable Development Goals (SDGs), which expanded the development agenda beyond 2015. The MDGs focused on infrastructure-based targets (water and sanitation facilities), while the SDGs focus on whether that infrastructure is safely managed.

2.3. Sector Targets

Targets translate the sector vision into measurable commitments that guide planning, investment, and accountability. This section reviews the progress made against the goals set in the 2003 SFWS and introduces updated targets to address current challenges and future priorities.

2.3.1. Reflection of Targets

The targets set out in the 2003 SFWS were designed to accelerate universal access to water and sanitation, improve public health, and strengthen institutional capacity. These targets were ambitious and aimed to eradicate service backlogs while promoting sustainability and equity. Two decades later, it is essential to reflect on these commitments, assess progress, and identify gaps. The table below provides a summary of the original targets, their deadlines, and the status of achievement, forming the basis for lessons learned and informing the revised targets for the new SFWSS.

NB*: The status provided represents a preliminary default and is subject to confirmation or verification with the relevant sector. It will be revised and updated to reflect the new targets once validation is complete.

Target No.	2003 SFWS Target	Deadline	Status*
1	All people have access to a functioning basic water supply facility.	2008	Partially Achieved
2	All people have access to a functioning basic water and sanitation facility.	2010	Partially Achieved
3	All schools have adequate water and sanitation.	2005	Partially Achieved
4	All clinics have adequate water and sanitation.	2007	Partially Achieved
5	All bucket toilets are eradicated	2006	Not Achieved
6	Investment in water services infrastructure totals at least 0.75% of GDP	Ongoing	Not Achieved
7	Hygiene education and wise water use taught in all schools	2005	Partially Achieved
8	70% of households with sanitation know safe practices	2005/2010	Partially Achieved

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Target No.	2003 SFWS Target	Deadline	Status*
9	Free Basic Sanitation policy implemented in all WSAs	2005	Partially Achieved
10	Free Basic Sanitation policy implemented in all WSAs	2010	Partially Achieved
11	National institutional reform strategy developed	2004	Not Achieved
12	Institutional reform of regional providers completed	2013	Partially Achieved
13	All DWAF assets transferred to WSAs	2008	Achieved
14	By-laws promulgated in every WSA	2005	Partially Achieved
15	All WSAs report annually on WSDPs	2005	Partially Achieved
16	All external providers under contract	2005	Achieved
17	All providers operate under business plans	2005	Partially Achieved
18	All WSAs adopt KPIs and report annually	2005	Partially Achieved
19	DWAF reports on sector progress annually	Ongoing	Partially Achieved

2.3.2. Overall Sector Targets

The overall sector targets define the measurable outcomes required to achieve the vision and goals of the water and sanitation services sector. These targets build on lessons from the 2003 SFWS while incorporating new priorities such as sustainability, equity, and adaptation to climate change.

Target No.	Target Area	Updated Target	Timeline (Aligned with SDG)	Timeline (Aligned with SFWSS)	Lead Responsibility
1	Water and Sanitation Services Provision	All WSAs should have provided 70% provided water and sanitation services on privately owned land (planning and service delivery stats).	N/A	2035	DWS
2	Access to services	All people have access to a functioning basic water supply facility and basic sanitation facility	2030	2035	Water services authorities (WSAs), supported by DWAF

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Target No.	Target Area	Updated Target	Timeline (Aligned with SDG)	Timeline (Aligned with SFWSS)	Lead Responsibility
3	Schools	All schools have adequate and safe water supply and sanitation services	2027	2035	Provincial Education Depts; supported by Nat. Educ. & DPW
4	Clinics	All clinics have adequate and safe water supply and sanitation services	2027	2035	Provincial Health Depts; supported by Nat. Health & DPW
5	Investment	Investment in water services infrastructure totals at least 0.75% of GDP	N/A	2035	National Treasury
6	Education & hygiene	Hygiene education and wise water use taught in all schools	N/A	2035	National Department of Education
7	Hygiene practice (households)	100% of households with basic sanitation know safe practices	2030	2035	WSAs, supported by DWS
8	Water and Sanitation Services	All WSAs must develop a comprehensive water and sanitation services policy	N/A	2030	WSAs
9	Free basic services	Free basic water and sanitation policy implemented in all WSAs	2030	2035	WSAs
10	Institutional reform	National institutional reform strategy developed	N/A	2035	DWS
11	Institutional reform	Institutional reform of regional water services providers completed	N/A	2035	DWS
12	Planning & reporting	All WSAs report annually on progress against their WSDPs	N/A	2035	WSAs
13	Provider performance	All WSPs render services in terms of a business plan	N/A	2035	WSAs

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Target No.	Target Area	Updated Target	Timeline (Aligned with SDG)	Timeline (Aligned with SFWSS)	Lead Responsibility
14	KPIs & performance monitoring	All WSAs adopt KPIs and report annually	N/A	2035	WSAs
15	Water Quality Compliance	100% compliance with potable water standards (SANS 241)	Ongoing	2035	WSAs, DWS
16	Non-Revenue Water Reduction	Reduce non-revenue water to <25% nationally	2030	2035	WSAs
17	Digital Metering	80% of urban households have smart meters	N/A	2032	WSAs, Municipal Entities
18	Gender Equity in Sector Employment	50% of new hires in water services institutions are women	2030	2035	WSAs, SALGA
19	Environmental Compliance	100% of water services projects must obtain all required environmental approvals prior to implementation, and comply with approval conditions throughout the project lifecycle	N/A	Ongoing	WSAs
20	Climate Resilience & Capacity Building	100% of WSAs must prepare Climate Change Adaptation Strategies and train staff on climate governance.	N/A	Ongoing	WSAs, DWS
21	Sector reporting	DWS reports on sector development and progress annually	N/A	Annually	DWS
22	Infrastructure Renewal	All WSAs to renew at least 10% of high-risk systems of ageing assets annually	N/A	2035	WSAs, supported by DWS; NT/SALGA on tariff/finance
23	Replacement of Ageing Infrastructure (Risk-Based)	By 2035, all WSAs must replace ≥30% of end-of-life network assets (pipelines,	2035	2035	WSAs; DWS regulatory enforcement; NWRIA for bulk alignment

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Target No.	Target Area	Updated Target	Timeline (Aligned with SDG)	Timeline (Aligned with SFWSS)	Lead Responsibility
		pumps, process units),			
24	Grant Funding Alignment (WSIG & RBIG)	All WSIG and RBIG grant applications must embed Life-Cycle Costing (LCC) and allocate ≥10% (which shifts to 20% over time) on repairs and renewal of linked water and wastewater network/system assets	2028	2028	DWS (grant framework); WSAs (LCC & project design); NT (grant compliance & MFMA alignment)
25	Technical Capacity & Competence for Renew, Repairs or Refurbishments	By 2030, each WSA meets a minimum renewal capacity standard: staffing ratio (≥1 technician/20,000 connections; ≥1 Pr.Eng/Pr.Tech re newal lead; IAM Accountable Official)	2030	2030	WSAs; DWS (standards & oversight); SALGA/NT/MI SA (capacity support); Water Boards (regional support)

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3. OVERARCHING POLICY AND LEGISLATIVE PRESCRIPTS

The water sector is governed by key legislation and principles mandated by the Constitution. These laws are supported by various policy documents that guide implementation, address inequalities, and promote long-term sustainability. Together, they form a comprehensive framework that balances social needs, economic development, and environmental protection.

3.1. International Obligations

Global and continental development agendas play a pivotal role in shaping national policies and sectoral strategies. Key international frameworks provide a shared vision for inclusive growth, environmental sustainability, and improved quality of life. These prescripts emphasise the importance of integrated water resource management, climate resilience, and equitable access to essential services. As a signatory to these frameworks, South Africa aligns its national development priorities with these global and regional targets, ensuring that environmental and water sector strategies contribute meaningfully to broader goals of sustainability, poverty reduction, and social justice.

3.1.1. Sustainable Development Goals (SDGs)

The SDGs are a set of 17 global goals adopted by all United Nations Member States in 2015 as part of the 2030 Agenda for Sustainable Development. They build on the progress of the MDGs and aim to address a broader range of global challenges.

SDG 6 is focused on ensuring availability and safe management of water and sanitation for all. It recognises that access to clean water and sanitation is a fundamental human right and a cornerstone of public health, environmental sustainability, and economic development.

The SDG 6 has the following targets which must be met by 2030:

- Achieve universal and equitable access to safe and affordable drinking water for all
- Achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations
- Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
- Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
- Implement integrated water resources management at all levels, including through transboundary cooperation as appropriate
- Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes

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- Expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies

- Support and strengthen the participation of local communities in improving water and sanitation management

These targets form a comprehensive roadmap to ensure that clean water and sanitation are accessible, safely managed, and protected for current and future generations.

3.1.2. African Agenda 2063

The African Agenda 2063 is the African Union's strategic framework for transforming the continent into a global powerhouse of the future. The framework lays out a 50-year vision (2013–2063) for inclusive growth, sustainable development, and regional integration across Africa.

The agenda 2063 is built on seven aspirations:

1. A prosperous Africa based on inclusive growth and sustainable development.
2. An integrated continent politically united and based on the ideals of Pan-Africanism.
3. An Africa of good governance, democracy, respect for human rights, and justice.
4. A peaceful and secure Africa.
5. An Africa with a strong cultural identity, common heritage, and shared values.
6. An Africa where development is people-driven, especially by women and youth.
7. Africa as a strong, united global player and partner.

The agenda 2063 aligns closely with the SDGs, while being tailored to the unique challenges faced on the African continent.

3.2. National Policies

The water sector has seen the development of policies and frameworks to guide the sustainable management of resources. These instruments are guided by developmental priorities and form the backbone of governance within the sector. From 1994 to 2003, several foundational policies guided the development and delivery of water and sanitation services in South Africa. These included the *1994 White Paper on Water Supply and Sanitation*, the *1997 White Paper on National Water Policy for South Africa*, and the *2001 White Paper on Basic Household Sanitation*.

The *National Water Policy Review (NWPR) 2013* and subsequent reviews did not replace these earlier policy instruments. Instead, they provided targeted amendments to address identified gaps and omissions, while reaffirming the core principles established in the original policies. As a result, the policy positions articulated in the earlier White Papers continue to remain valid and influential in shaping the sector's regulatory and implementation landscape.

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3.2.1. National Water Policy Review (2013)

The National Water Policy Review process was initiated in May 2013. The review was accomplished by the collective and committed efforts of the Department of Water and Sanitation, Water Research Commission and stakeholders from other departments.

The document provides the key policy positions to address oversight and gaps in the current water policy, with specific emphasis on addressing water equity and redress. It provides positions to support current and future national actions or imperatives to address some of the most pressing issues in the water sector. The review identified the key policy issues that needed to be addressed and provided recommendations on revised policy positions.

3.2.2. National Sanitation Policy (2016)

The National Sanitation Policy (NSP) was developed to update outdated sanitation policies, address known implementation gaps, and align sanitation policy with current priorities such as the National Development Plan (NDP) and SDGs. Importantly, it introduced the concept of safely managed sanitation across the broader service chain as opposed to only on sanitation containment.

The policy focuses on universal access, institutional coordination, community participation, capacity building, financial sustainability, technology appropriateness, and regulatory oversight. It seeks to emphasise the implementation of principles such as ‘polluter pays’ and ‘user pays’ It aims to bring attention to the economic value of sanitation, which is crucial to the sustainable provision of sanitation services. The policy deals with the management of sewage as well as wastewater, which includes grey water produced by factories, cooling technologies, industrial cleaning equipment and industrial waste materials.

3.2.3. Water and Sanitation Services on Privately Owned Land

The Water and Sanitation Services Policy on Privately Owned Land (2024) is an instrument which addresses the lack of water and sanitation services on privately owned land, particularly in areas not reached by municipal infrastructure. It recognises the constitutional right of all individuals to access basic water and sanitation services, regardless of land tenure. This policy explicitly addresses service provision on privately owned land, including farms, mining areas, and informal settlements, which have historically been underserved.

In terms of employees, the landowner has a responsibility to provide water services to the employees and their families residing on the land in terms of their employment contract and the mechanism for enabling such provision is the Water Services Intermediary (WSI) concept as defined by the Water Services Act (108 of 1997).

Enhanced efforts are needed to support and equip private landowners who wish to fulfil their responsibilities as Water Services Intermediaries, as defined in the Water Services Act, in meeting the needs of legitimate dwellers on their land. Additionally, a robust monitoring and evaluation framework should be established to track and assess the implementation of these efforts.

The following developments are also necessary:

- WSAs are mandated to ensure that services on privately owned land comply with national technical standards in order to fulfil their obligations.

- Service delivery must be monitored and reported using uniform indicators, reinforcing accountability and transparency.

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- Service delivery plans for privately owned land must be integrated into municipal IDPs and WSDPs.

The successful implementation of the Water and Sanitation Services Policy on Privately Owned Land (2024) hinges on the engagement and commitment of the water sector.

3.2.4. The 1998 Local Government White Paper Review

The original White Paper, adopted in 1998, laid the foundation for developmental local government, which was a model focused on service delivery, community participation, and democratic governance. However, over time, many municipalities have struggled with a vast number of challenges and issues. The review aims to reimagine and restructure local government to better meet current and future challenges.

The following are anticipated benefits from the White Paper review:

Enhanced Service Delivery: A contemporary review offers the opportunity to address systemic issues hindering effective service delivery. By identifying and rectifying these challenges, municipalities can become more responsive to the needs of their communities, ensuring timely and efficient provision of essential services.

Strengthened Financial Management: Financial viability remains a critical concern for many local governments. Revisiting the White Paper allows for the development of strategies that promote fiscal responsibility, transparency, and sustainability, thereby enhancing the financial health of municipalities.

Capacity Building: The review process can highlight areas where municipalities require additional support, training, or resources. By focusing on capacity building, local governments can be better equipped to fulfil their mandates and adapt to emerging challenges.

Community Engagement: A renewed emphasis on participatory governance can foster stronger relationships between municipalities and their constituents. Encouraging active citizen involvement ensures that local governments remain attuned to the evolving needs and aspirations of the communities they serve.

3.3. Policies Under Development

This section outlines policies that are currently in the process of being drafted or reviewed. These policies are not yet finalized but are undergoing consultation and refinement to address emerging needs and improve governance. Once completed, they will be communicated and implemented across relevant areas to support compliance and operational efficiency.

3.3.1. Water and Sanitation Services Infrastructure Grants Management Policy

The Water and Sanitation Services Infrastructure Grants Management Policy (WSSIGM) is a strategic framework developed by the Department of Water and Sanitation (DWS). The policy seeks to ensure an effective development and management of both bulk and retail water infrastructure, as well as water services infrastructure through the use of the grants.

This policy was introduced to address long-standing challenges in the management of two major grant programs, the Water Services Infrastructure Grant (WSIG) and the Regional Bulk Infrastructure Grant (RBIG). It sets out clear objectives to enhance the efficiency and impact of grant-funded projects.

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3.3.2. Water Services Act Amendment Bill (2025)

This Bill was introduced on 1 October 2025 to amend the Water Services Act (108 of 1997). It has passed through the National Assembly's introduction stage is currently progressing through parliamentary committees for review and comment.

This amendment is crucial for strengthening accountability in water service delivery. It seeks to enhance the regulation and oversight of Water Services Providers appointed by WSAs by introducing a formalised compliance and performance regime to be implemented within a year of the approval of the Water Services Amendment Bill.

3.4. National Legislation

The regulation of the water sector is governed by a set of legislative prescripts designed to ensure equitable access, sustainable use, and effective management of water resources. These prescripts reflect the country's constitutional commitment to environmental protection, socio-economic development, and access to sufficient water.

Legislation	Key Provisions	Relevance to the New SFWS
Water Services Act, 1997 (Act No. 108 of 1997)	**Section 3**: Right of access to basic water supply and sanitation. **Section 4**: Conditions for water services provision. **Section 7**: Functions of WSAs. **Sections 9–10**: Norms and standards for water services.	Establishes legal duties of WSAs and the regulatory authority of the Minister; forms the foundation for the SFWS's service delivery and compliance framework.
National Water Act, 1998 (Act No. 36 of 1998)	**Section 2**: Purpose of the Act (protection, use, development, conservation of water resources). **Section 3**: National Government as public trustee of the nation's water resources.	Ensures water services are aligned with sustainable water resource management.
Municipal Systems Act, 2000 (Act No. 32 of 2000)	**Section 73**: Performance of municipal services in a sustainable and equitable manner. **Chapter 5**: Integrated Development Planning (IDPs).	Provides the basis for integrating water services planning (WSDPs) with municipal development plans.
Municipal Structures Act, 1998 (Act No. 117 of 1998)	**Section 83(1)**: Powers and Functions of municipalities.	Clarifies institutional responsibilities between district and local municipalities.
Public Finance Management Act, 1999 (Act No. 1 of 1999)	**Section 3:** Institutions to which the Act applies. **Section 6:** Powers given to National Treasury. **Section 26:** Requires the appropriation of funds for the needs of the State and provinces.	Provides the financial governance framework for how public funds are managed, allocated, and spent.

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Municipal Finance Management Act, 2003 (Act No. 56 of 2003)	**Section 15:** A municipality may incur expenditure only in terms of an approved budget. **Section 17:** An annual budget must be divided into a capital and an operating budget. **Section 19:** Approval is obtained from the council before money can be spent on any capital project. **Section 32:** Provides for any unauthorised, irregular or wasteful expenditure. **Section 41:** Obliges the National Treasury to monitor the pricing structure of bulk water **Section 121:** Requires a municipality to prepare an annual report at the end of every financial year.	Governs how municipalities manage their financial resources, which impacts water service delivery and infrastructure development.
Division of Revenue Act (Enacted Annually)	Not Applicable	The DoRA sets out provisions to ensure that each sphere of government receives its equitable share of revenue generated.

3.4.1. The Constitutional Mandate

The Constitution of the Republic of South Africa (1996) establishes the right of access to water and sanitation as a fundamental human right, rooted in the principles of dignity, equality, and health. These rights, as outlined in the Bill of Rights, place a clear obligation on the state to take reasonable legislative and other measures to progressively realise access to sufficient water and a safe environment. This constitutional mandate not only guides service delivery but also forms the foundation for the development of regulations, policies, and institutional frameworks that govern the water sector.

Chapter 2 of the Constitution of South Africa is the Bill of Rights (BoR). This serves as the foundational rights document and is central to the constitutional order of the country. The rights conferred by the BoR serves as the backbone to the regulatory framework of water and sanitation services.

Section 10 of the Constitution states:

"Everyone has inherent dignity and the right to have their dignity respected and protected."

Section 24(a) of the Constitution states:

"Everyone has the right to an environment that is not harmful to their health or wellbeing."

Section 27(1)(b) of the Constitution states:

"Everyone has the right to have access to sufficient food and water."

This framework is underpinned by these rights and the obligations they create on the sector. The Constitution also provides specific clauses which relate to environmental aspects. Section 24 of the Constitution deals with Environmental Rights and gives the following right to all citizens:

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"To an environment that is not harmful to their health and well-being; and to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that:

- Prevent pollution and ecological degradation.
- Promote conservation; and
- Secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development."

The Constitution sets out the delegation of authorities among the different spheres of government, and the obligation on national and provincial government to support municipalities.

Part B of Schedule 4 of the Constitution mandates local government as responsible for potable water supply and domestic wastewater and sewage disposal services, and Section 153(a) of the Constitution provides that local government must 'structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community'. Section 154(1) states, 'The national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.'

Section 156(1) states, 'A municipality has executive authority in respect of, and has the right to administer:

(a) the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5; and

(b) any other matter assigned to it by national or provincial legislation.'

The Constitution provides the overarching framework for sustainable development. It provides for protection of natural resources while promoting economic and social development while ensuring access to water and sanitation.

3.4.2. Water Services Act (108 of 1997)

As part of its obligation to take legislative measures to progressively realise people's right to access water, the State passed the Water Services Act, 1997 (Act No. 108 of 1997) in 1997. Not only does the Water Services Act, 1997 (Act No. 108 of 1997) aim to realise the right to access water, it also explicitly creates and aims to realise the right to basic sanitation. This can only be realised through enforcement, monitoring and compliance of Section 9 on technical norms and standards and section 10 on water services pricing and the following sections:

a) Sections 3 (1) and (2) of the Water Services Act, 1997 (Act No. 108 of 1997) states that everyone has a right to access a basic water supply and basic sanitation – this section is related to section 27 of the Constitution.

b) Section 11(1) provides for Water Services Authorities having a duty to consumers and potential consumers in their area of jurisdiction to ensure efficient, affordable, economical, and sustainable access to water services.

c) Section 22 provides for the approval to operate as a water services provider and emphasise that water services providers must get an approval of the water services authority.

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d) Section 24 provides for the registration of water services intermediaries and that a water services authority may, in its by-laws require the registration of water services intermediaries or classes of such intermediaries within its area of jurisdiction.

e) Section 25 expands on the duties of the water services intermediaries. A water services intermediary provides water services as part of a contract to any person or entity. Their duties includes but is not limited to, providing quality, quantity and sustainable water services that meet the minimum standards prescribed by the Minister and any additional minimum standards prescribed by the relevant water services authority. Secondly the water services intermediary in executing its duties may not charge for water at a tariff which does not comply with any norms and standards prescribed under the Water Services Act, 1997 (Act No. 108 of 1997) and any additional norms and standards set by the relevant water services authority.

The Water Services Act separates out the role of water services authorities (WSAs) (municipalities authorised with the powers and functions for water services) from the role of WSPs (entities to which the WSA delegates particular responsibilities for water service provision).

The WSA function relates to the governance of the service such as ensuring universal access, regulation, planning, institutional arrangements, budgeting, oversight and monitoring. The WSP function relates to provision of the service such as operations and maintenance, tariff collection and major rehabilitation.

3.4.3. National Water Act (36 of 1998)

The National Water Act (No. 36 of 1998) is the primary legislation governing the management and protection of water resources. It was enacted to reform past water laws and to ensure sustainable and equitable access to water for all.

The Act considers, amongst other factors, the following aspects, which directly support the provision of water for multiple uses:

- Promoting equitable access to water,
- Redressing the results of past racial and gender discrimination,
- Promoting the efficient, sustainable, and beneficial use of water in the public interest,
- Facilitating social and economic development; and
- Providing for growing demand for water use.

The National Water Act also relates to environmental aspects by ensuring that South Africa's water resources are protected, used, developed, conserved, managed, and controlled in ways which consider amongst other factors:

- Meeting the basic human needs of present and future generations,
- Promoting equitable access to water,
- Redressing the results of past racial and gender discrimination,
- Promoting the efficient, sustainable, and beneficial use of water in the public interest,
- Facilitating social and economic development,

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- Providing for growing demand for water use; protecting aquatic and associated ecosystems and their biological diversity,
- Reducing and preventing pollution and degradation of water resources,
- Meeting international obligations,
- Promoting dam safety, and
- Managing floods and droughts.

The NWA also provides for the progressive establishment of CMAs in the 6 Water Management Areas (WMAs) throughout South Africa. CMAs will assume responsibility for managing water resources at the catchment management level. They will oversee water resources and coordinate the activities of other water management institutions within the WMA. Soon after their establishment, CMAs are likely to be tasked with setting charges, billing, and collection, as water use charges for resource management will serve as the primary funding source for CMA operations. Environmental considerations in each WMA will vary and if there is growing trends to manage the resource and to set tariffs factoring environmental sensitivities it is imperative that the revised SFWS provides adequate guidance to this effect. Strengthening CMAs and ensuring better oversight of water licenses will have a direct impact on water services.

The polluter pays principle is enshrined in the NWA. “The principle of “the polluter pays” must be upheld. Any reduction of receiving water quality should have a value assigned to it and must be addressed through legislative processes and procedures. Water quality management should include the use of economic incentives and penalties to reduce pollution; and the possibility of any environmental degradation because of pollution should be prevented.”

3.4.4. Municipal Systems Act (32 of 2000)

The Municipal Systems Act is the enabling legislation which delineates the Municipalities’ duties. It was enacted to: “To provide for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities and ensure universal access to essential services that are affordable to all;”.

The following sections are of vital importance:

a) Section 4 speaks directly to Section 27 of the Constitution, explicitly binding municipal councils to the progressive realisation of access to water within its jurisdiction.

b) Section 5(1), the Municipal Systems Act expressly guarantees communities the correlative right to meaningful engagement, involvement, and communication. It also guarantees “access to municipal services which the municipality provides, provided the duties set out in subsection (2)(b) are complied with.”.

c) Section 26 provides that, in order to give effect to these duties and the progressive realisation of socio-economic rights, municipalities are also obligated to draft and produce IDPs. These plans are supposed to map out how a municipality is to manage its resources in a way that develops its constituent communities and addresses those communities’ needs.

d) Section 73 obliges municipalities to ensure “ensure that all members of the local community have access to at least the minimum level of basic municipal services.”.

e) Section 76 - 81 talks about different mechanism that can be used for provision of services, and the processes and criteria that a WSA must apply in deciding on municipal services providers.

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Municipalities are therefore required to focus on the provision of these basic services and may not prioritise other services at the expense of basic services. While not a right to the immediate provision of services, it is a far stronger obligation than that imposed by the Constitution and other provisions of the Water Services Act, 1997 (Act No. 108 of 1997).

Section 9 of the Water Services Act, 1997 (Act No.108 of 1997), give the Minister of Water and Sanitation the power to prescribe compulsory standards.

a) Regulation 2(b) of the Regulations provides that the minimum standard for basic sanitation services is a toilet which is safe, reliable, environmentally sound, easy to keep clean, provides privacy and protection against the weather, well ventilated, keeps smells to a minimum and prevents entry and exit of flies and other disease-carrying pests.

b) Regulation 3(b) determines the minimum standard for basic water supply services as: a minimum quantity of potable water of 25 litres per person per day or 6 kilolitres per household per month –

- at a minimum flow rate of not less than 10 litres per minute,
- within 200 metres of a household,
- with an effectiveness such that no consumer is without a supply for more than seven full days in any year.

According to the updated National Norms and Standards for Domestic Water and Sanitation Services, the following is stated: “A basic water supply services ensures the supply of potable water to a formal connection point at the boundary of a stand/yard, or of a public institution (school, clinic, hospital, etc). The lowest volume will be determined by the Minister responsible for water supply.”

This Act also serves as the enabling legislation for certain powers and functions of the Department of Cooperative Governance and Traditional Affairs (CoGTA). The mandated of the department includes the development and monitoring of the implementation of national policy and legislation, which enables government to fulfil its developmental role.

3.4.5. Municipal Structures Act (117 of 1998)

The Municipal Structures Act was enacted to provide the legislative framework for establishing municipalities, setting out their structure and category, and stipulating their powers and functions.

a) Section 83(1) of the Act states that a municipality will have the functions and powers assigned to it in terms of Sections 156 and 229 of the Constitution.

The Act clarifies institutional responsibilities for water service delivery between district and local municipalities.

This Act also serves as the enabling legislation for certain powers and functions of the CoGTA. The mandated of the department includes the development and monitoring of the implementation of national policy and legislation, which enables government to fulfil its developmental role.

3.4.6. Public Finance Management Act (1 of 1999)

The Public Finance Management Act (PFMA) serves as the cornerstone of financial governance for national and provincial government institutions in South Africa, including those operating within the water sector. Designed to promote transparency, accountability, and sound financial management, the PFMA regulates how public funds are planned, spent, and reported across departments and public entities. In the context of water governance, the PFMA ensures that national and provincial bodies and various water

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boards adhere to strict financial controls and reporting standards, thereby safeguarding the integrity and sustainability of water-related investments and service delivery. The relevant sections are as follows:

a) Section 3(b) relates to the institutions which the Act applies to and provides for any public entity listed in Schedule 2 or 3. Schedule 3A mentions the catchment management agencies, while Schedule 3B makes mention of the water boards.

b) Section 6(g) gives the National Treasury the power to enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of departments, public entities and constitutional institutions. This creates an oversight function.

c) Section 26 states that parliament and each provincial legislature must appropriate money for each financial year for the requirements of the state and the province, respectively. The requirements of the state and the provinces include water sector budgets.

3.4.7. Municipal Finance Management Act (56 of 2003)

The Municipal Finance Management Act (MFMA) establishes procedures and mechanisms for sound, sustainable, and accountable financial management in municipalities to secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government. The Act services as a form of oversight within the sector. The relevant sections are as follows:

a) Section 15(a) provides that a municipality may incur expenditure only in terms of an approved budget. This ensures that all water-related spending is planned, transparent, and subject to council approval.

b) Section 17(2) states that an annual budget must be divided into a capital and an operating budget. This means that an annual budget will distinguish between capital for new projects and operational costs.

c) Section 19(1)(b) requires that approval is obtained from the council before money can be spent on any capital project. Before any new water related project can be undertaken, approval must be obtained.

d) Section 32(1) provides for any unauthorised, irregular or wasteful expenditure. The relevant person will be held liable in accordance with this section. This provides a safeguard against unauthorised or fruitless spending.

e) Section 41(1) obliges the National Treasury to monitor the pricing structure of bulk water and the payments made by municipalities for the bulk water.

f) Section 121(1) requires a municipality to prepare an annual report at the end of every financial year. Clause 121(2)(c) states that the purpose of the report is to promote accountability to the local community for all decisions made.

3.4.8. Appropriation Act

The Appropriation Act is an annual legislation which is a requirement under Section 213(2)(a) of the Constitution. This provision states that money may only be withdrawn from the National Revenue Fund in terms of an appropriation by an Act of Parliament.

Each year, the Minister of Finance tables the Appropriation Bill as part of the national budget process, which is then passed by Parliament as an Act. This enables funds from the National Revenue Fund to be allocated to various government departments and entities.

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The Department of Water and Sanitation (DWS) receives its annual budget through the Appropriation Act, from the National Revenue Budget.

3.4.9. Division of Revenue Act

The Division of Revenue Act (DORA) is an annual legislation which is required under Section 241(1) of the Constitution. This provision in the Constitution mandates the equitable division of revenue raised between national, provincial and local government. Every year, parliament is passing such Act to manage the allocation of funds. This Act determines the fund allocation to municipalities to support water and sanitation services.

3.5. Regulations and Plans

The water sector is governed by various laws, but also by a framework of regulations and strategic plans. These regulations are covered below:

3.5.1. The Revised Norms and Standards in Respect of Tariffs for Water Services

Section 10 of the Water Services Act (108 of 1997) allows the Minister to set norms and standards for water services tariffs, ensuring affordability, transparency, and financial sustainability.

The Revised Norms and Standards in Respect of Tariffs for Water Services, published in Government Gazette No. 50716 on 27 May 2024. This represents a significant update to the framework guiding how water tariffs are set. These changes will officially come into effect on 1 April 2026.

This policy introduces 5 principles of tariffs:

- **Affordability**: The tariff must be reasonable enough to ensure that at least a basic level water supply is affordable and accommodates low-income groups.
- **Sustainability**: The tariff should allow the providing entity to recover at least the minimum costs of providing the services.
- **Equity**: The tariff should enable equitable delivery of services, free from any discrimination.
- **Transparency and Predictability:** The methodology used to determine the tariff must be disclosed to the public.
- **Multi-Year Tariffs:** The tariffs must reflect short-, medium- and long-term planning.

Procedure for Cost Reflective Tariffs: The process of setting cost-reflective tariffs is crucial because it determines how fairly and effectively the electricity pricing system functions. Section 6 of the Revised Norms and Standards in Respect of Tariffs for Water Services sets out the procedure for setting tariffs. This is as follows:

- **Cost Determination**. The bulk WSP must determine the full costs of providing bulk water supply services on a sustainable basis for each bulk water scheme or water supply area on the bases of the current and projected future demands for a minimum of five (5) years.
- **Consumption Estimation**. The bulk WSP must estimate the current and future water consumption for each scheme or bulk water supply area and must also account for distribution losses and other factors of non-revenue water.

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- **Unit Cost Calculation**. The bulk WSP must estimate the unit cost of supplying water for each scheme or bulk water supply area.

- **Revenue Requirements**. The bulk WSP must determine the entity's revenue requirements.

- **Tariff Structure Proposal**. The bulk WSP must propose a tariff structure that provide the revenue determined in point (4).

- **Cross-Subsidisation.** The proposed tariff structure may provide for any reasonable cross-subsidisation and must be disclosed where applicable.

- **Stakeholder Consultation**. The bulk WSP must consult with its customer WSAs and all other bulk water customers on each of the proposed bulk water tariffs and all the underlying assumptions that it used to determine the proposed tariffs.

- **Submissions**. The bulk WSP must make submissions to SALGA and National Treasury with details as in Section 42(3)(b) of the MFMA.

- **Final Submission**. The submission in point (8), together with proposals relating to comments received from stakeholders, must be submitted to the DWS for consideration and approval.

3.5.2. Water Safety Plans

A Water Safety Plan (WSP) is a proactive, risk-based approach to ensuring the safety of drinking water from source to tap. It is part of the country's broader water quality management strategy and aligns with international best practices, particularly those recommended by the World Health Organization (WHO). The Department of Water and Sanitation (DWS) promotes WSPs as a key component of the Blue Drop Certification Programme, which incentivizes municipalities and water service providers to maintain high standards in water quality and service delivery.

The South African National Standard (SANS 241) is a mandatory reference for developing Water Safety Plans.

3.5.3. Wastewater Risk Abatement Plan

The Wastewater Risk Abatement Plan (W2RAP) is a structured framework developed to manage and mitigate risks associated with municipal wastewater collection, treatment, and discharge. It plays a crucial role in ensuring public health, environmental protection, and regulatory compliance.

Institutional support for W2RAP comes from bodies like the Water Research Commission (WRC) and the DWS, which have developed guidelines and tools to assist municipalities in implementing the framework. The Green Drop Certification Programme, which evaluates the performance of wastewater services, uses W2RAP as a key criterion in its assessments, promoting accountability and service quality.

All municipalities should adopt the Wastewater Risk Abatement Plan (W2RAP) as a standard practice to ensure the safety, sustainability, and efficiency of their wastewater management systems. W2RAP provides a proactive, structured approach to identifying and mitigating risks that could compromise public health, environmental integrity, and regulatory compliance. By implementing this framework, municipalities can better manage challenges such as infrastructure failures, pollution, and climate-related disruptions like droughts and load shedding. W2RAP supports continuous improvement through monitoring and stakeholder engagement, making it a vital tool for achieving long-term service excellence and environmental stewardship. Its adoption nationwide would promote consistency, accountability, and resilience across all local governments.

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3.5.4. National Water Resource Strategy III (2023)

The National Water Resource Strategy III (NWRS-3) reinforces the regulatory framework established under the WSAs and the National Water Act (NWA), acknowledging that the Minister may prescribe compulsory national standards under Section 9(1) of the WSA. These standards relate to service provision, water quality, operational efficiency, and infrastructure requirements.

The NWRS-3 does not introduce new norms and standards but rather reinforces the existing legislative framework and calls for their revision and implementation through supporting strategies and instruments. NWRS-3's role is thus indirect and enabling, rather than prescriptive.

3.5.5. Compulsory National Water and Sanitation Services Standards (2025)

The Compulsory National Water and Sanitation Services Standards (2025) was issued in terms of Section 9(1) of the Water Services Act. This section gives the Minister of Water and Sanitation the power to prescribe compulsory national standards which relate to all water services.

These standards aim to ensure equitable access to safe water and sanitation, while protecting public health and promoting sustainable resource management. The standards are applicable upon all WSAs and Water Providers. There are potential penalties for non-compliance with the standards.

3.5.6. District Development Model

The District Development Model (DDM) is an initiative launched in 2019 by President Cyril Ramaphosa to strengthen integrated, district-based planning and service delivery across all three spheres of government.

The DDM focuses on implementation of immediate priority projects, stabilisation of local government and long-term institutionalisation of integrated planning, budgeting and delivery anchored on the development and implementation of the "One Plan". As such the DDM focuses on building state capacity as the system of Local Government is stabilised, and in the medium term, to improve cooperative governance, integrated planning and spatial transformation, inclusive economic development, and where citizens are empowered to contribute and partner in development.

The implementation of "One Plan" allows for the coordination of water services delivery, water supply, sanitation and infrastructure maintenance. This approach unites national, provincial and local governments to achieve the shared goals within the water sector.

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4. REGULATORY FRAMEWORK

4.1. Vision

The regulatory framework underpinning South Africa's water and sanitation sector is rooted in constitutional imperatives and shaped by a complex interplay of legislative instruments, institutional mandates, and strategic policy evolution. Central to this framework is a vision that prioritises equitable and sustainable access to water and sanitation services, recognising water as both a basic human right and a critical enabler of socio-economic development.

- Ensuring safety, quality, transparency and accountability
- Ensuring fair distribution and sustainable use
- Safeguarding water through monitoring, enforcement and compliance
- Promoting infrastructure development and proper maintenance
- Promoting growth and adaptation to meet current and future challenges

4.2. Key Principles

The following principles of good regulatory practice inform the vision and the more specific policies related to regulation:

- **Universal Service Obligation**: Every household must have access to at least a basic water supply and sanitation service, consistent with the constitutional right to sufficient water and a healthy environment.
- **Contextual Diversity**: Norms and standards must accommodate the varied geographic, socio-economic, and infrastructural realities across South Africa.
- **Technological Flexibility**: The framework avoids prescriptive technology choices, allowing municipalities to select appropriate solutions based on local conditions.
- **Affordability and Feasibility**: Standards must be economically viable and supported by adequate resources.
- **Separation of regulatory and operational responsibilities**: Wherever possible and practical, the roles of regulation and operation should be clearly separated and preferably fulfilled by separate institutions.
- **Integration with local government regulatory framework**: The regulation of water services and the general regulatory framework for local government will be aligned.
- **Incremental regulation**: The regulatory framework will be matched to the capabilities of water services authorities and water services providers. A "one size fits all" regulatory approach is not appropriate in the South African context. The regulation of a large metropolitan water services provider poses an entirely different set of challenges compared to the regulation of a community-based water services provider managing local water and sanitation services in a small rural community.

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- **Strategic regulation**: The implementation of regulation will be strategic, focusing initially on priority areas where most gains can be achieved in the context of limited capacity and resources.

- **Implementation or regulatory impact assessments**: An appropriate balance needs to be struck between desirable standards and the full financial and economic costs associated with meeting these standards. The costs and benefits of new policy objectives and regulatory initiatives will be assessed prior to adoption and implementation.

- **Regulation of outcomes**: Wherever practical and appropriate, emphasis will be placed on regulating outcomes rather than absolute compliance with stated regulations. This is a more flexible model and is more appropriate to the South African context.

- **Dispute resolution**: The primary mechanism for the regulation of external water services providers is by contract. Wherever practical, contractual disputes should be resolved through existing arbitration mechanisms rather than relying on the costly and lengthy process of litigation.

4.3. Objectives

Building on the foundational principles of the SFWS 2003, the regulatory landscape of South Africa's water and sanitation sector has progressively expanded to address evolving governance, service delivery, and sustainability challenges. The initial framework, while robust in its articulation of roles and responsibilities, required refinement to accommodate the complexities of decentralised service provision, economic regulation, and environmental stewardship. In response, a series of legislative amendments, policy reviews, and strategic initiatives have emerged, introducing new regulatory instruments and institutional arrangements. This section traces these developments, highlighting how they have reshaped the sector's regulatory architecture and assessing their alignment with the original SFWS vision.

The following are the key objectives which this framework aims to further and achieve:

- **Independent Water Regulator:** The establishment of an Independent Water Regulator / Economic Regulator is necessary. This entity must be empowered to oversee tariff approvals, enforce service standards, and monitor compliance across the entire water value chain, thereby reducing reliance on departmental oversight and enhancing regulatory neutrality.

- **Risk-Based and Incentive-Based Regulation:** Regulatory approaches must evolve from input-based compliance to risk-informed, performance-driven models. Tools such as the Blue Drop, Green Drop, and No Drop programmes are core mechanisms for identifying high-risk municipalities and guiding targeted interventions. These programmes aim to encourage excellence in water service delivery through recognition and benchmarking, rather than punitive enforcement.

- **Local Regulatory Capacity:** Municipalities, as Water Services Authorities (WSAs), must be capacitated to develop enforceable by-laws, monitor service providers, and regulate tariffs effectively. Local regulatory frameworks must be developed and aligned with national norms and standards, supported by technical guidelines and model by-laws. The duties of WSAs must be ringfenced to improve operations and financial stability. This will be guided by the changes being implemented by National Treasury from March 2026.

- **Public Performance Reporting:** Regulatory bodies at all levels must publish annual performance reports, including compliance audits, enforcement actions, and service quality assessments. These reports should be made publicly accessible to foster transparency, civic engagement, and accountability.

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- **International Best Practices:** Regulatory frameworks must incorporate global best practices in economic regulation, digital monitoring, climate resilience, and inclusive governance, drawing lessons from leading water regulatory regimes.

- **Contractual Oversight and Dispute Resolution Mechanisms:** It is necessary to implement standardised service delivery agreements, clear dispute resolution protocols, and national oversight of contracts involving regional and external providers. Arbitration must be prioritised over litigation to ensure timely and cost-effective resolution

- **Regulatory Impact Assessments (RIAs):** Before introducing new regulations, RIAs must be done to evaluate economic, social, and environmental costs and benefits. This ensures that regulatory decisions are evidence-based, context-sensitive, and fiscally responsible.

- **Performance-Based Tariff Governance:** Tariff setting must be aligned with the 2024 Revised Norms and Standards (effective from April 2026), requiring cost-reflective tariffs that account for operational, maintenance, and capital costs. Tariff setting must also include public consultation, transparent tariff rationales, and performance-linked adjustments. Uniform tariff models should be promoted across similar service levels and settlement types, with flexibility only where justified.

- **Monitoring, Evaluation and Reporting Systems:** The existing national monitoring and evaluation framework must be expanded to incorporate indicators from the Division of Revenue Act, the Water Resources Infrastructure Agency, and the National Water and Sanitation Master Plan. This framework should support regular public reporting, performance categorisation, and compliance tracking across all service contexts.

- **Climate Resilience and Long-Term Planning:** It is necessary to develop climate adaptation strategies, risk management protocols, and long-term planning horizons as outlined in the National Water Security Framework and NWRS-3. This involves the Planning Unit within the DWS, which is responsible for the strategic planning and coordination of water resource management and infrastructure development across the country.

- **Strategic Partnerships:** It is necessary to develop frameworks at both a national and local level, for public-private and community partnerships, encouraging innovation in service delivery, governance, and financing. These partnerships must be supported by clear accountability mechanisms and aligned with national transformation goals.

- **Dedicated Sanitation Regulatory Framework:** Recognising the distinct operational and health challenges of sanitation, a standalone sanitation regulatory framework must be created. This must include enforceable standards for informal settlements, privately owned land, and non-sewered sanitation systems, with clear delineation of roles and responsibilities. International standards for non-sewered sanitation systems must be adopted, particularly ISO 30500 as promoted by the International Water Association (IWA). All non-sewered sanitation interventions must comply with ISO 30500.

4.4. International Regulation

4.4.1. ISO 30500

The adoption of a dedicated Sanitation Regulatory Framework is essential to ensure inclusive, safe, and sustainable sanitation services. As urban and rural communities increasingly rely on diverse sanitation solutions, it is critical that regulatory systems evolve to encompass both sewered and non-sewered sanitation approaches. Non-sewered sanitation plays a vital role in areas lacking centralised

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infrastructure, and its regulation must be guided by internationally recognised standards such as ISO 30500.

The adoption of ISO 30500 for non-sewered sanitation systems, promoted by the International Water Association (IWA), provides a globally recognised benchmark for safety, performance, and environmental protection. Importantly, South Africa has adopted this standard in the form of SANS 30500.

Key Requirements -The standards set out general safety and performance criteria for non-sewered sanitation systems, which addresses the following areas:

- **Health and Environmental Protection** - Ensures outputs (waste which has been treated) are free of pathogens and safe for reuse or disposal.
- **System Performance** - Covers odour control, noise, air emissions, and structural integrity.
- **Usability and Reliability** - Systems must be hygienic, durable, and easy to maintain.
- **Sustainability** - Encourages minimal water and energy use and promotes recovery of resources like nutrients and water.

4.5. National Regulation

Effective regulation in the water and sanitation sector is essential not only for ensuring compliance with technical standards but also for promoting sustainable service delivery and public accountability. Regulatory instruments have evolved to go beyond punitive enforcement, incorporating incentive-based mechanisms and integrated information systems that encourage continuous improvement and transparency. These instruments reflect a shift toward smarter governance, where data, performance benchmarking, and socio-economic considerations are used to guide decision-making and policy implementation.

4.5.1. Independent Water Regulator

To establish a truly independent water regulator, it is essential to amend existing legislation to provide a clear legal mandate, institutional framework, and enforcement powers. The current legislative environment is primarily governed by the National Water Act (No. 36 of 1998) and the Water Services Act (No. 108 of 1997). These Acts do not explicitly provide for an autonomous regulatory body with oversight across the entire water value chain. The revision of these Acts will include defining the regulator's scope, functions, and independence from the Department of Water and Sanitation, which currently holds roles as both operator and regulator. Additionally, amendments to the PFMA) and the MFMA may be required to enable the regulator to oversee municipal tariff setting and ensure financial accountability across all tiers of government.

4.5.2. Incentive-Based Regulation

Programmes such as the Blue Drop, Green Drop, and No Drop have institutionalised performance monitoring, linking compliance to public recognition, funding eligibility, and regulatory intervention. These programmes assess municipalities on water quality, wastewater treatment, and non-revenue water management, respectively.

These programmes are designed to encourage excellence and accountability in water service delivery by assessing performance and publicly recognising achievements or highlighting failures. They are crucial tools in the implementation of incentive-based regulation.

- **Blue Drop Programme**

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The Blue Drop Programme relates to drinking water quality. It evaluates the quality of drinking water and the management of water supply systems. It includes criteria for water safety planning, compliance with SANS 241, infrastructure condition, monitoring, and staff qualifications. The stipulated criteria must be complied with and is measured against a scoring system.

This programme applies to WSAs and assesses the quality of drinking water which they provide. It serves to provide positive reinforcement and to motivate WSAs to improve their water services. A minimum score of 95% is required to obtain a Blue Drop Certification.

- **Green Drop Programme**

The Green Drop Programme relates to wastewater management. It aims to assess the performance of wastewater treatment systems. The criteria include aspect relating to effluent quality, risk abatement planning, technical capacity, environmental management and financial stability.

The Green Drop Programme all Water Services Institutions (WSIs) who operate a wastewater treatment plant. A minimum score of 90% is required to obtain a Green Drop Certification.

- **No Drop Programme**

The No Drop Programme focuses on water conservation and demand management. This deals with aspects such as water use efficiency, leak management and non-revenue water. The objective is to encourage municipalities to reduce water losses and improve conservation strategies.

A municipality that obtains No Drop Certification will receive a public accolade and acknowledgement of their excellence in water supply management.

4.5.3. Norms and Standards

Sections 9 and 10 of the Water Services Act 108 of 1997 function as a core regulatory mechanism by empowering the national government to set and enforce compulsory norms and standards for water supply and sanitation services.

Section 9 authorises the Minister to prescribe compulsory national standards relating to, among others, the quality of water, acceptable levels of service, and measures to promote efficient, sustainable and equitable access to water and sanitation.

Section 10 allows the Minister to prescribe norms and standards in respect of tariffs for water and sanitation services. It allows for tariffs to be differentiated equitably between different users, types of services and geographic areas, while taking into account socioeconomic and physical conditions. Tariffs may also be used to prescribe limits on profit, surplus generation and the use of revenue, and may also be used as a policy tool to promote water conservation.

4.5.4. Integrated Regulation Information System (IRIS)

The Integrated Regulation Information System (IRIS) is a key digital platform developed to support regulatory oversight and compliance monitoring in the water sector.

The system is used by WSAs and Wastewater Treatment Works (WWTWs) to upload data on effluent quality and track their compliance. Compliances are calculated automatically and are done so daily.

This is a critical tool in assessing water quality and tracking non-compliance. It also allows for the generation of dashboards and reports for public and institutional use. The data feeds into the National Integrated Water Information System (NIWIS) for broader analysis and public reporting.

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The oversight authority for the IRIS is the DWS. This department is responsible for:

- Monitoring water quality compliance
- Regulating wastewater treatment works (WWTWs)
- Ensuring municipalities and water service providers meet national standards

IRIS enhances the ability of the DWS to monitor, manage, and protect the country's water resources in a more coordinated and accountable manner. However, IRIS does not provide real-time data preventing its use for optimising operations or assisting with technical diagnostics.

4.5.5. National Integrated Water Information System (NIWIS)

The National Integrated Water Information System (NIWIS) is a web-based platform developed by the DWS to centralise and streamline access to water-related data across the country. It serves as a key tool for improving transparency, accountability, and efficiency in water resource management.

The system is designed to support informed decision-making by offering current and historical data on various aspects of water management. This includes information on rainfall patterns, river flows, dam levels, groundwater conditions, and water quality. The system integrates data from multiple sources and presents it through interactive dashboards.

4.5.6. Regulatory Performance Measurement System (RPMS)

The RPMS is a concept programme of DWS. The main objective of the programme is to measure and reveal the performance of WSIs in the country. These institutions includes CMAs, Proto-CMAs, Water Boards, Intermediaries and WSAs. The performance measurement of these institutions is very important for their sustainability and viability. This will also ensure that the intended consumers receive quality services from the involved stakeholders.

4.5.7. Metro Trading Services Reform Programme

The Metro Trading Services Reform Programme is an initiative launched by National Treasury to address long-standing challenges in the delivery of electricity, water and sanitation, and solid waste management services across the country's eight metropolitan municipalities.

The programme seeks to transform water services from a liability into a driver of inclusive growth and urban sustainability, by focusing on institutional reform, financial discipline, and operational excellence.

National Treasury has introduced a performance-based grant model. This approach ties funding directly to the achievement of specific reform targets, incentivising metros to improve governance, operational efficiency, and financial sustainability. The grant will see R54 billion in performance incentives and an equal amount in metro self-financing, resulting in an additional R108 billion in infrastructure investment over the next years leading to 2031.

4.5.8. Municipal Money Tool

The Municipal Money tool is an initiative developed by the National Treasury to promote transparency and public engagement in local government financial management.

It is a web-based platform that provides citizens with easy access to financial data for all municipalities in South Africa. It was launched to help people understand how their local governments are managing public funds and to encourage informed civic participation.

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4.5.9. SANS 241 – Drinking Water Quality Standard

The South African National Standard (SANS) 241 is a comprehensive revision of the drinking water quality standard, with a strong emphasis on the establishment and enforcement of norms and standards for safe drinking water. It provides a structured framework for water quality risk assessment, monitoring, and compliance verification, applicable to all water supply systems regardless of size or source.

The standard defines numerical limits for microbiological, chemical, physical, and aesthetic parameters, which serve as the primary norms for determining water safety. These limits are derived from the World Health Organisation (WHO) Guidelines for Drinking-Water Quality, but the standard asserts precedence over WHO values where South African-specific limits are prescribed. This ensures that local environmental and public health conditions are adequately addressed.

4.5.10. Socio-Economic Impact Assessment System (SEIAS)

A regulatory impact assessment (RIA) is essential for ensuring that proposed policies, laws, or regulations are effective, efficient, and aligned with broader societal goals. It helps identify potential economic, social, and environmental consequences, enabling policymakers to make informed decisions that minimise unintended harm and maximize public benefit.

The traditional RIA approach has been replaced by the Socio-Economic Impact Assessment System (SEIAS), which provides a more inclusive framework. This was done after Cabinet found the previous system too narrow and not aligned with broader national priorities. This however has left a key gap regarding social and economic impacts on communities. The reasonableness test of all new legal, policy and regulatory reforms need to consider the impact on different spheres of government, which is essential when the definition of ‘basic services’ is altered by regulations, without changes in grant or financing frameworks.

SEIAS not only evaluates economic impacts but also considers social justice, spatial equity, and environmental sustainability, ensuring that government interventions contribute meaningfully to inclusive development and transformation.

The Socio-Economic Impact Assessment System (SEIAS) is a government framework designed to ensure that new policies, legislation, and regulations are thoroughly assessed for their social and economic impacts before being approved and implemented. Upon the conclusion of consultations, the final SEIAS will be implemented. It will serve as a national compliance tool.

The SEIAS aims to:

- Minimise unintended consequences from policy initiatives, regulations and legislation
- Anticipate implementation risks and encourage mitigation measures

It comprises of two phases, the Initial Impact Assessment and the Final Impact Assessment. The Initial Impact Assessment is conducted during the conceptual phase of the proposed legislation/policy. The Final Impact Assessment is conducted once a draft of the proposed legislation/policy is ready.

Any policy or legislation which is to be developed or amended, should first have an Impact Assessment conducted in accordance with the SEIAS before any decision is taken. This is a competency of The Presidency and is applicable upon all departments.

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4.6. Local Regulation

Local regulation forms the backbone of water and sanitation service delivery in South Africa, with WSAs playing a central role. These authorities are mandated by the Water Services Act (No. 108 of 1997) to ensure access to efficient, affordable, and sustainable water services within their jurisdictions. To fulfil this mandate, WSAs may either provide services directly or outsource certain functions to Water Services Providers (WSPs), including water boards, private entities, community-based organisations, franchising partnerships and other municipalities. The regulatory environment at the local level is created through municipal by-laws, service contracts, and performance monitoring systems that collectively aim to uphold service standards, ensure accountability, and promote financial sustainability.

WSAs are responsible for planning, regulating, and overseeing water service delivery. Their core functions include preparing WSDPs, setting tariffs, establishing service standards, and engaging communities in decision-making. While some municipalities retain full control over service provision, others opt to delegate operational responsibilities to WSPs through formal agreements. This outsourcing is often driven by capacity constraints, infrastructure challenges, or the need for specialised expertise. The outsourcing process is governed by Section 78 of the Municipal Systems Act, which outlines the procedures for assessing and implementing alternative service delivery mechanisms.

To ensure transparency and accountability, WSAs are required to ringfence water services functions, both institutionally and financially, from other municipal operations. This separation enables clearer budgeting, cost recovery, and performance tracking. Contracts between WSAs and WSPs must comply with the Water Services Provider Contract Regulations (No. R. 980 of 2002), which stipulate provisions for service scope, performance indicators, dispute resolution, and financial obligations. Model contracts provided by the Department of Water and Sanitation serve as templates to guide municipalities in structuring fair and enforceable agreements. These contracts are essential for defining roles, managing risks, and ensuring that service delivery aligns with national standards and community needs.

Effective regulation at the local level is reinforced through performance monitoring and the enactment of municipal by-laws. WSAs are expected to monitor service delivery against key performance indicators, conduct regular audits (e.g., Blue Drop and Green Drop assessments), and report on compliance with water quality and infrastructure standards. Municipal by-laws provide the legal framework for regulating service conditions, tariff structures, enforcement mechanisms, and consumer rights. These by-laws are critical for maintaining service quality, promoting conservation, and addressing non-compliance.

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5. INSTITUTIONAL FRAMEWORK

5.1. Vision

To establish a coherent, responsive, and accountable institutional architecture that enables equitable, sustainable, and climate-resilient water and sanitation services through clearly defined mandates, collaborative governance, and integrated service delivery across all spheres of government and sector stakeholders.

5.2. Key Principles

The institutional framework for water and sanitation services is reinforced by ten enduring principles. These principles were first articulated in the 2003 SFWS and have since been reaffirmed and expanded upon through subsequent policy reforms, including the National Water and Sanitation Master Plan (2018) and the National Water Resources Strategy III (2023). The principles aim to ensure that institutional arrangements are coherent, accountable, inclusive, and responsive to the country's developmental and environmental realities.

- **Clarity of Roles and Responsibilities**: Each institution involved in the water and sanitation sector must have a clearly defined mandate. This includes national departments, provincial governments, municipalities, Water Boards, Catchment Management Agencies (CMAs), and WSPs. Clear delineation of roles promotes cooperative governance, enhances accountability, and ensures that service delivery is not compromised by overlapping mandates or institutional turf battles.

- **Separation of Regulation and Operations**: Regulatory functions must be institutionally distinct from operational functions (e.g., service delivery, infrastructure management). This separation ensures that regulators can hold service providers accountable without bias, and that operational entities focus on efficiency and service quality without undue influence.

- **Local Government Leadership**: Municipalities, as WSAs, are legally responsible for ensuring access to water and sanitation services within their jurisdictions. This principle reinforces the developmental role of local government and recognises that municipalities are best placed to make context-sensitive decisions that reflect local needs, priorities, and capacities.

- **Flexibility and Contextual Responsiveness**: To accommodate diverse geographic, demographic, and socio-economic realities. Institutional arrangements must not be rigid or one-size-fits-all. Instead, they should allow for a range of service delivery models: from municipal provision to regional utilities, community-based organisations, and public-private collaborations. This flexibility enables tailored responses to urban, peri-urban, and rural contexts, and supports innovation in service delivery.

- **Public and Private Sector Collaboration**: The private sector, NGOs, and community-based organisations (CBOs) are recognised as strategic partners in planning, financing, delivering, and monitoring water and sanitation services.

- **Subsidiarity and Decentralisation**: Functions should be performed at the lowest appropriate level, if economies of scale and technical capacity are not compromised. This principle supports decentralised governance, empowers local institutions, and promotes community participation, while recognising the need for regional coordination in cases of shared infrastructure or catchment-wide planning.

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- **Capacity Building and Transformation**: Institutional transformation must address historical inequities and build the technical, managerial, and financial capacity of sector institutions. This includes targeted support for underperforming municipalities, professionalisation of the sector workforce, and transformation of legacy institutions.

- **Gender Mainstreaming and Inclusion**: Women and vulnerable groups must be meaningfully included in decision-making, planning, and implementation. Gender-sensitive policies and practices are essential to ensure that water and sanitation services meet the needs of all users and that institutional cultures are inclusive and representative.

- **Civil Society Engagement**: Civil society organisations play a critical role in advocacy, monitoring, and service delivery. Their participation ensures that the voices of communities, especially marginalised groups. Ensuring that they are heard and that institutions are held accountable for their performance. Mechanisms such as public consultations, citizen report cards, and participatory planning forums are essential tools for engagement.

- **Integrated Governance**: Institutions must work collaboratively across thematic domains: regulatory, institutional, environmental, financial, and social to deliver holistic and sustainable services. Integrated governance also requires alignment with broader development frameworks such as the NDP, SDGs, and climate resilience strategies.

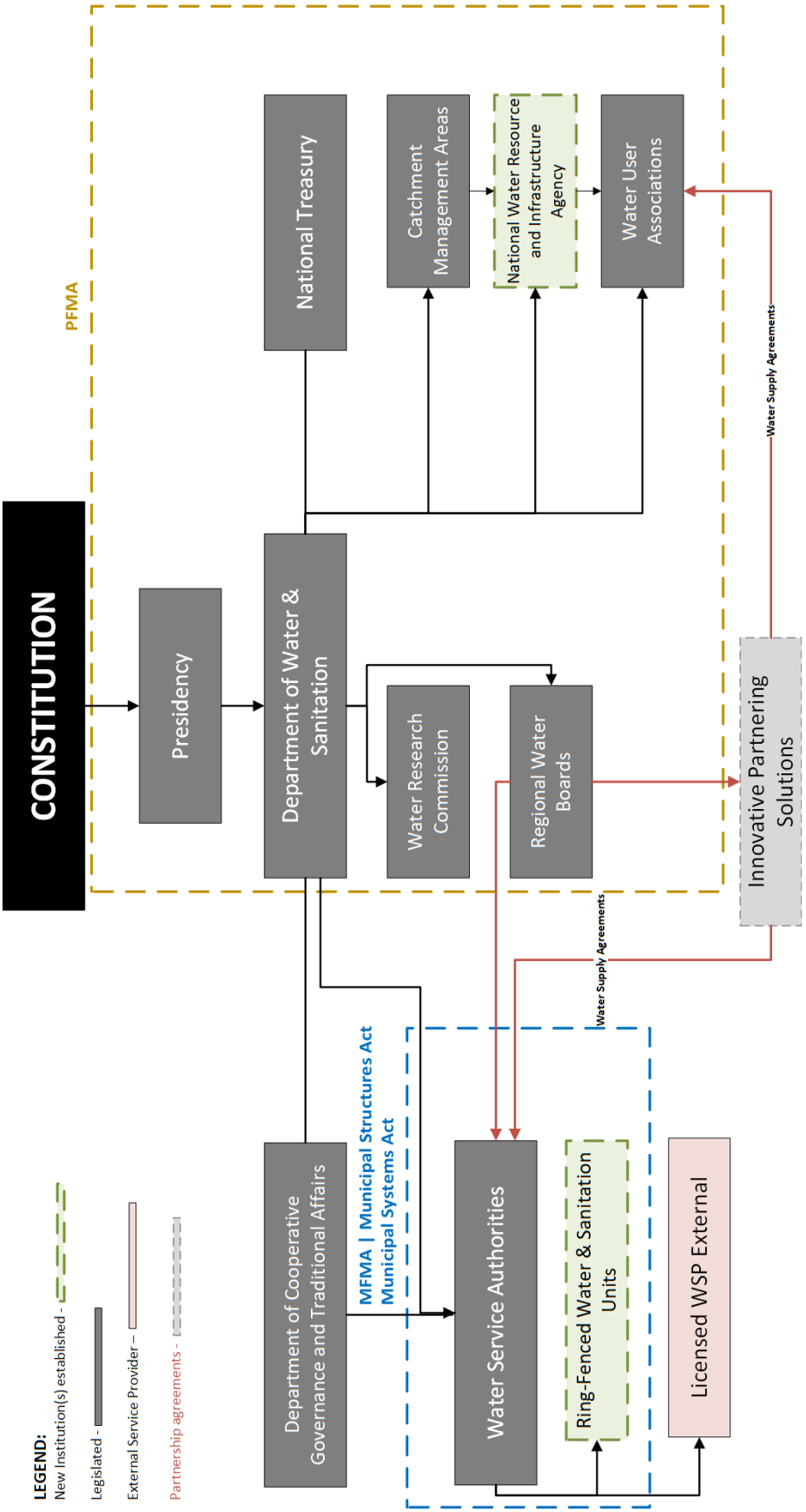
5.3. Institutional Arrangements

SFWS 2003 envisioned a comprehensive institutional reform of water services provision, aiming to address fragmentation, inefficiencies, financial instability, and capacity constraints through regionalisation, improved accountability, and rationalisation of existing institutions. Despite the initiation of studies such as the Institutional Reform Study by DWS, the intended transformation was not formally achieved. This context remains important for understanding the evolution of the sector's governance landscape.

The diagram below provides a visual representation of the current Institutional architecture of the water and sanitation sector, illustrating how constitutional mandates cascade through national, regional, and local institutions, and how these entities interact to deliver services from source to tap. It highlights the vertical accountability of the Constitution and the Presidency down to municipalities, the horizontal coordination between key national departments such as DWS, CoGTA, and National Treasury, and the functional linkages between policy, regulation, water resource management, and service delivery.

This also reflects the integration of new institutional reforms such as the establishment of the National Water Resource and Infrastructure Agency (NWRIA) and the role of innovative partnerships in bridging capacity and financing gaps. By mapping these relationships, the framework provides the foundation for clarifying mandates, reducing duplication, and strengthening cooperative governance, ensuring that the sector operates as a coherent system aligned with constitutional obligations and developmental priorities.

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CONSTITUTION
PFMA
Presidency
National Treasury
Department of Water & Sanitation
Catchment Management Areas
National Water Resource and Infrastructure Agency
Water User Associations
Water Research Commission
Regional Water Boards
Innovative Partnering Solutions
Water Supply Agreements
Water Supply Agreements
MFMA | Municipal Structures Act
Municipal Systems Act
Department of Cooperative Governance and Traditional Affairs
Water Service Authorities
Ring-Fenced Water & Sanitation Units
Licensed WSP External
LEGEND:
New Institution(s) established -
Legislated -
External Service Provider –
Partnership agreements -

5.4. Clarifying Mandates and Accountability Structures

A coherent and well-defined institutional framework is the cornerstone of effective water and sanitation service delivery. As the sector evolves in response to decentralisation, legislative reform, and shifting developmental priorities, the need to clarify mandates and accountability structures has become essential. Ambiguities in roles, particularly between WSAs, WSPs, CMAs, and Water Boards have led to fragmented planning, regulatory overlaps, and inconsistent service outcomes. This section seeks to unpack these institutional arrangements, align them with constitutional and legislative provisions, and propose mechanisms to strengthen accountability, coordination, and performance. Doing so is essential not only for operational efficiency but also for safeguarding the rights of communities and ensuring that the sector remains responsive, resilient, and future-ready.

5.4.1. Independent Water Regulator

An independent water regulator is a statutory body established to oversee the economic and service delivery aspects of water and sanitation provision, operating autonomously from political and operational interference. Its core functions typically include setting and reviewing tariffs, monitoring service standards, ensuring financial sustainability of water institutions, and protecting consumer interests. An independent regulator would bring transparency, accountability, and efficiency to the sector, helping to ensure equitable access to water while promoting long-term investment and sustainability.

The business case to serve as a rationale to establish an Economic Regulator has been completed. The process of establishing an Economic Regulator is underway and will progress within the next few years. It is expected that enabling legislation will be concluded by 2029.

5.4.2. Department of Water and Sanitation

DWS has undergone a significant transformation from being a direct service provider to assuming a strategic leadership, regulatory, and policy-making role in the water sector. This shift was catalysed by the decentralisation of service delivery responsibilities to local government, as outlined in the 2003 SFWS and reinforced through subsequent legislative and policy reforms, in keeping with the Constitution and the legal framework that gives effect to the Constitution.

- **Mandate and Strategic Role:**

DWS is the custodian of South Africa's water resources and the sector leader for water and sanitation. Its mandate encompasses:

- Policy Development: Formulating national water and sanitation policies, including the National Water Resources Strategy (NWRS) and the National Water and Sanitation Master Plan.
- *Regulation*: Setting national norms and standards, monitoring sector performance, and enforcing compliance through regulatory interventions.
- Support and Oversight: Providing technical and institutional support to WSAs, Water Boards, CMAs, and other sector entities.
- Infrastructure Oversight: Overseeing the development and management of national water resource infrastructure, now transitioning to the NWRIA.
- International and Inter-Catchment Coordination: Managing inter-catchment transfers and international water allocations.

- **Evolution from DWAF to DWS**

Under DWAF, the department operated water services infrastructure and directly provided services, particularly in rural areas. The decentralisation and the transfer of assets and staff from DWAF to WSAs was a constitutional legal imperative, redefining DWAF's role to focus on sector regulation, policy leadership, and institutional reform. This included:

- Transferring operational responsibilities to WSAs.
- Initiating the Institutional Reform Strategy to rationalise water services provision.
- Leading the transformation of Water Boards and supporting the establishment of CMAs.

- **Current Strategic Functions of DWS**

- Regulatory Oversight: DWS is the national regulator for both water resources and water services, ensuring alignment with constitutional rights and developmental priorities.
- Institutional Reform: Driving the transformation of legacy institutions and supporting the establishment of regional utilities and dedicated municipal units that operate with distinct mandates, separate governance arrangements, and transparent financial management systems.
- Sector Coordination: Facilitating intergovernmental and intersectoral coordination, particularly with CoGTA, National Treasury, and SALGA.
- Public-Private Partnerships: Through entities like the Water Partnerships Office, DWS enables blended finance and strategic collaborations.

5.4.3. Department of Cooperative Governance and Traditional Affairs

CoGTA, which replaced the former Department of Provincial and Local Government (DPLG), plays a pivotal role in strengthening local government and ensuring that municipalities fulfil their constitutional mandate to deliver basic services, including water and sanitation.

- **Mandate and Strategic Role**

CoGTA's mandate is rooted in Chapter 3 of the Constitution, which emphasises cooperative governance across all spheres. Its responsibilities include:

- Local Government Oversight: Regulating municipal governance, administration, and service delivery performance.
- Policy and Legislative Development: Leading the development of the White Paper on Local Government and municipal legislation, including the Municipal Systems Act and the Municipal Structures Act.
- Capacity Building: Administering the Capacity Building Grant and supporting institutional development within municipalities.
- Integrated Planning: Ensuring alignment between WSDPs, IDPs, and broader developmental frameworks such as the DDM and the Integrated Urban Development Framework (IUDF).
- Intergovernmental Coordination: Facilitating joint planning and implementation between municipalities and sector departments, including DWS, Human Settlements, Health, and Education.
- Coordination of the DDM: Plays a key role in supporting implementation. This includes providing technical assistance, establishing district hubs to coordinate activities, and ensuring that municipalities have the capacity to deliver on their mandates. The department works closely with other government entities to monitor progress

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- **Evolution from DPLG to CoGTA**

The transition from DPLG to CoGTA signified a broader mandate encompassing traditional affairs and cooperative governance, with a stronger emphasis on intergovernmental alignment and municipal accountability. In the context of water and sanitation:

- CoGTA assumed a more strategic role in municipal performance monitoring.
- It became a key partner in sector-wide planning and coordination, particularly through the District Development Model.
- CoGTA provides the primary leadership and decision-making authority for the Local Government reforms. It leads and directs the White Paper review, which sets the overarching framework for local government reform and has implications for water and sanitation governance. DWS and other sector departments play a supportive, contributory role, ensuring alignment where reforms intersect with their mandates.

- **Current Strategic Functions**

- Governance and Accountability: Ensuring municipalities adhere to service delivery obligations and regulatory frameworks.
- Policy Integration: Aligning water sector reforms with local government transformation initiatives.
- Support to WSAs: Collaborating with DWS to build municipal capacity, especially in underperforming and rural areas.
- Facilitating Strategic Partnerships: Supporting municipalities in leveraging alternative financing mechanisms.
- CoGTA facilitates Public-Private Collaborations to leverage alternative financing mechanisms.

5.4.4. South African Local Government Association

The South African Local Government Association (SALGA) is established in terms of Section 163 of the Constitution of the Republic of South Africa (Act 108 of 1996), which provides for the establishment of a national organisation to represent and promote the interests of local government. SALGA's mandate is further reinforced by the Organised Local Government Act (Act 52 of 1997), which formally recognises SALGA as the voice of local government and empowers it to represent municipalities in intergovernmental relations, including engagements with national and provincial spheres of government. As a key participant in the National Council of Provinces (NCOP) and various intergovernmental forums established under the Intergovernmental Relations Framework Act (Act 13 of 2005), SALGA plays a critical role in ensuring that the interests, challenges, and capacities of municipalities are adequately represented in the formulation and implementation of national policies, including those pertaining to water and sanitation service delivery.

SALGA serves as the intermediary between national government and municipalities, which are designated as Water Services Authorities (WSAs) under the Water Services Act (Act 108 of 1997). SALGA's role is to advocate for adequate resourcing, capacity building, and institutional support for municipalities to fulfil their constitutional obligation to provide water and sanitation services as outlined in Section 152 and Schedule 4B of the Constitution. This includes facilitating knowledge sharing and best practices among municipalities, coordinating municipal inputs into national water and sanitation policy development, supporting municipalities in addressing infrastructure backlogs, and advocating for sustainable funding models.

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SALGA plays a monitoring and advisory role by identifying systemic challenges facing WSAs — such as ageing infrastructure, revenue shortfalls, and skills deficits — and escalating these to the Department of Water and Sanitation (DWS) and CoGTA to ensure coordinated intergovernmental responses. Through these functions, SALGA is indispensable in bridging the gap between national policy intent and local-level implementation in the water and sanitation sector.

5.4.5. Catchment Management Agencies

CMAs are pivotal institutions in South Africa's decentralised water resources governance architecture. Their establishment is mandated by the National Water Act (1998), which envisages CMAs as vehicles for participatory and Integrated Water Resource Management (IWRM) at the catchment level. The SFWS 2003 recognised CMAs as essential for aligning water resource planning with service delivery, but implementation has historically lagged due to institutional fragmentation, capacity constraints, and political inertia.

Since 2003, six CMAs have been established in line with the reconfiguration to six Water Management Areas: Limpopo-Olifants, Vaal-Orange, Pongola-Umzimkulu, Mzimvubu-Tsitsikamma, Breede-Olifants, and Inkomati-Usuthu. These CMAs are at different stages of operationalisation; strengthening their mandates, capacity, delegation and funding is critical to improve licensing, compliance, catchment strategy implementation, drought and flood management, and coordinated planning with WSAs and transboundary institutions.

CMAs are responsible for managing water resources within defined Water Management Areas (WMAs).

Their core functions include:

- Licensing of water abstraction and discharge activities, including the enforcement of Resource Quality Objectives (RQOs).
- Monitoring and regulation of water use, pollution control, and compliance with water use authorisations.
- Development and implementation of CMSs, which must align with the National Water Resources Strategy (NWRS III).
- Stakeholder engagement, including coordination with WSAs, WUAs, and other sector actors.
- Revenue collection through water resource management charges, which fund operational activities and infrastructure maintenance.

CMAs take responsibility for all activities required to enable and support water resources regulation, including authorising the use of water and ensuring that water related activities are performed in accordance with the CMS that is developed in the relevant WMA.

5.4.6. Water Services Authorities

Water Services Authorities (WSAs) are municipalities that are legally assigned the powers and functions for water and sanitation services in terms of both the Constitution and the Water Services Act (Act 108 of 1997). In accordance with Schedule 4B of the Constitution, municipalities have the executive authority and the right to administer potable water supply systems and domestic wastewater and sewage disposal systems within their jurisdiction. The Water Services Act reinforces this mandate by designating WSAs as the institutions responsible for ensuring the efficient, affordable, economical, and sustainable provision of water and sanitation services to all consumers in their area of authority.

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SFWS 2003 defined WSAs as the cornerstone of water services delivery, responsible for ensuring the progressive realisation of the right to basic water and sanitation. This role has since evolved in response to institutional reforms, decentralisation, and the need for integrated planning and regulation.

Water Services Authorities are structured around five core responsibilities: Regulation, Service Delivery Arrangements, Infrastructure Development, Finance, and Planning, to clarify mandates, strengthen accountability, and align delivery from source to tap.

- **Regulation**

WSAs enact and enforce municipal by-laws that set service standards, tariff setting provisions, consumer rights, and water conservation/demand management in line with national norms and standards (including drinking water and wastewater regulation). They regulate Water Services Providers through robust Service Delivery Agreements with clear performance indicators, reporting and penalties, and publish annual performance and compliance reports using national systems. WSAs also ensure minimum standards and equitable access on privately owned land through by-laws and Water Services Intermediary arrangements, and coordinate abstraction and discharge compliance with CMAs.

- **Service Delivery Arrangements**

Require WSAs to determine, in terms of the Municipal Systems Act, whether services are provided internally or via external providers, and to formalise contracts for bulk and retail services with a clear single consumer interface and non-overlapping service areas. Agreements must allocate operational, financial, and regulatory risks explicitly and commit providers to outcomes for water quality, continuity, non-revenue water reduction, and wastewater compliance. WSAs manage relationships with Water Boards and any regional utilities for cross-boundary schemes and ensure access in informal settlements and on privately owned land through appropriate servitudes, registrations, and targeted support.

- **Infrastructure Development**

Infrastructure development covers the full lifecycle: planning, procurement, construction, operation, and maintenance, renewal, and eventual replacement of water and sanitation assets to meet universal service obligations and progressively improve service levels. WSAs maintain verified asset registers, apply lifecycle costing to inform budgeting and investment decisions, and implement preventative maintenance rehabilitation and renewal programmes to extend asset life and reduce system failures. They adopt digital asset management systems where feasible, align bulk interfaces and resource availability with Catchment Management Agencies and the National Water Resources Infrastructure Agency for inter-catchment transfers and national schemes, and integrate environmental approvals and compliance across project asset lifecycles, including both sewered and non-sewered sanitation solutions where appropriate.

- **Finance**

Finance responsibilities include setting and applying tariffs in line with national norms so that they are cost reflective, transparent, participatory and appropriate lifeline blocks and cross subsidies that protect poor households. WSAs manage water services revenues and expenditures through clearly defined accounts, ensure sustainable operations and maintenance funding (OPEX), strengthen billing and collections (including progressive rollout of digital metering), and invest to reduce nonrevenue water. They utilise conditional grants and other instruments in accordance with the Division of Revenue Act and municipal finance legislation, implement indigent policies and free basic services, and ensure that financial planning supports full lifecycle costing, covering capital investment (CAPEX), routine operations and maintenance (OPEX), and systematic annual asset renewal and rehabilitation (RAPEX). This

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ensures compliance with quality standards, reduces system failures and maintains timely renewal of ageing infrastructure essential for service reliability and long-term sustainability.

- **Planning**

Planning is anchored in regularly updated WSDPs, that are fully integrated with IDPs, Spatial Development Frameworks (SDFs), DDM One Plans, Catchment Management Strategies (CMS) and the NWRS III. Planning processes must incorporate lifecycle costing—covering capital investment (CAPEX), operations and maintenance (OPEX), and systematic asset renewal and rehabilitation (RAPEX)—to ensure that infrastructure is sustainably designed, funded, operated, and replaced over its full life. Plans must chart a realistic path to universal access and progressive upgrading of service levels, recognise informal settlements as strategic planning areas with phased improvements, and embed climate resilience, disaster risk reduction, ecological infrastructure and circular economy opportunities. WSAs must conduct inclusive stakeholder engagement, ensure gender mainstreaming, and publish annual progress against WSDP implementation to support transparency and adaptive management.

Institutional Realities and Constraints:

WSAs play a foundational role in the delivery of water and sanitation services. Across the country, dedicated teams within WSAs work under complex and often resource-constrained conditions to meet growing service demands. However, several systemic and structural factors continue to limit the full realisation of their mandate. Addressing these constraints is essential to strengthening institutional resilience and improving service outcomes.

The following areas have been identified as key considerations for strategic reform:

- **Capacity Development Needs**: Many WSAs, particularly in rural and under-resourced areas, require enhanced support in technical, financial, and regulatory domains. Strengthening internal capacity will enable more effective planning, implementation, and oversight of water services.
- **Integrated Planning and Coordination**: Greater alignment is needed between WSDPs, IDPs, and CMSs. Improved integration will support coherent decision-making and optimise resource utilisation.
- **Data and Information Systems**: The development of robust data systems is critical to enabling evidence-based planning, performance monitoring, and transparent reporting. Enhanced data capabilities will support strategic foresight and responsiveness.
- **Legal and Institutional Clarity**: Servicing privately owned land and informal settlements presents ongoing legal and governance complexities. Clarifying roles, responsibilities, and service standards in these contexts will improve operational certainty and equity.
- **Financial Sustainability**: Many WSAs face financial pressures, including challenges with cost recovery, high levels of non-revenue water (NRW), and limited access to capital. Strengthening financial management practices and exploring innovative financing mechanisms will be key to long-term sustainability.
- **Procurement Efficiency**: Delays in procurement processes can hinder timely service delivery and infrastructure development. Streamlining procurement procedures and building internal procurement capacity will enhance agility and responsiveness.

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5.4.7. Water Service Providers

Water Services Providers are entities appointed by Water Services Authorities (WSAs), in terms of their constitutional powers and functions, to undertake the direct provision of water and sanitation services to consumers. While the institutional form of WSPs varies across jurisdictions, but all providers must operate within a clearly defined regulatory and contractual framework established by the WSA. The strategic effectiveness of WSPs hinges on their ability to deliver reliable, equitable, and sustainable services while maintaining accountability and transparency to the appointing WSA.

In some instances, the WSA assumes the role of both regulator and provider. While this may streamline operations in smaller municipalities, it introduces risks related to self-regulation, diminished oversight, and potential conflicts of interest. The absence of external performance monitoring mechanisms in such arrangements can compromise service quality and responsiveness.

Where service provision is outsourced, entities operate under formal Service Delivery Agreements (SDAs) with the WSA. These entities may include public utilities, private operators, non-governmental organisations, community-based organisations, or municipal entities. Regardless of their institutional form, all WSPs must adhere to the following strategic and operational principles:

- **Consumer Interface**: There must be a single, clear point of contact for consumers to ensure accountability and service clarity.
- **Contractual Clarity**: A single contractual interface with the WSA is essential to avoid fragmentation and duplication of responsibilities.
- **Defined Service Area**: Each WSP must operate within a clearly demarcated geographic area, with no overlaps to prevent jurisdictional disputes and inefficiencies.
- **Risk and Responsibility Allocation**: Contracts must explicitly outline the distribution of operational, financial, and regulatory risks to ensure alignment with capacity and mandate.

In cases where water is supplied in bulk to other providers or directly to WSAs, the supplying entity must operate under a bulk supply agreement. Strategic coordination is required to ensure alignment with national raw water pricing strategies and compliance with abstraction licensing protocols. This necessitates active engagement with CMAs and DWS to safeguard water resources and ensure long-term sustainability.

The review of WSPs must therefore interrogate not only their institutional arrangements but also their performance, governance, and alignment with broader sectoral objectives. This includes assessing their capacity to meet service delivery standards, respond to emerging challenges such as climate variability and urbanisation, and contribute to the realisation of constitutional rights and developmental goals.

- **Contractual and Regulatory Requirements**

  All WSPs must operate under a formal contract with the WSA, which must include:

  - Performance indicators aligned with national norms and standards,
  - Tariff structures and cost recovery mechanisms,
  - Reporting obligations to the WSA, DWS, and other regulators,
  - Risk allocation, including financial, operational, and environmental risks,
  - Consumer protection provisions, including adherence to the Consumer Charter.

- **Consumer Charter and Relations**

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All WSPs must publish a Consumer Charter, approved by the WSA, which outlines:

- The rights and responsibilities of consumers,
- Conditions of supply and payment,
- Procedures for complaints, queries, and service interruptions,
- Accessibility provisions (which include but not limited to language, location and digital platforms).

WSPs must actively communicate the charter to consumers and ensure that billing is clear, understandable, and preferably in the consumer's home language. This is especially critical in areas with linguistic diversity.

5.4.8. Water Boards

Water Boards are state-owned entities established under the Water Services Act (1997) to provide bulk water supply and wastewater treatment services to municipalities, industries, and other consumers. They are regional utilities that would support municipalities by managing large-scale infrastructure, offering technical assistance, and promoting economies of scale in service delivery

- Functions:
  - Bulk water abstraction, treatment, and distribution.
  - Wastewater treatment and effluent management.
  - Technical support to WSAs, including infrastructure planning and operations.
  - Compliance with the PFMA.
  - Strategic alignment with national water policies and frameworks

5.4.9. Water User Associations

WUAs are statutory bodies established under Chapter 8 of the National Water Act (1998) to enable cooperative management of water resources at a local level. They are intended to replace Irrigation Boards (IBs) and broaden participation beyond commercial agriculture to include emerging farmers, rural communities, and other water users. WUAs operate primarily at the catchment or sub-catchment level, focusing on equitable allocation, water use efficiency, and local infrastructure operation and maintenance.

- **Purpose and Contribution to the Sector**
  - Facilitate participatory water resource management at the local level, ensuring that all categories of water users have a voice in allocation and use decisions.
  - Support efficient water distribution and infrastructure maintenance, particularly for irrigation and rural water schemes.
  - Act as a critical link between CMAs and local users, contributing to integrated water resource management and compliance with water use authorisations.
  - Promote equity and transformation by incorporating historically disadvantaged individuals and communities into governance and decision-making structures.

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- WSA's can be used as a Special Purpose Vehicle (SPV) to accelerate the implementation of water infrastructure projects on behalf of DWS, municipalities and private sector

Strategic Challenges:

Despite the legislative mandate, the transformation of IBs into WUAs remains incomplete due to:

- Institutional inertia and resistance to change.
- Capacity constraints within emerging WUAs.
- Policy and regulatory gaps in enforcing transformation timelines.

- **Strategic Direction for WUAs**

  - Fast-track Transformation: The SFWSS mandates the full conversion of remaining IBs into WUAs within a defined timeframe, supported by a national transformation programme led by DWS and CMAs.
  - Formalisation and Compliance: All WUAs must be registered, gazetted, and aligned with the equity and representativity requirements of the National Water Act.
  - Capacity Development: Implement targeted capacity-building programmes for WUA governance, financial management, and technical operations, leveraging partnerships with the WRC and agricultural support agencies.
  - Integration into Planning: WUAs must be integrated into CMSs and WSDPs to align resource management with service delivery, and these plans must be synchronised with the strategic and operational functions of the NWRIA, particularly where national water resources infrastructure interfaces with municipal and regional schemes.
  - Technology and Innovation: Promote the adoption of smart metering, water accounting systems, and climate-resilient irrigation technologies within WUAs to improve efficiency and sustainability.

WUAs are pivotal for achieving water security, equity, and sustainable livelihoods in rural and agricultural economies. Their transformation and strengthening are non-negotiable for the realisation of the constitutional right to water and the objectives of the NWRS III.

5.4.10. Local Government Oversight Entities

Local government oversight is constitutionally mandated and primarily exercised through the CoGTA and the SALGA, each with distinct but complementary legal roles. CoGTA derives its mandate from Chapter 3 and Chapter 7 of the Constitution as well as legislation such as the Municipal Systems Act and Municipal Finance Management Act, to support, monitor, and strengthen municipalities, while also intervening where municipalities fail to fulfil their executive obligations.

SALGA is recognised in terms of section 163 of the Constitution as the official representative body of organised local government, with a mandate to advocate for municipalities' interests, participate in national and provincial legislative processes, and support good governance, accountability, and performance within the local government sphere.

5.5. The Role of National and Regional Entities and Agencies

The delivery of water and sanitation services in South Africa relies on a diverse ecosystem of national and regional institutions, each with distinct mandates that collectively enable policy development,

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infrastructure investment, research, regulation, and service delivery. This section clarifies the purpose and strategic contribution of these entities, recognising their critical role in ensuring that the sector operates as an integrated system from source to tap. It also addresses the need for formalisation and strengthened governance of certain entities and partnerships to enhance accountability, coordination, and performance. By defining these roles and aligning them with the objectives of the Strategic Framework for SFWSS, the sector can reduce duplication, close institutional gaps, and leverage innovation and partnerships to achieve universal access, financial sustainability, and climate resilience.

5.5.1. Water Research Commission

The Water Research Commission, established under the Water Research Act (1971), is South Africa's statutory water research and knowledge hub. Its mandate is to generate, fund, and disseminate research that supports water security, innovation, and policy development. The WRC drives the Water Research, Development and Innovation (RDI) Roadmap, enabling technology deployment, capacity building, and evidence-based planning across the water value chain.

- Contribution to the Sector:
  - Provides scientific evidence for policy and regulation.
  - Develops and pilots' technologies for water treatment, reuse, sanitation options and efficiency.
  - Supports climate resilience and water quality monitoring.

The WRC is already formalised as a Schedule 3A public entity. The integration of WRC outputs into municipal planning (WSDPs) and national programmes should be strengthened, ensuring research translates into operational solutions.

5.5.2. Water Partnership Office

The Water Partnerships Office (WPO) is a ring-fenced entity that facilitates private sector participation in water and sanitation. Its core role is to develop standardised programmes, prepare bankable projects, and mobilise blended finance for municipal water infrastructure, including reuse, desalination, and non-revenue water reduction.

- Contribution to the Sector:
  - Unlocks private sector investment for water services.
  - Provides technical and financial structuring support to municipalities.
  - Accelerates project implementation through standardisation and risk mitigation.

The WPO must be positioned as a core enabling entity for municipalities and the sector, with a clear governance and service offering that is understood and actively used by all WSAs. The WPO's role should be emphasised with all WSAs; to understand their role and the significance of the support they can provide to them and the sector.

5.5.3. Strategic Water Partnership Network

The SWPN is a multi-stakeholder platform co-chaired by DWS and the private sector. Recognised in the National Water and Sanitation Master Plan, its mandate is to close the projected 17% water supply-demand gap by 2030 through collaborative projects, innovation, and knowledge sharing.

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- *Contribution to the Sector*

  - Drives initiatives on water use efficiency, leakage reduction, and non-revenue water.
  - Facilitates partnerships for wastewater reuse, mine water management, and agricultural water stewardship.
  - Provides a neutral platform for policy dialogue and joint problem-solving.

While SWPN operates as a voluntary partnership, its role should be formalised through a Memorandum of Understanding with DWS, ensuring alignment with national priorities and integration into the sector's governance ecosystem.

5.5.4. National Water Resource and Infrastructure Agency (NWRIA)

The establishment of the NWRIA marks a pivotal institutional reform in the water sector, designed to consolidate and professionalise the development, operation, and management of national water resources infrastructure. Once enacted, the NWRIA will become a state-owned company and major public entity, wholly owned by the State and governed under the Companies Act and the Public Finance Management Act.

This reform responds to long-standing structural constraints in the sector, particularly the fragmentation of responsibilities between policy, regulation, and infrastructure delivery. It also addresses the limitations of the DWS in directly raising capital for infrastructure development, previously reliant on special-purpose vehicles such as the Trans-Caledon Tunnel Authority (TCTA).

Strategic role and fit within the sector: The NWRIA will assume responsibility for the development, financing, operation, maintenance, and rehabilitation of national water resources infrastructure. Its mandate includes:

- Ensuring a sustainable, equitable, and reliable supply of water from national infrastructure to meet social and economic needs.
- Leveraging its asset base and revenue streams to raise capital for infrastructure expansion and modernisation.
- Executing Treaty and non-Treaty functions previously performed by the TCTA.
- Supporting other water management institutions and water services authorities through technical, advisory, and management services, without duplicating their mandates.

The Agency will operate within the framework of national water policy and the National Water Resources Strategy-3 (NWRS III) and will be required to produce a five-year strategic plan, approved by the Minister, that aligns with sectoral priorities including climate resilience, job creation, and transformation.

Institutional Integration and Governance: The NWRIA will be governed by a Board of Directors, comprising executive and non-executive members appointed through a transparent process. The Minister of Water and Sanitation will act as the sole shareholder, with oversight mechanisms defined in a shareholder's compact. The Agency will be subject to rigorous performance monitoring, financial reporting, and compliance with national norms and standards.

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The Agency's establishment will involve:

- The transfer of national water resources infrastructure from DWS to the NWRIA, including assets, liabilities, contracts, and staff.
- The disestablishment of the TCTA, with all its functions, obligations, and financial instruments absorbed by the NWRIA.
- The development of a corporate plan, annual budgets, and quarterly reports, aligned with national development objectives and approved by the Minister.

Strategic Implications for the SFWS: The integration of the NWRIA into the water sector institutional framework will:

- Clarify and streamline roles between policy, regulation, and infrastructure delivery.
- Strengthen financial sustainability by enabling the Agency to raise capital independently and manage its own revenue streams.
- Enhance service reliability and infrastructure resilience, particularly in the face of climate change and growing demand.
- Support decentralised service delivery by providing technical and operational support to WSAs and WSPs, without undermining their autonomy.

Planning instruments including WSDPs and CMSs must be aligned with the strategic and operational plans of the NWRIA. Coordination between the NWRIA, CMAs, Water Boards, and municipalities must be institutionalised to ensure integrated infrastructure development, water resource management, and service delivery. The Agency's functions are to be embedded within the national regulatory, performance monitoring, and institutional support frameworks, ensuring coherence across the sector and reinforcing the constitutional and developmental objectives of water and sanitation services.

5.6. Other Role Players in Water and Sanitation Services

The delivery of water and sanitation services in South Africa is supported by a complex but evolving institutional ecosystem. Since the publication of the 2003 Strategic Framework for Water Services, the sector has undergone significant transformation, with a stronger emphasis on decentralisation, regulatory clarity, and performance accountability. This section outlines the key institutional actors involved in water and sanitation services, their evolving roles, and the strategic imperatives for improved coordination and oversight.

5.6.1. Water services intermediaries

Water services intermediaries are entities that provide water and sanitation services incidentally to their primary function, typically in the context of employment or tenancy arrangements. This includes but is not limited to farmers providing services to farm dwellers, mining companies servicing employee housing, or landlords supplying water to tenants.

In terms of the Water Services Act empowers the Minister to prescribe minimum national standards for services provided by intermediaries; however, the WSA is the primary authority responsible for regulating and overseeing these intermediaries within its jurisdiction. These standards are enforced by DWS and include:

- Minimum service levels for water supply and sanitation, including faecal sludge management and groundwater protection.

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- Consumer protection measures, including adherence to the Water Services Consumer Charter.
- Accountability mechanisms, such as registration with the WSA, compliance with municipal by-laws, and dispute resolution protocols.

The WSA is responsible for enforcing these requirements, managing complaints and dispute resolution, and ensuring that intermediaries do not undermine the rights of consumers. DWS plays an overarching regulatory role and support role by issuing national norms and standards, monitoring broad compliance, and supporting WSAs in enforcement. This includes developing guidelines, strengthening municipal capacity, and intervening where systemic failures occur—particularly in rural and informal contexts where intermediaries are common.

5.6.2. South African Human Rights Commission

The South African Human Rights Commission (SAHRC) was established in terms of Chapter 9 of the Constitution to support constitutional democracy by promoting, protecting, monitoring, and enforcing human rights. To safeguard the constitutional rights relevant to water and sanitation by promoting and protecting human rights and monitoring their realisation. In the sector, the SAHRC convenes hearings on water and sanitation rights, surfaces community experiences and concerns, and catalyses remedial action to address rights infringements and systemic service failures.

- **Integration into the framework**

The Strategic Framework recognises the SAHRC as a key oversight partner. WSAs and sector institutions will maintain clear engagement protocols with the SAHRC, including sharing service performance information, responding to its hearings and observations, and reflecting agreed remedial actions in WSDP implementation reports. The SAHRC will be invited to participate in DDM water and sanitation workstreams and relevant sector forums to strengthen accountability, ensure accessible complaint and redress pathways for communities, and embed a rights-based approach across planning, regulation, and service delivery.

5.7. Strategic Partnerships

Strategic partnerships are essential to achieving universal, sustainable, and high-quality water and sanitation services. Partnerships are inclusive by design and encompass public entities, private companies, CBOs, non-governmental organisations (NGOs), and research institutions. They enable the sector to leverage expertise, innovation, and diversified financing while maintaining public accountability, consumer protection, and a clear developmental focus.

Partnership initiatives should be embedded in municipal planning and budgeting cycles (WSDPs and IDPs), and service delivery mechanism options, aligned with national priorities, and geared toward outcomes such as service reliability, non-revenue water reduction, water quality compliance, climate resilience, and circular economy opportunities.

WSAs may use various service delivery mechanisms in line with MSA Sections 77 (circumstances for review) and 78 (assessment for suitable service delivery mechanism,) which require assessing internal capacity before selecting external options. Where external provision is appropriate, WSAs may adopt PPPs for long-term, performance-based partnerships, PSP contracts for targeted operational functions, or flexible PPC models involving shared governance and co-funding. They may also use Public-Public Partnerships with entities such as Water Boards or other municipalities and collaborate with NGOs or community-based organisations to support service delivery in underserved areas. All mechanisms must

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follow the legally prescribed MSA process to ensure accountability and alignment with municipal mandates.

5.7.1. Formalisation of Strategic Partnership Solutions

The formalisation of partnerships at the local government level is critical to unlocking sustainable and scalable improvements in water and sanitation service delivery. Municipalities are the primary custodians of service provision, and their ability to engage effectively with private sector partners hinges on the availability of a clear, coherent, and context-sensitive framework. Such a framework will provide municipalities with structured guidance on how to initiate, manage, and govern these partnerships, while ensuring alignment with legislative requirements and local development priorities. It also helps mitigate risks, promote transparency, and foster trust between public, NGOs and private actors. By embedding principles of equity, accountability, and performance, such will enable municipalities to leverage private sector expertise and investment in a way that is both inclusive and responsive to community needs.

Partnerships are not a substitute for public responsibility but a strategic extension of the state's capacity to deliver on its constitutional obligations. This is particularly relevant in contexts where municipalities face institutional, technical, or financial constraints, and where collaborative governance can unlock efficiencies, accelerate delivery, and improve service quality.

To mainstream partnerships within the sector, the following institutional reforms must be prioritised:

- **Development of a Strategic Partnership Framework**: A dedicated framework at local government, developed to guide the structuring, governance, and operationalisation of partnerships. This framework should include model agreements, governance protocols, and risk-sharing arrangements that are contextually appropriate for each area. It should be aligned with enabling legislation such as the Municipal Systems Act, PFMA, and the DORA. While detailed financial instruments are addressed in the financing section of this strategy, the framework will make provision for blended financing models that enable co-investment and risk mitigation.

- **Municipal Readiness and Institutional Support**: Municipalities must assess their institutional readiness to engage in PPCs and embed PPC strategies within their WSDPs and IDPs. The DWS, in collaboration with SALGA and the Municipal Infrastructure Support Agent (MISA), will provide targeted technical assistance and capacity-building to support municipalities in preparing for and managing PPCs effectively.

- **Strategic Partnership Platforms**: The strategy supports the formalisation and strengthening of existing platforms such as the SWPN and WPO. These platforms will serve as structured vehicles for engagement on strategic issues, innovation exchange, and investment mobilisation. The SWPN will play a catalytic role in identifying and preparing projects, which can then be channelled through the WPO for further development and implementation. These platforms will also facilitate dialogue on enabling conditions that the private sector requires from government to participate meaningfully.

- **Performance-Based Contract**: PPCs must be supported by clear performance indicators and monitoring frameworks. These should be aligned with national certification programmes such as Blue Drop, Green Drop, and No Drop, ensuring transparency, accountability, and quality of service.

- **Equity and Inclusion**: All PPCs must explicitly address the needs of vulnerable and marginalised groups, including residents of informal settlements, rural communities, and people living on privately owned land. Gender mainstreaming and community participation are

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foundational principles in the design and implementation of PPCs, ensuring inclusive and equitable service delivery.

5.8. Interdepartmental Coordination

Effective water and sanitation service delivery in South Africa depends on robust intergovernmental coordination and collaboration required in terms of the Intergovernmental Relations Framework Act of 2005. This SFWSS repositions intergovernmental coordination not merely as a compliance mechanism, but as a strategic enabler of integrated planning, coherent policy implementation, and responsive service delivery.

This section outlines the collaborative mechanisms and roles required to strengthen coordination between national, provincial, and local government, as well as across sectoral departments such as Health, Education, Housing, Environment, and Public Works. It also addresses the need for alignment between water services and broader developmental priorities, including climate resilience, public health, and sustainable livelihoods.

5.8.1. Principles Guiding Coordination

The following are the key principles to support intergovernmental coordination in the water and sanitation sector:

- **Cooperative Governance**: All spheres of government must work together in mutual trust and good faith, as mandated by Chapter 3 of the Constitution.
- **Integrated Planning**: Water services planning must be embedded in IDPs, WSDPs, and aligned with sectoral strategies.
- **Shared Accountability**: Roles and responsibilities must be clearly defined, with joint performance indicators and transparent reporting mechanisms.
- **The interdepartmental Approach**: Water and sanitation must be mainstreamed across departments responsible for housing, health, education, environment, and infrastructure.

5.8.2. Coordination Structures

The strategy positions DDM as a central coordination mechanism to advocate for and collaborate on the provision of water and sanitation services. Through a single, integrated “One Plan” per district and metro, the DDM provides the platform to align WSDPs, IDPs, Catchment Management Strategies, provincial sector plans, and national priorities.

District and metro DDM hubs will convene a dedicated water and sanitation workstream, co-led by CoGTA and DWS, with participation from WSAs, Water Boards/regional utilities, CMAs, NWRIA, provincial sector departments (Health, Education, Human Settlements, Public Works, Environment), and National Treasury as required. This workstream will jointly prioritise projects and O&M needs, integrate grant pipelines (MIG, WSIG, RBIG) and own-revenue funding within MTEF cycles, unblock approvals (environmental authorisations, land/servitudes, licensing), coordinate cross-boundary bulk schemes, and ensure service provision to schools, clinics, informal settlements, and privately owned land is embedded in the One Plan.

The DDM will also serve as the locus for monitoring sector targets and compliance (such as Blue/Green/No Drop, tariff norms), using standardised dashboards and escalation protocols to drive

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accountability across spheres and accelerate delivery. A technical water service structure should be established.

5.8.3. Joint Planning as the Entry Point for Integration

At the core of effective coordination is the alignment of planning instruments across departments and spheres. DWS, as sector leader, must co-develop national water and sanitation priorities with the Department of CoGTA, ensuring that these are embedded in the IUDF, the DDM, and the MIG framework.

Simultaneously, the Department of Human Settlements must align housing delivery pipelines with municipal WSDPs, ensuring that new settlements are not only adequately serviced but also planned in a way that supports long-term infrastructure sustainability. The Department of Basic Education and the Department of Health must synchronise their infrastructure plans with municipal WSDPs to ensure that schools and clinics are adequately serviced and maintained.

This requires a joint planning protocol, coordinated by CoGTA and DWS where sector departments submit infrastructure plans to a shared platform for spatial and financial alignment at both national and provincial levels.

- **Coordinated Implementation and Delivery**

Implementation must be synchronised across departments to avoid duplication, delays, or misaligned sequencing.

- The Department of Public Works and Infrastructure (DPWI), as the implementing agent for many national departments, must coordinate with municipalities to ensure that water and sanitation infrastructure in public buildings is designed, constructed, and handed over in line with municipal standards and asset management systems.
- Provincial Departments of Health and Education must enter into service-level agreements with municipalities for the ongoing operation and maintenance of water and sanitation infrastructure in clinics and schools.
- To support coordinated implementation, municipalities may adopt community-based franchising partnerships as a structured mechanism for the operation and maintenance of water and sanitation infrastructure, particularly in clinics, schools, and rural public facilities. These partnerships enable local entrepreneurs and community groups to deliver services under performance-based contracts, supported by experienced franchisors. Where appropriate, provincial departments and implementing agents must incorporate franchising models into service-level agreements and infrastructure handover protocols, ensuring alignment with municipal standards, asset registers, and long-term maintenance plans.
- The Department of Forestry, Fisheries and the Environment (DFFE) must work with DWS and municipalities to ensure that wastewater discharge complies with environmental regulations, and that infrastructure projects undergo timely environmental authorisations.

This requires the institutionalisation of interdepartmental delivery teams at provincial and district levels, with clear escalation protocols and shared performance targets.

5.9. Transboundary Water Governance

Transboundary water governance is integral to South Africa's water security and sanitation resilience, even as this strategy spans from tap to source. The country relies on shared river basins, most notably the Orange-Senqu, Limpopo, and Inkomati systems, where upstream management directly affects

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downstream service reliability for domestic, industrial, and ecological needs. Effective cooperation requires alignment between national resource strategies (including NWRS-III) and municipal water services planning, prioritising Strategic Water Source Areas, integrated catchment management, and safeguarding against degradation, pollution, and over-abstraction.

South Africa's participation in basin commissions and cross-border agreements must be leveraged to embed equity, sustainability, mutual benefit, and adherence to safety and security protocols in operations and infrastructure. Harmonised monitoring, early-warning systems, and data sharing enhance risk management and protect communities, while joint hydrological assessments and planning ensure service delivery reflects the realities of shared catchments. In doing so, transboundary governance supports the full-service chain from source to tap, maintains ecological integrity, and advances national development objectives.

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6. PLANNING FRAMEWORK

6.1. Vision

The purpose of planning is to assist agencies to plan for and respond to a constantly changing environment to achieve defined goals in as effective and efficient a manner as possible. Planning is essentially a management tool.

6.2. Key principles

- Integrated planning will result in alignment between water services and water resources and between the water sector and other spheres of economic and social activity as captured in the integrated development plan and other planning activities.

- Water services should be planned and implemented in response to effective demand which is linked to consumers' willingness and ability to pay the appropriate charges in the context of the prevailing subsidy and pricing framework.

- Water and sanitation programmes should be designed to support sustainable livelihoods and local economic development. The provision of water supply and sanitation services has significant potential to alleviate poverty through the creation of jobs, use of local resources, improvement of nutrition and health, development of skills, and provision of a long-term livelihood for many households.

- In the choice of technology, a trade-off must be made between effectiveness, affordability, capacity to operate and maintain, life-cycle costs, consumer acceptability and environmental impact. Users should be fully informed of the available technical choices and related financial and operational implications. Water and sanitation technologies should be considered together.

- A strong and active civil society has an important role to play through the identification of local priorities in the planning process and through holding water services authorities accountable to the implementation of their plans.

- Water demand management is necessary to ensure efficient and effective water services delivery. Water demand management should be given as much attention as supply expansion in water services and water resources planning.

- Water services planning should consider environmental impacts and seek to minimise any negative impacts through appropriate preventative and/or remedial measures. Integrated and sustainable management of the environment, now and in the future, is the basis of sustainable development.

- The planning of water resources, water supplies and regional or bulk infrastructure by water institutions within the supply chain should be aligned and integrated. This should be accomplished through integrated water resources management which promotes the co-ordinated planning, development and management of water, land and related resources, to maximise the resultant economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems.

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6.2.1. Objectives

The following are the key objectives which this framework aims to further and achieve:

- **Institutionalise Multi-Sectoral Planning:** Water services planning must move beyond sectoral silos. It is necessary to mandate the integration of water services with housing, waste, energy, transport, and economic development planning. This requires formal mechanisms for cross-sectoral coordination, embedded within municipal IDPs and supported by provincial and national planning structures.

- **Embed Climate Resilience and Disaster Risk Management:** It is necessary to incorporate climate change adaptation and disaster risk reduction into all planning principles. This includes requiring municipalities to assess climate vulnerabilities, integrate ecological infrastructure, and develop contingency plans for droughts, floods, and infrastructure failures.

- **Recognise Informal Settlements as Core Planning Zones:** Informal settlements must be formally recognised within WSDPs as strategic planning areas. It must be required to conduct socio-economic profiling, geotechnical assessments, and implement phased upgrading strategies aligned with the UISP and NUSP frameworks. Planning must be participatory, inclusive, and responsive to local conditions.

- **Adopt Scenario-Based and Adaptive Planning Models:** To address long-term uncertainties, the introduction of scenario-based planning methodologies is needed. These models must account for climate variability, demographic shifts, and economic trends, enabling municipalities to develop flexible, responsive infrastructure plans with planning horizons extending beyond 2030.

- **Strengthen Provincial and Regional Planning Capacity:** The development of provincial master plans for water and sanitation must be done, and these should be coordinated with municipal WSDPs. These plans must include capacity-building programmes for WSAs, technical support mechanisms, and alignment with national infrastructure priorities.

- **Modernise Financial Planning Instruments:** Financial planning must be restructured to support long-term sustainability. require rolling capital investment plans, cost-reflective tariffs with targeted subsidies, and transparent budgeting linked to service delivery outcomes. It must also promote blended finance models and establish an independent economic regulator to oversee pricing and investment.

- **Mandate Use of Integrated Information Systems:** Municipalities must utilise national data platforms such as the National Water Services Knowledge System, IRIS, and NCIMS. These tools must be embedded in WSDP development, monitoring, and reporting processes to ensure data-driven decision-making and regulatory compliance.

- **Institutionalise Public Engagement and Education:** Planning must be participatory and transparent. Structured public education campaigns, community consultations, and school-based initiatives must be held to promote water conservation, hygiene, and civic accountability. These efforts must be integrated into municipal planning cycles and supported by national outreach programmes.

- **Establish Performance-Based Planning and Monitoring:** Performance benchmarks for planning quality, service delivery, and infrastructure resilience must be introduced. Municipalities should be required to report annually on WSDP implementation using tools like the Planning

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Maturity Matrix and Water Services Performance Dashboard, with oversight from national and provincial regulators.

6.3. Water & Sanitation Services Development Planning

The Water Services Act (Act 108 of 1997) requires every WSA to prepare and regularly update a WSDP. The WSDP is the WSA's comprehensive plan for ensuring sustainable, equitable water supply and sanitation services over the short, medium, and long term. It must be integrated with the municipality's IDP under the Municipal Systems Act and align with the MFMA for credible budgeting and asset management.

6.3.1. The Purpose and Requirements of the Water Services Development Plan

The primary purpose of the water services development plan is to assist water services authorities to carry out their mandate effectively. The requirement that water services authorities regularly update their plans and report annually on progress against their plans will assist local communities and DWS to assess how well water services authorities are performing relative to their stated intentions and their capacity.

- All water services authorities must develop a WSDP.
- A new plan must be developed every five years, and the plan should be updated as necessary and appropriate in the interim years.
- The WSDP must be integrated with the integrated development plan of the municipality, as required in terms of the Municipal Systems Act.
- The WSDP must integrate water supply planning with sanitation planning.
- The WSDP must integrate technical planning with social, institutional, financial and environmental planning. The planning of capital expenditures must also be integrated with the associated operation and maintenance requirements and expenditures.
- The WSDP must be informed by the business plans developed by water services providers and with the plans of any regional water services providers, as relevant.
- The plan must consider the impact of HIV/Aids on future water demand.
- The WSDP must integrate with the catchment management strategy.
- The planning process must consider the views of all important stakeholders, including communities, through a consultative and participatory process. Every effort must be made to ensure the adequate and meaningful participation of women in consultation forums.
- The draft plan must be made available for public and stakeholder comment and all comments made must be considered when preparing the final plan.
- The contents of the WSDP must be communicated to all important stakeholders, including DWAF.
- A water services authority must report annually and in a public way on progress in implementing the plan.

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The Water Services Development Plan is a vital instrument for ensuring that all South Africans have access to safe, reliable, and sustainable water and sanitation services.

6.3.2. Planning for Levels of Service

Planning for basic levels of service: The primary constitutional obligation resting on water services authorities is the provision of at least a basic level of service to all people living within their area of jurisdiction. The WSDP must show how the water services authority plans to meet this universal service obligation.

Planning for higher levels of service: Notwithstanding the primary constitutional obligation of basic services provision set out above, water services authorities are expected to plan to move households up the services ladder by providing higher levels of service wherever these are practical, financially viable and sustainable.

Wherever practical, infrastructure should be designed to accommodate mixed levels of service within communities, allowing consumers to elect a level of service which suits their needs, is affordable to them (within the prevailing subsidy framework) and can be upgraded over time.

Wherever practical, financially viable and sustainable, preference should be given to water supply services which make available 50 litres per person per day near domestic dwellings (in the yard). Where housing densities are low, low pressure yard tanks could prove to be the most cost-effective means of achieving this.

Where housing densities are low, on-site sanitation systems are likely to be most appropriate. Some form of waterborne sanitation system is likely to be most appropriate where housing densities are high, for example, in urban areas.

6.3.3. Water Sector Plans

A municipality that is not a water services authority is not required to develop a water services development plan. Where a district municipality is not a water services authority, the district should develop a “water sector plan” addressing the district-wide issues arising from the local WSDPs and include this in the district’s IDP. Where district municipalities have district management areas, the district must develop a WSDP for these areas. Where a local municipality is not a water services authority, the local municipality should summarise the implications of the district level WSDP for its own area in a “water sector plan” and include it in its IDP.

6.3.4. Informal Settlements

Informal settlements must be formally recognised within WSDPs as strategic planning areas. These areas must be treated as key development areas. This is necessary for reasons including legal duties, public health risk, equity, and practical service delivery realities.

WSAs must include socio-economic profiling, geotechnical assessments and phased upgrading strategies within their WSDPs, and ensure alignment to the National Upgrading Support Programme (NUSP) and the Upgrading of Informal Settlement Programme (UISP).

Inclusive Planning: Inclusive and participatory planning is a core part of preparing a credible Water Services Development Plan (WSDP). It ensures that the plan reflects real community needs and constraints, complies with law and policy, and is implementable and sustainable. It also allows municipalities to identify and address service gaps for vulnerable groups and populations.

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The Municipal Systems Act requires community participation in the IDP and budget processes. The WSDP must be integrated into the IDP, thus its development and updates should follow these participation requirements.

6.4. Alignment with Water Resource Planning

Water resource planning is the systematic process of assessing, developing, allocating, and managing a region's water resources to meet current and future needs, while protecting aquatic ecosystems and water quality. It looks at quantity, quality, timing, and reliability of water across all users and the environment.

It is crucial that all water planning considers the following:

- Balance supply and demand across all sectors
- Protect rivers, wetlands, and groundwater through environmental flow requirements and water quality objectives
- Manage risk from droughts and floods and build climate resilience
- Allocate water fairly and legally
- Guide investment in infrastructure and operations

The core components of water resource planning are:

- Resource Assessment
- Demand Forecasting
- Options Analysis
- Risk and Resilience
- Infrastructure Planning
- Environmental and Social Safeguards
- Governance

6.5. Spatial and Infrastructure Planning Integration

Effective spatial and infrastructure planning is critical to transforming South Africa's water sector into a resilient, equitable, and sustainable system. Spatial planning ensures that water infrastructure:

- Supports equal access and inclusion
- Aligns with land use, housing, agricultural development and infrastructure development
- Anticipates climate risks
- Aligns with population growth and economic development

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6.5.1. The National Water Resource Strategy III

The NWRS-III was published by DWS in March 2023. It provides a comprehensive framework for managing the country's water resources.

Spatial and infrastructure planning is necessary to support equitable and sustainable access to water and sanitation services. SPLUMA provides the national legal framework for spatial planning and land-use management, ensuring municipalities guide development in a manner that is efficient, sustainable, and constitutionally aligned. Together, NWRS-3 and SPLUMA integrate water resource planning with spatial development, enabling coordinated, climate-resilient and future-proof infrastructure and land-use decisions across government.

6.5.2. Maintenance Planning

Maintenance planning is a cornerstone of sustainable water service delivery. Without proper operation and maintenance (O&M), infrastructure will deteriorate, service delivery will decline, and water security will be compromised.

The water sector is currently facing major challenges with both water systems and wastewater systems. This is largely due to aging infrastructure and poor maintenance. Between 37% and 42% of potable water is lost, which is in part due to poor maintenance.

It is necessary to adopt the following:

- Predictive maintenance which uses telemetry and sensor data
- Digital asset management to track and monitor maintenance
- Blended finance models to support O&M alongside capital investment

6.6. Climate-Responsive and Risk-Informed Planning

Scenario-based planning must be adopted to address climate challenges and economic uncertainty. The National Water Security Framework for South Africa 2020 (NWSFSA) promotes long-term, scenario-based planning.

The NWSFSA places climate variability and change at the centre of water security, and places scenario-based planning as a core principle for achieving water security. Since major water projects often show benefits within 15-20 years, and have long lasting effects which span for decades, it is crucial to plan long-term. By exploring scenario-based planning, it is possible to obtain foresight into what the future might hold, and how best to strategise in the long-term.

Scenario-based planning is further proposed to test and set locally appropriate targets. It can be used as a method of exploring different future scenarios to validate a proposed per-capita water use benchmark. This can be done while also considering local conditions, infrastructure, and demand patterns.

Major water projects require at least 15 years to deliver first benefits, which then continues for decades. The long-term nature of these projects requires the consideration of multiple plausible futures rather than a single forecast. Building scenarios enables planning horizons to extend beyond 2030, links financing and spatial choices to long-term trajectories, and provides a practical way to test locally appropriate targets against real constraints. It also helps decouple water security planning from short political and financial cycles, reducing the risk of irreversible, long-lived mistakes.

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6.7. Digital Planning Tools and Data Systems

Digital planning tools and data systems are foundational to effective water sector planning. They enable decision-making based on empirical evidence, enhance transparency, and support the efficient allocation of resources. By integrating real-time data, historical trends, and compliance metrics, these systems empower stakeholders to identify service gaps, monitor infrastructure performance, and plan for future demand with greater precision.

6.7.1. National Water Services Knowledge System

The National Water Services Knowledge System is a national information platform created by The Department of Water and Sanitation. All municipalities must be obligated to use the platform consistently to ensure data-driven decision-making and regulatory compliance.

It is aimed at giving government, municipalities, and sector partners a single, comparable view of water services status and backlogs across the country. This makes it easy to monitor progress and ensure regulatory compliance.

This digital tool can be used for:

- Preparing and reviewing WSDPs
- Identifying and prioritising infrastructure investments in areas with high backlogs
- Monitoring progress towards sector targets
- Supporting funding applications and allocations
- Benchmarking municipal performance

By integrating data from various sources into accessible dashboards, it empowers government, municipalities, and sector partners to monitor water access, quality, and sustainability.

6.7.2. National Compliance Information Management System

The National Compliance Information Management System (NCIMS) is a regulatory information platform that consolidates compliance and performance data for municipal water and sanitation services. It supports the DWS's oversight of Water Services Authorities and underpins the sector's "Drop" programmes.

It is used by municipalities and water boards to manage audits, submit evidence, and monitor progress on improvement plans. This also allows DWS regulators to monitor compliance, prioritise inspections, issue directives, and track corrective actions. Public transparency is provided through published "Drop" reports and online dashboards derived from the system.

The NCIMS must be mandatory upon WSAs, WSPs, operators of drinking water and wastewater systems, as well as any other relevant party which has a duty to report to the DWS.

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6.8. Participatory and Inclusive Planning Processes

Participatory and inclusive planning processes are fundamental to fair local governance. The Municipal Systems Act (Act 32 of 2000) provides a legislative framework for participatory and inclusive planning processes in local government.

Chapter 4 of the Act establishes the legal foundation for fostering active and inclusive community participation. Section 16(1)(a) requires a municipality to develop a culture of participatory governance which encourages and creates the conditions for the local community to participate in:

i) the preparation, implementation and review of its integrated development plan in terms of Chapter 5.

ii) the establishment, implementation and review of its performance management system in terms of Chapter 6.

iii) the monitoring and review of its performance, including the outcomes and impact of such performance.

iv) the preparation of its budget; and

v) strategic decisions relating to the provision of municipal services in terms of Chapter 8.

Section 18(1) requires a municipality to communicate to the community information relating to:

i) the available mechanisms, processes and procedures to encourage and facilitate community participation.

ii) the matters regarding which community participation is encouraged.

iii) the rights and duties of members of the local community; and

iv) municipal governance, management and development.

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7. FINANCIAL FRAMEWORK

7.1. Vision

The financial framework for water and sanitation services must enable universal, equitable, and sustainable access while ensuring the long-term financial viability of the sector. It must be developmental in intent, climate-responsive, and institutionally aligned, supporting the full water value chain from source to tap to discharge across all geographies and service contexts, including informal settlements and privately owned land.

7.2. Key principles

The SFWSS adopts the following core financial principles:

- **Equity and Inclusion**: Financial mechanisms must be explicitly designed to redress historical inequities and spatial disparities. This includes prioritising funding for informal settlements, rural areas, and vulnerable groups such as women, children, and persons with disabilities. Tariff structures, subsidies, and grant allocations must be pro-poor, ensuring that affordability does not come at the expense of service quality or dignity. Equity must also be reflected in how services are extended to residents on privately owned land and in how financial instruments support universal access.

- **Full Value Chain Costing**: Tariffs, subsidies, and investment decisions must reflect the full cost of water and sanitation services across the entire value chain, from raw water abstraction and treatment to distribution, wastewater collection, and safe discharge. This includes accounting for infrastructure depreciation, environmental mitigation, and long-term asset operation and maintenance. Costing must also internalise externalities such as pollution, siltation, and climate risk, ensuring that pricing and budgeting decisions are economically rational and environmentally sustainable.

- **Integrated and Transparent Funding**: The sector must move beyond fragmented and siloed funding arrangements. All sources of finance, public, private, donor, and community-based, must be coordinated through transparent, performance-based mechanisms. Funding flows should be traceable, auditable, and aligned with national priorities, municipal WSDPs, and provincial master plans. This requires harmonised grant frameworks, joint planning protocols, and digital financial reporting systems that enable real-time oversight and adaptive management.

- **Climate and Risk Responsiveness**: Financial planning must be responsive to the growing risks posed by climate change, extreme weather events, and ecological degradation. Budgets must incorporate climate risk assessments, prioritise investments in resilient infrastructure, and support ecological solutions such as wetlands and aquifer recharge. Municipalities must adopt climate-tagged budgets and establish emergency response funds, while national instruments must incentivise adaptation and resilience through conditional grants and green finance.

- **Circular Economy and Innovation**: The financial framework must actively support the transition to a circular water and sanitation economy. This includes incentivising resource recovery (e.g. biogas, compost, treated effluent), financing green infrastructure, and enabling innovation in decentralised sanitation and smart water systems. Municipalities must be empowered to generate revenue from circular economic activities, supported by enabling tariff structures and

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regulatory approvals. Innovation funds and performance-linked grants should be institutionalised to support experimentation, scaling, and replication.

- **Institutional Accountability**: Financial flows must be aligned with institutional mandates, regulatory oversight, and performance monitoring. This means clarifying the financial roles of Water Services Institutions and ensuring that each institution is held accountable for the efficient and effective use of resources. Oversight mechanisms must include independent audits, digital dashboards, and public performance reporting, with consequences for non-compliance and incentives for excellence.

7.3. Investing in water and sanitation services infrastructure

Investing in water and sanitation services infrastructure is central to fulfilling the universal service obligation and securing sustainable, reliable delivery over the long term. Investment choices will be lifecycle-costed, risk-informed and supported by integrated funding streams such as MIG, WSIG and RBIG, with ring-fenced budgets and transparent governance. The approach leverages digital enabling systems, performance-based regulation and strategic partnerships to accelerate delivery, reduce non-revenue water and rehabilitate ageing networks. By linking financing to measurable outcomes and embedding maintenance and renewal into project design, the sector will protect public health and dignity, enable economic development, and ensure accountability and value for money.

Ownership of assets: Consistent with the 2003 original framework, water services assets should be owned by WSAs, with limited exceptions where:

- Assets are owned by a municipal or public entity (including Water Boards or municipal-owned utilities) in terms of lawful agreements.
- Private ownership is time-limited under concession, lease or build-operate-transfer arrangements, with assets reverting at contract end.
- Assets are privately funded and located on private land (e.g., mines, industry, farms), including on-site facilities for basic services.
- Regional assets of a cross-boundary nature are retained in full or partial ownership by national government or an organ of state.

Developments since 2003:

- NWRIA as a state-owned company to finance, develop, operate and maintain national schemes; this clarifies the separation between water resource infrastructure custodianship and municipal water services assets.
- Grant-funded assets must be recorded in verified asset registers and ring-fenced for water services; contracts must clearly define custodianship, access, use-rights, and hand-back conditions where applicable.
- Service delivery agreements must set out maintenance obligations, performance requirements, and end-of-term asset condition.

Responsibility and planning: WSAs remain responsible for ensuring adequate, appropriate, and sustainable investments to meet universal access and progressively improve service levels. This requires:

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- A credible WSDP aligned to the IDP, CMSs, and the NWRS-III, with climate risk integration, scenario-based planning, and full lifecycle costing.

- Alignment with national and provincial master planning, including coordination with NWRIA for resource availability, inter-catchment transfers and bulk interfaces.

- Coordinated use of financing instruments (MIG, WSIG, RBIG and complementary instruments under the Water and Sanitation Services Infrastructure Grants Management Policy), paired with ring-fenced operating budgets to sustain assets.

- Use of digital tools to support asset data, programme management, compliance and reporting.

Basic services: As a priority, it is the responsibility of the WSA to make sure that adequate and appropriate investments are made to ensure the progressive realisation of the right of all people in its area of jurisdiction to receive at least a basic level of water and sanitation services. The grants provided by national government in the form of the MIG will be adequate to ensure universal provision of at least a basic water supply facility and a basic sanitation facility within a reasonable period. This is called a universal service obligation and is the most important policy priority.

Developments since 2003 reinforce that this obligation is supported by a suite of instruments and programmes (MIG, WSIG, RBIG), performance-based regulation (Blue/Green/No Drop), and strengthened tariff norms to protect affordability while sustaining operations.

Higher level of service: The provision of basic water services is only the first step up the ladder of service provision as set out by national government in the Reconstruction and Development Plan in 1994. Whilst this is the most important and immediate priority, WSAs are expected to provide intermediate and higher levels of services (for example, water on-site) wherever it is practical and provided it is financially viable and sustainable to do so. National government will need to increase the amount of resources made available to local government through the MIG and the local government equitable share over time and in real terms commensurately with economic growth to assist households to step up the services ladder. WSAs should put in place appropriate financing mechanisms to make this possible.

- Strategic direction:
  - Apply the 2024 Revised Norms and Standards for Tariffs to progressively move toward cost-reflective pricing with pro-poor design (lifeline blocks, cross-subsidies), multi-year tariffs, and transparent methodologies.
  - Leverage blended finance and structured partnerships (via the WPO) for service upgrades (e.g., pressure/zone management, smart metering, reuse) while maintaining public asset ownership and clear accountability.
  - Prioritise digital metering, district metered areas, and NRW reduction as preconditions for sustainable service level improvements.

Revising the definition of basic (raising the threshold): In line with the 2003 intent to periodically review “basic” as affordability and fiscal space improve, the definition of basic service will be revisited in this cycle to reflect

- Reliable access (availability/continuity consistent with service standards), potable quality compliance (SANS 241), and safe, dignified sanitation aligned to settlement typologies.

- Consideration of raising the free basic water allocation where sustainable and ensuring sanitation definitions encompass sewered and non-sewered solutions guided by national standards

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(including ISO 30500 for non-sewered systems where adopted), hygiene promotion, and safe waste management.

- The fiscal and tariff regime (including the 2024 tariff norms) necessary to underwrite the higher standard without compromising sustainability.

Investments on private land, the case of intermediaries: As in 2003, government grants may fund basic infrastructure for poor households on private land, provided that the intermediary (e.g., landowner) contributes on a fair and transparent basis given that ownership is vested in the intermediary or as otherwise agreed.

Developments since 2003: The Water and Sanitation Services Policy on Privately Owned Land (2024) clarifies duties and regulatory oversight for service provision on farms, mining areas and other private properties, using the Water Services Intermediary provisions.

- WSAs must:
  - Require registration of intermediaries in terms of by-laws and enforce national/local minimum standards, tariffs and consumer protection (including adherence to the Consumer Charter).
  - Include service delivery on private land in WSDPs/IDPs and use MIG/WSIG (and, where applicable, RBIG) with defined co-funding formulas and agreements.
  - Select context-appropriate technologies (including compliant non-sewered sanitation options) and ensure groundwater and environmental safeguards.
  - Put in place monitoring and dispute resolution mechanisms and ensure reporting through national systems.

Asset management

- WSAs and WSPs must:
  - Maintain complete, geo-referenced asset registers; apply lifecycle costing; and ring-fence water services finances.
  - Embed Water Safety Plans (WSP) and W2RAP to guide risk-based investment and O&M prioritisation.
  - Implement digital asset management and works management systems to improve reliability, compliance and decision-making.
  - Integrate climate risk and resilience (flood/drought, load-shedding contingencies, energy efficiency) into design standards, redundancy and renewal plans.
  - Drive NRW reduction as a financial and asset care imperative (pressure management, active leak detection, meter replacement, network renewal), with targets aligned to the No Drop programme.

Maintenance and rehabilitation: Preventative, scheduled maintenance and timely rehabilitation must be prioritised to protect asset value and service continuity:

- Maintain complete, geo-referenced asset registers; apply lifecycle costing; and ring-fence water services finances.
- Embed WSP and W2RAP to guide risk-based investment and O&M prioritisation.

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- Implement digital asset management and works management systems to improve reliability, compliance and decision-making.

- Integrate climate risk and resilience (flood/drought, load-shedding contingencies, energy efficiency) into design standards, redundancy and renewal plans.

- Drive NRW reduction as a financial and asset care imperative (pressure management, active leak detection, meter replacement, network renewal), with targets aligned to the No Drop programme.

7.3.1. Grants

This strategy recognises grants as the primary instruments for capital delivery, targeted backlogs reduction, and capacity-sensitive implementation. Grants must be integrated with WSDPs/IDPs and DDM "One Plans," ring-fenced for lifecycle delivery (planning, construction, O&M readiness, and rehabilitation), and administered with clear reporting and performance conditions in line with the DoRA and the Water and Sanitation Services Infrastructure Grants Management Policy (WSSIGM).

Municipal Infrastructure Grant (MIG)

MIG is a conditional, capital grant administered by CoGTA and transferred directly to municipalities to address infrastructure backlogs, including water and sanitation. Within the DDM, MIG funding is aligned to municipal WSDPs and IDPs and is typically a direct (Schedule 5B) allocation to capable municipalities. MIG may be used, where applicable, to support corrective action plans and asset rehabilitation linked to performance programmes (such as utilising a portion to fund action plans highlighted through Green/Blue/No Drop).

Water Services Infrastructure Grant (WSIG)

WSIG is administered by DWS to support municipalities in addressing water and sanitation backlogs, particularly in underserved and rural areas, and to fund interim and intermediate supply solutions. In terms of DoRA:

- Schedule 5B (direct): allocated to municipalities with sufficient capacity to plan, procure, implement and report on projects independently. Municipalities receive the funds directly and are responsible for delivery and compliance reporting to DWS and National Treasury.

- Schedule 6B (indirect): applied where municipal capacity is limited. Under 6B, DWS implements projects on behalf of the municipality, often via an implementing agent. Funds are not transferred to the municipality, but the assets are handed over on completion, with compliance and performance reporting retained by DWS.

Regional Bulk Infrastructure Grant (RBIG)

RBIG funds large-scale regional bulk water and sanitation infrastructure that spans multiple municipal boundaries or requires complex technical delivery. In terms of DoRA:

- Schedule 5B (direct): for capable municipalities able to manage planning, procurement, implementation and reporting for regional bulk projects.

- Schedule 6B (indirect): for municipalities requiring implementation support; DWS implements on behalf of the municipality, appointing an implementing agent where necessary. RBIG is

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increasingly aligned to district-level prioritisation under the DDM and coordinated with Water Boards/regional utilities and the forthcoming NWRIA interfaces.

Grant governance and performance

Across MIG, WSIG and RBIG, disbursement and compliance are governed by DoRA conditions, with mechanisms to stop or reallocate funds to prevent fiscal dumping and ensure efficient use. Grant pipelines must be aligned with municipal WSDPs and IDPs, district "One Plans," and catchment strategies; projects must demonstrate readiness, O&M provision, and environmental authorisations. Schedule assignment (5B vs 6B) is capacity-sensitive and accompanied by tailored support and oversight. Reporting requirements include financial, physical progress and performance outcomes (such as access gains, reliability, water quality compliance, NRW reduction), enabling performance-based funding and transparent accountability.

The proposed Water and Sanitation Services Infrastructure Grants Management Policy (WSSIGM) is a national policy developed by the DWS to strengthen the planning, allocation, implementation and oversight of water and sanitation infrastructure grants. The policy provides a coherent management framework for the Water Services Infrastructure Grant (WSIG) and the Regional Bulk Infrastructure Grant (RBIG), which are the primary conditional grants used to support Water Services Authorities in developing, upgrading and maintaining water supply and sanitation infrastructure. It was developed in response to persistent challenges such as project delays, weak capacity, poor financial management and inconsistent grant performance.

Persistent underspending of water and sanitation conditional grants pose a significant risk to effective service delivery, proper planning and justification for continued grant funding. While monitoring and reporting remain important, continued underspending over successive financial years necessitates escalation and should trigger intervention as well as support. Underspending can be addressed through existing frameworks such as the PFMA and MFMA.

7.4. Free basic water and sanitation services

7.4.1. Providing free basic water

Purpose: The primary purpose of free basic water is to enable sustainable access to a basic water supply by subsidising ongoing operating and maintenance costs for poor households, while protecting the constitutional right to sufficient water and safeguarding public health and dignity. This remains consistent with the original intent and is reinforced by a stronger pro-poor, equity-led financial framework.

Enhancing sustainability:

- **Free basic water is embedded within a sustainability paradigm**: those who consume more than the basic amount pay for higher consumption; tariffs are progressively structured and transparent; and cost recovery is balanced with affordability. Since 2003, this approach is strengthened by:
  - Revised Norms and Standards for Tariffs (2024), which require affordability, cost-reflectivity, transparency, and multi-year tariff paths with public consultation and clear methodologies.
  - Performance-based regulation (Blue Drop, No Drop) and digital compliance systems (NCIMS, IRIS) to improve service reliability, water quality, and loss control.
  - Climate-responsive budgeting and lifecycle costing to ensure resilience to droughts, floods, and energy disruptions.

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- **Application**: All municipalities must implement free basic water, with prioritisation of vulnerable and underserved communities across urban, peri-urban and rural contexts, including informal settlements and privately owned land. Developments since 2003 clarify that:
  - Services on privately owned land must be regulated and supported in line with the Water and Sanitation Services Policy on Privately Owned Land (2024). WSAs must register intermediaries through by-laws, enforce minimum standards, and integrate these areas into WSDPs and IDPs.
  - Digital metering and improved customer information systems should be phased in to support accurate allocation of free basic water, manage losses, and protect consumers.
  - Implementation is tracked through public dashboards and certification outcomes, with the sector target for free basic services in all municipalities set for 2025.

- **Affordability**: Free basic water is primarily funded through the local government equitable share for operating support, complemented by efficient cross-subsidies within tariff structures. Capital for basic service backlogs is funded through conditional grants (e.g., MIG, WSIG, RBIG) under the Division of Revenue Act. Grant and tariff approvals are increasingly linked to demonstrable performance (e.g., water quality compliance and NRW reduction).

Increasing the free basic amount: As envisaged in 2003, the free basic allocation and the definition of "basic" will be reviewed over time as affordability and fiscal space improve, ensuring any upward adjustment is supported by evidence, sound tariff design (lifeline blocks, cross-subsidies), and verifiable operational capacity. Reviews will consider reliability, SANS 241 compliance, and service continuity standards.

Key challenges and responses:

- Infrastructure backlogs and reliability gaps: address through ring-fenced O&M budgets, asset management, and risk-based renewal.
- High non-revenue water: treat as a financial liability; condition funding on credible NRW reduction plans.
- Administrative targeting: use transparent, rule-based tariff policies aligned with the 2024 norms, supported by improved data systems.
- Consumer protection: adopt Consumer Charters, fair billing in preferred languages, and credit control aligned to protecting access to at least a basic supply.
- Blanket approach employed to free basic services - where even the affluent is afforded with free services despite their means to afford the services.

7.4.2. Providing free basic sanitation

Purpose: The purpose of free basic sanitation is to provide affordable access to safe, dignified sanitation that protects public health and the environment. This includes infrastructure, sustainable operation, hygiene promotion, and safe management of human waste and wastewater.

The challenges:

- Blanket approach employed to free basic services where even the affluent is afforded with free services despite their means to afford the services.

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- Since 2003, three enduring challenges continue to define the agenda:
  - Infrastructure provision to eradicate backlogs and replace inappropriate systems.
  - Sustained funding for operations and maintenance of basic services.
  - Effective hygiene promotion and behaviour change.
- Free basic sanitation is intended to be free to poor households, but municipalities face:
  - High and recurring O&M costs for on-site systems like chemical latrines (part of interim services in informal settlements),
  - Inadequate subsidies and insufficient MIG ceilings for sanitation infrastructure,
  - No secure funding stream for ongoing servicing.
  - Free basic sanitation should be covering the costs for emptying and disposing of faecal sludge from VIPs, but pits are filling and this is left to households and unregulated providers

Choice of Technology:

- Technology must be context-appropriate, financially and institutionally sustainable, and environmentally sound:
  - **Urban high-density areas**: sewered systems are typically appropriate, with due consideration of lifecycle costs, treatment capacity, and discharge compliance.
  - Rural and lower-density areas: on-site systems are often most suitable; service models must include safe emptying, transport, treatment and reuse/disposal.
  - **Non-sewered sanitation**: systems must comply with recognised standards and the emerging dedicated Sanitation Regulatory Framework; groundwater and environmental safeguards are mandatory.
  - **Informal settlements**: provide safe interim services and phased upgrading strategies aligned with recognised upgrading programmes; adopt modular and compliant non-sewered options where appropriate.

Operating the service: WSAs must ensure that sustainable O&M arrangements are in place for the full sanitation service chain, with defined roles for WSPs and intermediaries where applicable. For public facilities (e.g., schools and clinics), service-level agreements must align with municipal standards and asset registers. W2RAPs must guide operations, risk mitigation and continuous improvement.

Subsidy arrangements: Operating subsidies for basic sanitation should be calculated per household (or service point) by settlement typology and technology and paid to the provider or directly to the household where self-provision models are used. Subsidies must be transparent, equitable, and forward-looking as coverage expands. Capital is funded primarily through MIG/WSIG (and RBIG where bulk is required), while O&M is supported by the equitable share and tariff cross-subsidies, with potential augmentation through circular economy revenues (e.g., biogas, compost, treated effluent) where feasible and compliant.

The decision-making process

- WSAs must:
  - Determine fiscally sustainable subsidy envelopes through credible budgeting and tariff policies aligned with the 2024 norms.

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- Select technologies through lifecycle-costed, risk-based assessment, including environmental approvals and climate considerations.
- Define consumer charges for services beyond the basic level, ensuring affordability and sustainability.
- Integrate plans and budgets into WSDPs and IDPs and align with catchment strategies and environmental authorisations.

Flexibility in application: Application must be flexible to local conditions while adhering to national standards and regulatory requirements. Service provision on privately owned land must conform to the 2024 policy for intermediaries, with registration, minimum standards, monitoring, and dispute resolution mechanisms enforced by WSAs.

Guidelines and monitoring: National guidance will be maintained and updated on free basic services implementation, tariff design, technology selection, W2RAPs, and environmental compliance. Monitoring will utilise Blue/Green/No Drop programmes, NCIMS/IRIS platforms, annual performance reporting, and public dashboards. Funding and regulatory decisions will be linked to verified performance and corrective action plans.

The National Faecal Sludge Management Strategy: This strategy focuses on safely managing faecal sludge across the entire sanitation chain. This includes capture, containment, transport, treatment, reuse and disposal.

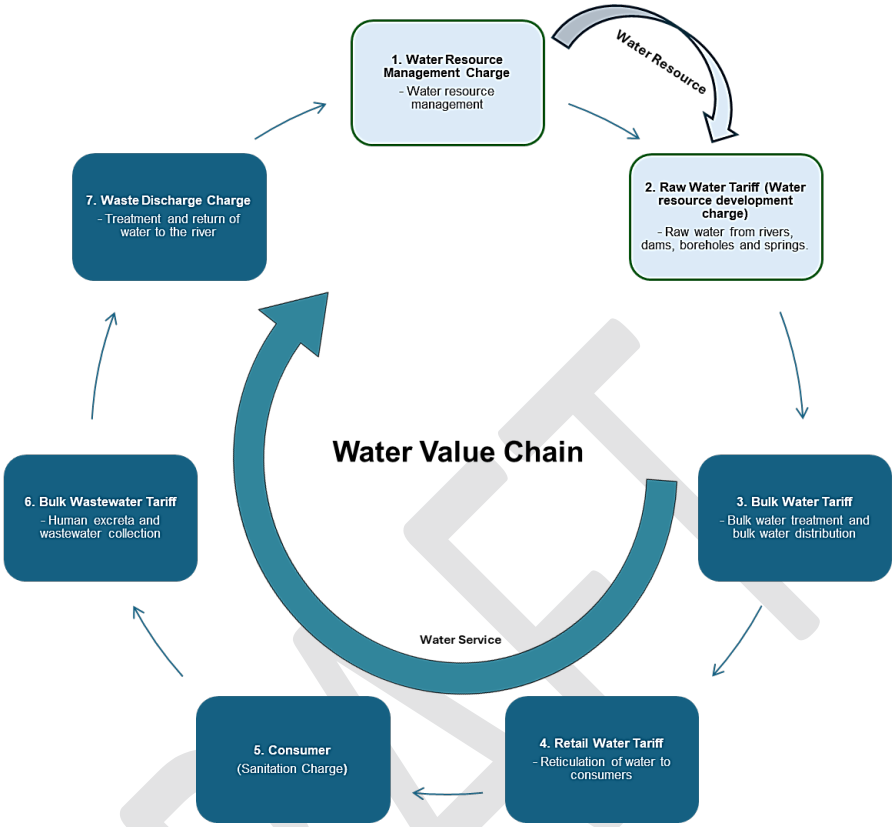
7.5. Tariff and Credit Control Policies

The cost of water and sanitation services: Tariffs must reflect the full value chain of costs required to provide safe, reliable services and protect water resources. Where private sector participation is applied, tariff rebates or performance-linked adjustments may be used in terms of approved contracts and the 2024 Revised Norms and Standards, contingent on verified service improvements (such as NRW reduction or energy efficiency), full disclosure, and protection of affordability and cost recovery.

- The pricing chain includes:
  - Water resource management charges set by Catchment Management Agencies (where established) under the National Water Act to recover resource management costs.
  - Raw water tariffs set by DWS in line with the national raw water pricing strategy to recover national resource infrastructure and operating costs.
  - Bulk water and wastewater tariffs charged by Water Boards or other bulk providers to WSAs/WSPs to recover conveyance and treatment costs.
  - Retail water and sanitation tariffs charged to consumers to recover distribution, wastewater collection and treatment, customer services, and related costs.
  - Waste discharge charges (where implemented) in line with the polluter-pays principle.

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7.5.1. Tariff Setting and Economic Regulation Across the Value Chain



Tariff setting must be elevated from a municipal administrative function to a nationally regulated, economically rational, and socially just process. The SFWSS supports the establishment of an independent water economic regulator, tasked with harmonising tariff methodologies across the value chain from raw water abstraction to wastewater discharge. This regulator will ensure that tariffs are cost-reflective, yet sensitive to local affordability constraints, and that they internalise environmental externalities such as pollution and over-abstraction.

Municipalities must be required to conduct public consultations on tariff adjustments, publish transparent tariff rationales, and align their pricing structures with national norms and standards. In areas served by Water Boards, bulk tariffs must be negotiated within a regulated framework that ensures fairness, predictability, and financial sustainability for both parties.

7.5.2. Responsibility for setting tariffs and approvals

- **Water resource management charge**: set by CMAs (or DWS where CMAs are not yet established) under the NWA, subject to DWS oversight.
- **Raw water tariff**: set by DWS per the raw water pricing strategy, with National Treasury oversight.
- **Bulk tariffs**: negotiated between Water Boards/other bulk providers and WSAs/WSPs; Water Boards are directly regulated by DWS. Tariff changes must be transparent and consulted with WSAs and organised local government, with due consideration of service quality and reliability.

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- **Retail tariffs**: set by WSAs under the Water Services Act and Municipal Systems Act. The Revised Norms and Standards for Tariffs for Water Services (2024) establish procedures and principles, including:
  - Determination of full costs, demand projections (minimum five years), unit costs, and revenue requirements.
  - Proposed tariff structure and cross-subsidies with full disclosure.
  - Stakeholder consultation, submissions to SALGA and National Treasury, and final submission to DWS for consideration and approval.
- **Independent economic regulation**: the sector is moving toward independent economic regulation. Until established, DWS exercises national oversight in line with performance-based tariff governance.

7.5.3. Tariff Principles

Tariff policy remains anchored in the 2003 principles and is refined as follows:

- **Affordability and equity**: ensure access to at least a basic level of service through lifeline allocations and pro-poor cross-subsidies; protect vulnerable households while avoiding discrimination.
- **Sustainability**: tariffs must recover efficient operating, maintenance, depreciation, and prudent financing costs, with ring-fenced water services accounts.
- **Transparency and predictability**: disclose methodologies, assumptions, and cross-subsidies; adopt multi-year tariff paths aligned to investment and maintenance plans.
- **Efficiency and demand management**: encourage wise water use, reduction of NRW, recycling and reuse; align with No Drop targets.
- **Differentiation**: allow tariff differentiation by customer category, level of service, and geography where justified, with uniform models promoted for similar service levels and settlement types.
- **Environmental stewardship**: internalise resource protection and compliance costs (e.g., wastewater discharge standards) and apply polluter-pays instruments where applicable.
- **Performance linkage**: align tariff adjustments with service quality, Blue/Green/No Drop outcomes, and corrective improvement plans.

7.5.4. Retail water and sanitation tariff policies (WSAs)

WSAs must adopt retail tariff policies that:

- Determine revenue requirements using lifecycle costing, zero-based budgeting where appropriate, and credible demand and NRW forecasts. Include realistic O&M, depreciation, provisions, finance costs, environmental compliance, and a reasonable return where applicable.
- Prioritise funding of free basic services and basic service backlogs through the equitable share and conditional grants (MIG/WSIG/RBIG), with tariffs covering costs above the basic level.

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- Define consumer categories at a minimum: domestic, industrial, and other; and distinguish service levels (communal, controlled/limited household supply, uncontrolled household supply; sewered vs non-sewered sanitation).

- Apply metering to all uncontrolled connections and progressively introduce digital/smart metering and district metered areas to support fair billing, loss control, and targeted assistance.

- Structure domestic tariffs to protect basic allocations while avoiding punitive marginal charges immediately above the basic amount; recover at least full direct financial costs for significant consumption above the basic allocation, and for non-domestic users, with consideration of externalities and average incremental costs where relevant.

- Manage tariff increases through multi-year paths based on efficient costs and planned investments, with public consultation and clear rationales.

- Provide for special tariffs during water restrictions or emergencies to protect resource sustainability and public health.

- Ensure all forms of subsidies are transparent and forward-looking as coverage expands.

7.5.5. Retail tariffs where services are provided by external licensed WSPs

The WSP must comply with the WSA's tariff policy. The service delivery agreement must set out the tariff methodology, review mechanisms, performance-linked adjustments, and clear disclosure obligations. The WSP must provide full tariff calculations to the WSA and relevant regulators.

7.5.6. Bulk water and wastewater tariffs (external bulk providers)

- Bulk tariff methodologies, review mechanisms, and dispute resolution must be defined in the contract between the bulk provider and the WSA/WSP.

- Tariffs and supporting calculations must be disclosed to WSAs and published as required. Changes must follow consultation with the Minister (for Water Boards), WSAs and organised local government, and align with service quality and reliability obligations.

7.5.7. Raw water tariffs and water resource charges

- DWS sets raw water tariffs under the national pricing strategy. CMAs (or DWS) apply water resource management charges. Waste discharge charges may be applied in line with the NWA to incentivise improved effluent management. WSAs and WSPs must plan and price with these charges in mind and align with catchment strategies.

7.5.8. Credit control

Credit control safeguards financial sustainability while protecting the right to a basic supply. WSAs must adopt by-laws and procedures that are compassionate, lawful, and effective:

- **Compassion and protection of basic supply**: ensure continuous access to at least a basic water service in line with free basic policies and credit control by-laws.

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- **Communication and consumer rights**: provide clear, accessible information on consumption, tariffs, accounts, and rights and duties; use preferred local languages where practical; adopt and publicise a Consumer Charter.

- **Fair process**: apply due process with warnings, opportunities for representation, and alternative payment arrangements before any sanctions.

- **Restriction before disconnection**: after due process, restrict domestic supplies rather than disconnect, ensuring access to at least a basic level. Disconnection may be applied for non-domestic consumers in breach of contract, or in cases of tampering or interference after warning and where restrictions are not practical or would jeopardise broader service sustainability.

- **Targeted support**: use data to identify and assist vulnerable households; align with equitable share-funded indigent policies.

- **Roles and responsibilities**: where the WSP bears revenue risk and undertakes billing, it implements credit control consistent with the WSA's policy; otherwise, the WSA retains responsibility. Contracts must provide WSPs with the necessary rights to apply agreed measures.

- **Digital enablement**: progressively adopt digital billing and customer information systems to improve accuracy, fairness, and dispute resolution.

- **Monitoring and enforcement**: WSAs must report on credit control performance. Where WSAs fail to implement credit control consistent with this framework, DWS may apply graduated interventions, including publication of non-compliance, conditional funding measures with National Treasury and CoGTA, and, where necessary, direct intervention in terms of applicable legislation.

7.5.9. Guidance, consultation and oversight

WSAs must undertake public consultation on tariff policies and adjustments and disclose cross-subsidies and methodologies. Submissions to SALGA and National Treasury, and final submissions to DWS, must follow the 2024 norms and procedures.

DWS will maintain guidelines on tariff design, cost-of-service studies, indigent support, and credit control, and will link regulatory and funding decisions to verified performance, including Blue/Green/No Drop outcomes and progress on NRW reduction.

7.5.10. Local subsidy policies

Purpose and approach: Local subsidy policies enable WSAs to translate national redistribution (equitable share and conditional grants) into affordable, sustainable access to basic services for poor and vulnerable households. Building on the 2003 principles, local subsidies must now operate within a more transparent, performance-linked and climate-responsive financial system.

- Principles:
  - **Maximising public benefit**: allocate subsidies to interventions that achieve the greatest improvement in access, reliability and public health, prioritising eradication of basic service backlogs.

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- **Targeting the poor**: design rule-based indigent support that prioritises vulnerable groups and underserved areas (urban, peri-urban, rural, informal settlements, privately owned land).
- **Equity and non-discrimination**: apply subsidies consistently to households in similar circumstances; ensure gender-responsive application.
- **Sustainability**: plan subsidies over multi-year horizons to remain viable as coverage expands, reflecting realistic O&M and asset renewal costs and climate risks.
- **Transparency and predictability**: disclose subsidy frameworks, cross-subsidies and methodologies in tariff policies and annual budgets; align to the Revised Norms and Standards for Tariffs (2024).
- **Administrative efficiency**: minimise administrative burden through clear qualification criteria, simple application processes and digital systems.

- Design and funding:
  - **Operating support**: fund free basic water and sanitation primarily from the local government equitable share, complemented by pro-poor cross-subsidies in retail tariffs consistent with the 2024 tariff norms.
  - **Capital support**: address basic service backlogs through conditional grants (MIG, WSIG, RBIG) applied in line with the Water and Sanitation Services Infrastructure Grants Management Policy; integrate projects into WSDPs and IDPs.
  - **Settlement typologies and technologies**: calibrate per-household or per-service-point operating subsidies by settlement type and technology (communal points, controlled yard supply, on-site sanitation, sewered service), with clear unit costs and eligibility rules.
  - **Privately owned land**: apply the Water and Sanitation Services Policy on Privately Owned Land (2024). Require intermediary registration through by-laws, set minimum standards, agree co-funding formulas where grant-funded assets vest on private land, and include these areas in WSDPs and IDPs.
  - **Circular economy**: where feasible and compliant, support O&M through revenues from biogas, compost, treated effluent and resource recovery, ensuring pricing frameworks and environmental approvals are in place.

- Governance, performance and review:
  - **Performance linkage**: condition grant disbursements and tariff approvals on verified progress in access, service quality (Blue/Green Drop), and NRW reduction (No Drop).
  - **Data and reporting**: use NCIMS/IRIS-aligned systems and public dashboards to report subsidy reach, costs and outcomes; ring-fence water services finances and maintain auditable records.
  - **Public consultation**: consult communities and stakeholders on subsidy policies and updates; disclose cross-subsidies and targeting criteria.
  - **Annual review**: reassess subsidy envelopes, targeting rules and unit costs annually, informed by SEIAS where policy changes are material, and adjust for inflation, performance and climate risk.

7.5.11. Financial provisions in contracts

Purpose: Contracts are the primary mechanism to regulate external service provision, protect consumer interests, and ensure financial sustainability. The 2003 framework's contract types remain relevant; this

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review strengthens provisions to reflect performance-based regulation, tariff governance, transparency and climate resilience.

- Contract types and scope:
  - **Service contracts**: outsourcing specific services (e.g., billing, metering, maintenance) to water services agents.
  - **Lease contracts**: operator runs WSA-owned assets under lease or revenue-sharing, with limited capital obligations.
  - **Enhanced lease contracts**: lease arrangements with defined but modest capital responsibilities by the operator.
  - **Concession contracts**: significant capital investment by the operator, with assets reverting to the WSA at contract end.
  - **Externally regulated contracts**: services by organs of state (e.g., Water Boards), with perpetual ownership and direct regulation.
- Core financial provisions:
  - **Universal service obligation**: define investments and service outputs required to progressively realise basic services; embed free basic policies and indigent support in contract design.
  - **Use of subsidies**: specify how national grants (MIG, WSIG, RBIG) and equitable share are applied; require ring-fenced accounting and compliance with grant conditions.
  - **Cost-of-service and tariff methodology**: align tariff setting to the Revised Norms and Standards for Tariffs (2024), including cost determination, demand forecasts (≥5 years), unit costs, revenue requirements, disclosure of cross-subsidies, stakeholder consultation, submissions to SALGA and National Treasury, and final submission to DWS.
  - **Multi-year tariff path and indexation**: set predictable tariff paths with agreed inflation indices and adjustment mechanisms linked to efficient costs, planned investments and performance.
  - **Performance and incentives**: define KPIs aligned to Blue/Green/No Drop, NRW reduction, SANS 241 compliance, continuity, environmental discharge standards, and consumer service. Provide incentive/penalty regimes, corrective action plans and step-in rights.
  - **Asset management and hand back**: require complete asset registers, lifecycle costing, maintenance and renewal plans, and minimum hand back conditions; include independent condition assessments pre-handover and at contract end.
  - **Reporting and data**: mandate interoperable reporting to NCIMS/IRIS; require auditable financial statements, periodic performance reports, and public transparency where applicable.
  - **Payment security and risk allocation**: include escrow accounts or payment guarantees where appropriate; allocate risks (demand, revenue, O&M, energy, climate events) to parties best able to manage them; provide force majeure and change-in-law provisions.
  - **Consumer protection and credit control**: incorporate the WSA's Consumer Charter and credit control policy; set fair billing rules, preferred language communication, and dispute resolution procedures; preserve access to a basic supply.
  - **Environmental and climate resilience**: require environmental authorisations, compliance with discharge standards, WSP and W2RAP implementation, energy efficiency, backup power/water storage and contingency plans for droughts/floods.

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- Bulk supply agreements and organs of state:
  - **Tariff governance**: for Water Boards or regional providers, define tariff methodology, consultation and review processes; ensure disclosure and alignment with service quality obligations; recognise DWS's regulatory oversight.
  - **Dispute resolution**: prioritise arbitration mechanisms to avoid costly litigation; set clear escalation protocols.
- Partnerships and Collaboration:
  - **Structuring**: for PPP/PSP/PPC, align to the sector's collaboration frameworks; maintain public asset ownership and accountability; use SPVs where appropriate with transparent governance.
  - **Financing**: enable blended finance through the Water Partnerships Office; specify viability gap funding, risk-sharing, co-investment and performance-linked payments.
  - **Socio-economic outcomes**: include socio-economic development plans and monitoring where applicable, ensuring benefits to communities are defined and reported.
- Compliance and oversight
  - **Procurement**: ensure compliance with applicable municipal and sector legislation and by-laws.
  - **Audits**: require independent financial and performance audits; enable DWS oversight and link funding/regulatory decisions to verified performance.
  - **Contract flexibility with safeguards**: allow structured renegotiation for material changes, subject to SEIAS where policy impacts are significant, while protecting affordability and sustainability.

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8. INFRASTRUCTURE DEVELOPMENT AND MANAGEMENT FRAMEWORK

8.1. Vision

In response to escalating service delivery failures, aging assets, and climate-induced pressures, this framework has been developed to promote the sustainable development, rehabilitation, and management of water and sanitation infrastructure across South Africa.

This framework seeks to achieve the following objectives:

- Promote reliable, safe, and equitable access to water and sanitation services.
- Reduce infrastructure-related service failures
- Strengthen asset management and maintenance practices across all water and sanitation services institutions.
- Promote climate-resilient infrastructure planning and investment.
- Enable coordinated infrastructure delivery aligned with national priorities and local needs.

8.2. Key Principles

The following principles inform the vision and objectives of this Framework.

- **Infrastructure Planning**: Infrastructure development must be guided by comprehensive, multi-level planning that aligns with national priorities, local needs, and climate resilience initiatives.
- **Asset Management**: Water and sanitation infrastructure must be managed through its full lifecycle - from design, construction, operation, maintenance, and renewal which provides long-term use. Rehabilitation and renewal of aging infrastructure form an integral part of asset management, reducing service failures, improving efficiency, and protecting public health and the environment.
- **Climate Resilience**: Infrastructure must be designed and managed to withstand climate variability and support diversified water sources.
- **Sustainable Financing**: Infrastructure investment should be supported by financial planning, innovative funding mechanisms, and delivery models that promote sustainable financial management, accountability and performance.
- **Technology and Innovation**: To enhance the performance and sustainability, fit-for-purpose, standard-based and scalable technologies can be adopted, including digital management systems that measurably improve reliability, safety, efficiency and resilience across the asset lifecycle, support inclusive access, and integrate with national platforms.

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8.3. Infrastructure Planning

Infrastructure planning is the foundation for sustainable water and sanitation service delivery. It requires a structured, multi-level approach that integrates national priorities with local realities. WSAs must embed infrastructure planning within IDPs and WSDPs to ensure alignment with municipal objectives and sector-wide strategies. This planning begins with a thorough assessment of existing infrastructure, water availability, and sanitation coverage, followed by forecasting future demand based on population growth, urban expansion, and economic activity. Planning should be informed by detailed needs assessment, GIS-based risk mapping, demographic trends, and climate vulnerability assessments to identify high-risk areas and prioritise investments. Furthermore, planning must incorporate water demand management and ecological infrastructure protection, as outlined in the NWRS-III, to safeguard resources for future generations. Alignment with strategic national programmes such as Operation Vulindlela and coordination among service providers, private sector stakeholders, and communities is essential to ensure that infrastructure investments are contextually relevant, financially viable, and institutionally supported.

8.4. Asset Management

Sustainable infrastructure depends on asset management practices that span the entire lifecycle - from design and construction to operation, maintenance, and renewal. WSAs must maintain comprehensive asset registers and conduct regular condition assessments to inform maintenance and rehabilitation strategies. Adopting structured asset management systems aligned with ISO 55000 standards will strengthen governance and accountability. In addition, compliance with the Government Immovable Asset Management Act (GIAMA) is essential for all public entities managing immovable assets. GIAMA establishes a uniform framework for planning, budgeting, and reporting on immovable assets, requiring custodians and users to prepare and implement Immovable Asset Management Plans (I-AMPs). Together, ISO 55000 and GIAMA provide complementary principles - ISO 55000 offers international best practice for lifecycle asset management, while GIAMA ensures legal compliance and integrated governance within the South African public sector.

WSAs and WSPs are currently expected to maintain asset registers and conduct condition assessments, but reporting practices vary. The Blue Drop and Green Drop certification programmes assess aspects of O&M, including technical management, process control, and budget allocations. However, there is no standardised national framework guiding O&M practices.

To address this gap, the SFWSS recommends initiating the development of a National O&M Framework. This framework will define minimum compliance requirements for key aspects of O&M, such as asset condition monitoring, preventive maintenance, and lifecycle costing. Over time, selected elements of this framework may be formalised into mandatory compliance standards, particularly for high-risk infrastructure categories. Integration with the Drop certification systems will ensure alignment with existing regulatory mechanisms and incentivise improved performance.

Lifecycle costing models should guide budget allocations, ensuring that maintenance and rehabilitation are adequately funded. Predictive maintenance technologies supported by digital monitoring systems will enable municipalities to anticipate failures and reduce costly emergency interventions. The use of digital asset monitoring platforms, which allow for tracking of asset condition, performance benchmarking, and data-driven decision-making. These tools will improve visibility across asset portfolios and support transparent reporting.

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Aging infrastructure remains a major contributor to service delivery failures and operational inefficiencies. The SFWSS prioritises targeted rehabilitation efforts to address this challenge. These efforts will include the replacement of deteriorating pipelines, refurbishment of treatment plants, and modernisation of pumping systems.

8.5. Climate Resilience Integration

Climate change poses severe risks to water infrastructure, including droughts, floods, and temperature extremes. Infrastructure must therefore be designed and managed to withstand these challenges. WSAs will be required to prepare Climate Adaptation Strategies in line with the National Climate Change Act (2024) and integrate climate risk modelling into all major infrastructure projects. Design standards will incorporate flood and drought resilience measures, while investment strategies will promote diversified water sources such as reuse, desalination, and rainwater harvesting. These interventions will enhance the sector's ability to deliver reliable services under changing environmental conditions and reduce vulnerability to climate-induced disruptions. Furthermore, climate resilience will be embedded into procurement processes, ensuring that contractors adopt sustainable construction practices and technologies.

8.6. Sustainable Financing

Infrastructure development requires substantial and sustained investment, which must be supported by sound financial planning, credible municipal financial models, and innovative funding mechanisms. The SFWS recommends a shift toward performance-linked financing, where conditional grants such as the MIG, RBIG, and WSIG are tied to verified performance indicators. These indicators will go beyond accountability to include service reliability, infrastructure functionality, and lifecycle maintenance planning.

To ensure that water and sanitation infrastructure funding is used effectively, the SFWSS promotes ring-fencing of grant allocations. This means that funds must be dedicated to specific stages of the asset lifecycle, including planning, construction, operations and maintenance, and rehabilitation. Ring-fencing will prevent fiscal diversion and ensure that infrastructure investments translate into long-term service delivery improvements.

Reforms under Operation Vulindlela will continue to streamline water licensing and project approvals, reducing delays and enabling faster implementation of critical infrastructure projects. These reforms are expected to improve investor confidence and unlock additional funding sources.

Municipalities will be encouraged to adopt creditworthy financial models, which include generating operating surpluses, maintaining positive liquidity balances, and demonstrating sound debt governance. These models are essential to attract private investment, reduce reliance on national transfers, and improve long-term financial sustainability.

To diversify funding sources, municipalities should explore green and blue bonds for climate-resilient infrastructure investments. These instruments are aligned with the Green Bond Principles and are increasingly available through platforms such as the Johannesburg Stock Exchange (JSE) and international development finance institutions. Blue bonds, a subset of green bonds, specifically target sustainable water management and are linked to SDG 6. They offer municipalities a structured and transparent way to raise capital for water infrastructure while meeting environmental and social governance criteria.

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8.7. Technology and Innovation

Technology adoption is central to improving efficiency, resilience, and service quality across the sector. This framework will drive digital transformation through smart metering, SCADA, and integrated asset management platforms to enable monitoring and data-driven decision-making, while promoting energy-efficient pumping and circular water technologies to reduce costs and environmental impacts. Mechanisms such as an innovation fund will support the piloting and scaling of climate-resilient, low-carbon solutions, creating opportunities for local innovation and skills development. Partnerships with research institutions, community organisations, and private innovators will be prioritised to accelerate responsible adoption of emerging technologies and embed them within municipal planning and operations.

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9. ENVIRONMENTAL FRAMEWORK

9.1. Vision

The purpose of environmental management is to protect, restore and sustainably use water resources and ecosystems for current and future generations, while addressing the environmental impacts of water services infrastructure and operations. This includes preventing and mitigating pollution from wastewater treatment works and other water services activities that affect water quality and ecological integrity. The vision is achieved through integrated and adaptive environmental practices that promote regulatory compliance, ecosystem resilience, biodiversity protection and climate responsiveness, ensuring that water and sanitation services are provided in an environmentally sustainable manner.

9.2. Key Principles

The following principles guide environmental management within the water sector:

- **Sustainability**: Water resources must be managed in a way that promotes long-term availability and sustainability.
- **Integrated Management**: Environmental considerations must be embedded across all activities, including planning, regulation, infrastructure development, and service delivery.
- **Climate Resilience and Adaptation**: Environmental strategies must anticipate and respond to climate variability and change.
- **Community Participation**: Environmental decisions must be inclusive and reflect the voices and needs of local communities.
- **Monitoring and Accountability**: Environmental performance must be tracked through robust data collection, transparent reporting, and enforcement mechanisms.
- **Efficient Resource Use**: Promote reuse, recycling, and efficient use of water and materials to reduce environmental footprints and support green growth.
- **Polluter Pays Principle**: Entities responsible for environmental degradation must bear the cost of mitigation, remediation, and restoration.
- **Pollution Prevention and Water Quality Protection:** Water and sanitation services must be planned, operated, and regulated to prevent pollution, minimise wastewater impacts, and protect water quality across the full water cycle, recognising the direct link between service provision, wastewater management, and the health of water resources.

9.2.1. Objectives

The following are the key objectives which this framework aims to further and achieve:

- **Data Collection for Evidence Based Decision Making:** Comprehensive data collection on local water quality and usage is encouraged to inform future planning.
- **NRW Management:** The WRC and DSTI have created an online hub for resources on NRW, offering tools, guidelines, and case studies. Municipalities should be encouraged to use this

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portal to manage NRW effectively and for knowledge sharing. The monitoring of the status of water services infrastructure and metering processes needs to be strengthened.

- **Water Accounting Investment:** Investment in basic water accounting is crucial for decision-makers to understand water-related risks and manage water and sanitation resources better.
- **Wastewater Treatment & Energy Efficiency:** Selecting appropriate wastewater treatment technologies, improving pumping efficiency, and utilising renewable energy sources can help reduce emissions.
- **Development of Tools/Framework:** Efforts should focus on creating tools or frameworks that incorporate available information without redundancy.
- **Climate Change Adaptation:** More research and attention are needed to plan for and adapt to the effects of climate change on water services.
- **Disaster Risk Reduction Planning:** Prior planning and investment are needed for structural and non-structural measures to address environmental issues in water services post-weather events, such as pollution from flooding.
- **Nat Silt Interventions:** At the dam level, interventions should address siltation with seasonal and non-seasonal measures, implemented promptly to prevent environmental harm.
- **Improving Agricultural Systems:** Efforts should be made to improve crop, livestock, and rangeland production systems to ensure sustainable water and land use.
- **Polluter Pays Principle:** The "polluter pays" principle should be upheld, with penalties and economic incentives used to address water pollution and prevent environmental degradation.
- **Sanitation Sector Initiatives:** Future sanitation policies should focus on reduction, re-use, recycling, and recovery in sanitation, with these principles integrated into national initiatives. The effectiveness of local sanitation technologies also needs to be evaluated.
- **Comprehensive Sanitation Policy:** Future sanitation policies must define sanitation system components and link water quality monitoring to actionable responses, addressing ongoing pollution effectively.
- **Circular Economy:** Promote and implement circular economy interventions for the water services sector.
- **Public-Private Partnerships:** Investigative the role of public-private partnerships in improving water and sanitation services.
- **Environmental Targets:** Introduce explicit target setting which serves as a goal for the sector to reach.

9.3. Regulation of Environmental Governance

South Africa has a strong and diverse environmental governance framework. This comprises of mandated authorities within the various spheres of government that regulate activities and elements of the environment. There are several legislative mechanisms that afford protection to the environment. These are discussed below.

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9.3.1. National Environmental Management Act (Act No. 107 of 1998)

NEMA is the framework legislation regulating the environment in South Africa, and provides for cooperative governance and establishes principles for decision-making on matters affecting the environment, such as:

- People and their needs must be placed at the forefront of environment management.
- Development must be sustainable and therefore requires avoidances of pollution and degradation of the environment, disturbances of landscapes and sites of cultural heritage.
- The integrated nature of the environment and that responsibility for environmental management exists throughout the life cycle of an activity (from cradle to grave).
- Public Participation.
- Transparent decision making; and
- Intergovernmental co-ordination and harmonisation of policies, legislation, and actions.

Section 2(4)(p) of NEMA requires that costs of remedying pollution, environmental degradation, and consequent adverse health effects and of preventing, controlling, or minimising further pollution, environmental damage or adverse health effects are paid for by those responsible for harming the environment.

Section 28(1) of NEMA imposes a duty of care and remediation for environmental damage and requires that “every person who causes, has caused or may cause significant pollution or degradation of the environment must take reasonable measures to prevent such pollution or degradation from occurring, continuing or recurring, or, in so far as such harm to the environment is authorised by law or cannot reasonably be avoided or stopped, to minimise and rectify such pollution or degradation of the environment”.

Section 24 of NEMA provides for the consideration, investigation, assessment, and reporting of the potential consequences for, or impacts on, the environment of listed activities (or specified activities) to the competent authority. The Environmental Impact Assessment (EIA) regulations were promulgated to regulate the procedure and criteria as contemplated in Section 24 of NEMA relating to the preparation, evaluation, submission, processing and consideration of, and decision on, applications for environmental authorisations for the commencement of activities, subjected to an EIA, in order to mitigate detrimental impacts on the environment, and to optimise positive environmental impacts.

9.3.2. National Environmental Management: Waste Act (Act No. 59 of 2008)

The National Environmental Management: Waste Act (Act No. 59 of 2008) (NEM: WA) regulates waste management in South Africa by providing reasonable measures for the prevention of pollution and ecological degradation and for securing ecologically sustainable development (amongst others).

Government Notice No. R. 921 of 29 November 2013 contains a list of waste management activities that have, or are likely to have, a detrimental impact on the environment. If a proposed project triggers any of the waste management activities in Category A and Category B, a Waste Management License will be required. Activities listed in Category C need to comply with the relevant National Norms and Standards.

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Schedule 3 of the NEM: WA groups waste into two categories, namely hazardous waste, and general waste. The classification of waste determines the associated management and licensing requirements.

The management of waste generated by water services needs to adhere to the requirements of NEM: WA, including (amongst others):

- Part 2 imposes a general duty on the holder of waste in respect of waste management,
- Part 3 provides for the reduction, re-use, recycling, and recovery of waste,
- Part 4 provides for the regulation of waste management activities,
- Part 5 provides for the storage, collection, and transportation of waste, and
- Part 6 provides for the treatment, processing, and disposal of waste.

Over the years there has been intense efforts to integrate water resource management and water services however the impact is limited. Currently there is criticism that both water resource management and water services work in isolation of each other although they are intricately related. Better integration between the NWA and the Water Services Act (No 108 of 1997) is required. The SFWS provides an ideal opportunity to bridge the gap in resource planning and water use and water users.

9.3.3. Other Relevant Environmental Legislation

The following additional pieces of environmental legislation are relevant to water services, depending on the nature of the receiving environment and the activities associated with the proposed water services:

- National Environmental Management: Biodiversity Act (Act No. 10 of 2004) (NEM: BA) –
  - Management of impacts to biodiversity and protection of species and ecosystems.
- National Environmental Management: Protected Areas Act (Act No. 57 of 2003) (NEM: PAA) –
  - Protection and conservation of ecologically viable areas representative of South Africa's biological diversity and natural landscapes.
- National Forests Act (Act No. 84 of 1998) (NFA) –
  - Management of impacts to protected trees.
- Mineral and Petroleum Resources Development Act (Act No. 28 of 2002) (MPRDA) –
  - Sustainable development of the nation’s mineral and petroleum resources (e.g., borrow pits required for bulk water pipelines and dams for water services projects).

9.4. Climate Change

Climate change has a direct impact on water resources and, therefore, also affects water services and sanitation. Climate change exacerbates water scarcity in certain regions, making it even more critical to manage water resources sustainably. Rising temperatures and extreme weather events lead to an increased demand for water services, stressing existing infrastructure and worsening environmental impacts.

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9.4.1. Climate Risk and Vulnerability Assessments (CRVA)

Climate Risk and Vulnerability Assessments (CRVA) are essential tools used to understand how climate change might impact people, ecosystems, and infrastructure. These assessments help governments, businesses, and communities plan for and adapt to climate-related challenges.

The DFFE led the development of the National Climate Risk and Vulnerability (CRV) Assessment Framework. The framework has been developed to guide consistent, integrated, and context-sensitive climate assessments across the country.

There is a three-step process to be followed when conducting and assessment:

1. **Scoping:** Unpacking the purpose and context
2. **Planning:** Deciding on the depth of the assessment
3. **Assessing:** Undertake the assessment

The framework is aligned with South Africa's National Climate Change Adaptation Strategy (NCCAS), which provides strategic direction for building climate resilience across all sectors and levels of government.

9.4.2. Climate Change Response Plans

The National Climate Change Response Strategy for the Water and Sanitation Sector is a targeted framework developed by the Department of Water and Sanitation (DWS) to address the sector's vulnerability to climate change. The strategy aligns with the broader National Climate Change Response Policy and the Climate Change Act of 2024.

This strategy aims to build resilience across the sector by integrating climate adaptation and mitigation into all aspects of water resource management and service delivery.

9.5. Capacity Building

Infusing environmental requirements into the Water Services Sector requires building the necessary capacity and skills at all levels of government involved in water planning. It is critical to strengthen government's ability to plan, implement, manage, and sustain water services.

Capacity building needs to be tailored to the audience, based on their designated roles and responsibilities with regards to water services. It should address technical, institutional, financial, and regulatory aspects.

The following are environmental themes that require capacity building within local government:

- Environmental regulatory compliance, to understand, apply and adhere to environmental legislation linked to water services,
- Water quality and effluent monitoring, to ensure safe drinking water and compliant wastewater discharges,
- Environmental Management Systems within local government, to institutionalise environmental practices in water and sanitation operations,

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- Climate change adaptation and resilience requirements for water services,
- Integrated planning and water resource management, such as integrating environmental considerations and sustainability indicators in Integrated Development Plans and Water Services Development Plans,
- Using water services data for effective decision-making, regulatory compliance, and reporting; and
- Empowering communities to support environmental goals.

The strengthening of a municipalities environmental capacity will allow for better management of water resources, a reduction in pollution, and will allow them to ensure long-term availability of clean water. This will all contribute to the effective delivery of water and sanitation services to communities.

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10. MONITORING AND EVALUATION FRAMEWORK

10.1. Vision

Water and sanitation services are vital for health, dignity, and development. In South Africa, recurring issues, such as service disruptions, poor water quality, and failing infrastructure often go unnoticed without effective monitoring and evaluation.

The vision is to ensure that these services are consistently monitored and evaluated to drive transparency, accountability, and continuous improvement, enabling sustainable delivery and institutional performance.

The Monitoring and Evaluation Framework seeks to achieve the following objectives:

- Track Performance: Measure whether water and sanitation services are functional, reliable, and compliant with national standards.
- Enable Accountability: Make performance data transparent and link results to regulatory enforcement and funding decisions.
- Drive Improvement: Use evidence from monitoring to guide planning, budgeting, and targeted support interventions.
- Integrate Systems: Align monitoring with planning, budgeting, and regulatory frameworks for decision-making.
- Build Resilience: Monitor climate risks and emergency readiness to shift from reactive crisis management to proactive risk reduction.
- Ensure Compliance: Verify adherence to legal, regulatory, and contractual obligations through structured programmes and independent audits.

10.2. Key Principles

The following principles inform the vision and objectives of the Monitoring and Evaluation Framework.

- **Outcome Orientation**: Monitoring must focus on whether people receive safe, reliable, and sustainable services, rather than simply counting infrastructure projects. This provides that the system measures real impact on communities.
- **Transparency and Accountability**: Results should be published in formats that are easy to understand, supported by independent verification to build trust and credibility among stakeholders and the public.
- **Integration**: Monitoring outcomes must feed directly into planning, budgeting, and regulatory enforcement so that data drives real decisions and resource allocation across all spheres of government.
- **Inclusivity**: Data should be disaggregated by geography, gender, and vulnerability to identify inequities and deliver interventions that target those most in need by leaving no community behind.

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- **Digital Enablement**: Real-time, interoperable platforms and smart technologies should underpin the monitoring system to improve accuracy, speed, and accessibility of information for decision-makers and citizens. However, digital solutions will be introduced in phases, starting with basic data integration and progressing toward advanced tools such as predictive analytics and smart metering as institutional capacity and infrastructure stability improve across the country.

- **Compliance Monitoring**: All reported data must be verifiable and auditable, with clear escalation protocols for non-compliance, including corrective action plans and enforcement measures where necessary.

- **Risk-Based Approach**: Monitoring should prioritise high-risk areas and underperforming institutions, ensuring that limited resources are directed where they will have the greatest impact.

10.3. Roles and Responsibilities

Effective monitoring and evaluation depend on a clear division of responsibilities across all levels of government and sector stakeholders. Without this clarity, accountability becomes diluted, and critical actions fall through the cracks. Each role in the system is designed to provide performance data that is accurate, decisions are evidence-based, and corrective measures are implemented promptly.

10.3.1. National Level

Department of Water and Sanitation (DWS): As the national custodian of water and sanitation services, DWS provides leadership and oversight for the entire monitoring and evaluation framework. Its role is to set the rules, developing the national M&E strategy, defining performance indicators, and ensuring consistency across the sector. DWS manages the core digital platforms such as NIWIS, IRIS, and NCIMS, which serve as the backbone of data collection and reporting. It also conducts independent audits, enforces compliance through regulatory interventions, and publishes annual sector performance reports, including the Blue Drop, Green Drop, and No Drop results. By coordinating with other departments, DWS ensures the water sector monitoring aligns with broader governance and fiscal frameworks.

Department of Planning, Monitoring and Evaluation (DPME): DPME plays a critical role in linking sector performance to the national development agenda. It ensures that water and sanitation indicators are integrated into the government-wide monitoring system and that results inform policy and budget decisions. DPME also provides oversight to ensure that monitoring is a tool for improving service delivery and achieving national priorities.

National Treasury: National Treasury ensures that monitoring results influence fiscal decisions. It links performance outcomes to funding allocations under the Division of Revenue Act and enforces financial accountability. By doing so, it creates a direct incentive for municipalities to improve performance and maintain compliance.

10.3.2. Provincial Level

Provincial Government: Provinces act as a bridge between national government and local implementation. They support WSAs in data collection and performance improvement, coordinate regional performance reviews, and facilitate inter-municipal learning. Where municipalities struggle, provinces provide technical assistance and escalate persistent non-compliance to national authorities.

Department of Cooperative Governance and Traditional Affairs (CoGTA): CoGTA supports the monitoring of municipal performance in water service delivery focusing on institutional capacity, governance and compliance with legislative frameworks. It plays a key role in identifying underperforming

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municipalities and initiating appropriate interventions. Furthermore, CoGTA contributes to the development and dissemination of norms and standards for infrastructure planning, reporting and collaborates with DWS and National Treasury to address financial sustainability challenges, such as municipal debt to water boards.

10.3.3. Local Level

Water Services Authorities: WSAs are at the frontline of service delivery and therefore central to the success of monitoring and evaluation. They are responsible for collecting, verifying, and submitting performance data to DWS, ensuring that it is accurate and complete. WSAs must integrate monitoring outcomes into their WSDPs and IDPs, so that planning and budgeting respond to real performance gaps. They also play a key role in engaging communities, creating feedback loops that make monitoring more responsive and inclusive.

Effective monitoring and evaluation of WSPs begins with their appointment under clearly defined conditions. WSAs must ensure that any WSP engaged can deliver services that are not only technically sound but also environmentally sustainable and aligned with strategic planning frameworks.

WSAs must assess and document the following key conditions when appointing WSPs:

- Demonstrated capacity to deliver services effectively and sustainably.
- Submission of a Benefits Realisation Plan, ideally integrated into the Support and Monitoring Framework, including:
  - Success criteria,
  - Outcomes and benefits,
  - Geographical extent,
  - Baseline and target indicators,
  - Outcome tracking and feedback mechanisms.
- Compliance with procurement legislation (e.g. Municipal Systems Act, MFMA).
- Alignment with the WSA's WSDP and IDP.

Water Services Providers: WSPs - whether they are municipal entities, regional water boards, or private operators - are responsible for the operational delivery of water and sanitation services on a day-to-day basis. Their role in monitoring is operational by providing accurate data on water quality, infrastructure functionality, and service continuity. They must comply with contractual obligations, participate in certification audits, and implement internal monitoring systems to track key indicators.

Catchment Management Agencies: CMAs are key institutions in the decentralised water governance system and play a vital role at the local level. Operating within defined Water Management Areas (WMAs), CMAs are responsible for managing water resources in a manner that is participatory, equitable, and sustainable. Their local-level responsibilities include collecting and validating data on water availability, quality, and usage, and reporting this information to the DWS to inform national-level decision-making.

CMAs work closely with municipalities, Water User Associations, and other local stakeholders to ensure that water resource management is integrated with local development planning. They facilitate stakeholder engagement processes, support the development of local water resource strategies and promote adaptive management practices that respond to emerging challenges such as pollution, drought,

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and infrastructure failure. Through these activities, CMAs contribute to building local capacity for monitoring and evaluation, enhancing transparency and accountability in water resource governance.

CMAs also play a critical role in implementing CMSs, which include measurable targets and indicators. These strategies guide water resource protection and use within the catchment, and their implementation is monitored through regular performance assessments.

10.3.4. Oversight and Civil Society

Auditor-General of South Africa (AGSA): AGSA provides independent assurance by auditing financial and performance data, validating the integrity of reported information, and reinforcing public confidence in the system. Its role is critical in maintaining accountability and transparency in the water sector, ensuring that public resources are used effectively and that performance data is trustworthy.

Communities and Civil Society Organisations (CSOs): Communities are not passive recipients of services; they are active partners in accountability. Through Water and Sanitation Community Forums (WSCFs), digital platforms, and public consultations, citizens can report service issues, provide feedback, and monitor local delivery. CSOs amplify these voices, advocate for transparency, and ensure that monitoring reflects the lived realities of households. Their involvement strengthens the responsiveness and inclusiveness of the water sector.

South African Human Rights Commission (SAHRC): SAHRC is one of the state institutions supporting constitutional democracy and is established in terms of Chapter 9 of the Constitution. It acts independently and impartially, without fear, favour or prejudice. Section 184 of the Constitution defines the core functions which include to promote respect for human rights, protect human rights, and monitor and assess the observance of human rights.

Commission for Gender Equality (CGE): CGE is a Chapter 9 institution established in terms of the Constitution. It acts independently and impartially, without fear, favour or prejudice. Section 187 of the Constitution sets out the functions of the CGE which is to promote respect for gender equality and the protection, development and attainment of gender equality.

10.4. Monitoring Systems and Tools

A strong monitoring system is the backbone of accountability and early risk detection. Without it, service failures often go unnoticed until they become crises. To address this, the Department of Water and Sanitation (DWS) will consolidate and modernise existing platforms into a unified, interoperable digital system. These tools will provide real-time visibility into service performance, infrastructure condition, and compliance with national standards.

10.4.1. Modernised Monitoring Systems

This modernised system will include but not limited to:

- A centralised data repository that captures information on infrastructure status, service coverage, and compliance metrics, ensuring consistent and reliable reporting across the sector as demonstrated by the National Integrated Water Information System (NIWIS).

- Infrastructure tracking tools that monitor municipal projects, asset conditions, and maintenance schedules to support proactive planning and reduce the risk of breakdowns as demonstrated by the Infrastructure IRIS.

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- Decision-support capabilities that integrate weather, hydrological, and water quality data to enable real-time monitoring and improve climate risk management, as demonstrated by platforms such as Water Resources Monitoring.

- Regulatory monitoring functions that support performance assessments and compliance reviews, reinforcing accountability through transparent reporting mechanisms. These functions are exemplified by tools used to assess water quality and operational efficiency across municipalities such as NCIMS.

These systems will be implemented gradually, recognising that stabilising physical infrastructure is the priority. Digital enhancements will be phased in as institutional capacity improves, starting with basic data integration and moving toward advanced analytics and predictive tools.

The implementation of this strategy will be monitored through an approach that provides transparency, accountability, and continuous improvement.

10.4.2. Monitoring Implementation of the Strategy

The implementation of this strategy will be monitored through an approach that provides transparency, accountability, and continuous improvement:

- **Annual Performance Reports:** Prepared by DWS and municipalities, aligned with key performance indicators.

- **Certification Outcomes:** Blue Drop, Green Drop, and No Drop programmes will serve as benchmarks for water quality, wastewater treatment, and efficiency.

- **Integration into Planning Instruments:** Monitoring results will feed into WSDPs, IDPs, and provincial master plans to inform planning, budgeting, and service delivery.

- **Independent Audits and Regulatory Enforcement:** Includes compliance reviews, financial audits, and corrective measures where necessary.

10.5. Performance Indicators

To promote accountability and continuous improvement in water service delivery, performance will be measured using a standardised set of Key Performance Indicators (KPIs). These indicators, aligned with national and international benchmarks, provide a structured view of service quality, institutional capacity, environmental sustainability, financial viability, and community engagement across six areas.

- **Service Delivery Outcomes**

Service delivery to be assessed by a range of indicators that include the percentage of households with access to functioning basic water and sanitation services. Additional indicators include the frequency and duration of service interruptions, compliance with potable water quality standards (SANS 241), and the eradication of bucket toilets and informal sanitation systems. These metrics reflect the reliability, safety, and dignity of services provided to communities.

- **Institutional Performance**

Institutional performance to be assessed by a range of indicators that include the submission and implementation of WSDPs, the adoption of Workplace Skills Plans, and the achievement of training outcomes. Contractual compliance by WSPs and the implementation of credit control and revenue management policies will also be monitored to evaluate governance and operational effectiveness.

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- **Environmental and Climate Indicators**

Environmental sustainability and climate resilience to be assessed by a range of indicators that include compliance with wastewater discharge standards, the integration of climate risk assessments and response plan into planning processes, and the implementation of water conservation and demand management strategies. These indicators ensure that water services are delivered in a manner that protects natural resources and prepares for climate-related risks.

- **Financial Indicators**

Financial performance to be assessed by a range of indicators that reflect cost recovery, affordability, budget execution, and overall financial sustainability. These metrics provide insight into the sector's ability to maintain operations, invest in infrastructure, and provide fiscal accountability.

- **Infrastructure Indicators**

Infrastructure condition and functionality are monitored through indicators that may include asset health, maintenance efficiency, and the pace of infrastructure expansion and rehabilitation. These measures are essential for providing service reliability and supporting long-term investment planning.

- **Governance and Community Engagement**

Governance and public accountability to be assessed by a range of indicators which may include audit outcomes, compliance with procurement legislation, and certification status under the Blue, Green, and No Drop programmes. Community engagement will be measured by complaint resolution rates, citizen satisfaction scores, and the extent of public participation in planning and budgeting processes. These indicators promote transparency, inclusivity, and trust between service providers and the communities they serve.

10.6. Evaluation

Monitoring becomes meaningful when the data collected is used to evaluate performance, inform decisions, and drive accountability. This section outlines how performance data will be verified, reported, and applied across the sector to ensure that monitoring leads to tangible improvements in service delivery.

10.6.1. Performance Data

All performance data submitted by WSAs and WSPs will be subject to independent verification through audits, spot checks, and certification reviews. DWS, supported by the AGSA, will ensure that reported information is accurate, complete, and auditable. Where discrepancies or non-compliance are identified, escalation protocols will be triggered, including corrective action plans and regulatory enforcement.

10.6.2. Reporting Frequency

Reporting will follow a structured cycle, with quarterly submissions for operational data and annual reports for strategic indicators. These reports will be consolidated and published by DWS. To ensure accessibility, performance information will be presented in user-friendly formats and made available in multiple languages.

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10.6.3. Evaluation Outcomes

Evaluation outcomes must directly inform planning and budgeting processes. WSAs are required to integrate monitoring results into their WSDPs and IDPs, ensuring that resource allocation responds to actual service gaps and infrastructure needs. This requirement is grounded in the legislative mandates of the Water Services Act and the Municipal Systems Act and is reinforced by the financial governance principles outlined in the Financial Framework.

Monitoring and evaluation must be integrated within broader planning and budgeting cycles to ensure that performance data translates into action. Key indicators such as service coverage, water quality compliance, and infrastructure condition must inform the prioritisation of capital projects, operational budgets, and maintenance schedules. Municipalities are expected to align their five-year WSDPs with IDPs, using monitoring data to justify funding requests and guide implementation programmes.

At the national level, DPME and National Treasury utilise sector performance data to inform policy decisions and funding allocations. As outlined in Financial Framework, includes audited financial statements, digital billing systems, and conditional grant disbursements which are essential to ensuring accountability and aligning fiscal support with service delivery outcomes. This creates a direct link between performance and funding, incentivising municipalities to improve compliance and responsiveness.

However, the value of monitoring and evaluation lies not only in reporting but in the ability to learn and adapt. Given the dynamic nature of water security challenges, the Framework must remain flexible and responsive. To support this, a set of continuous learning mechanisms will be integrated within the evaluation process.

These mechanisms include:

- Capturing and applying lessons learned is a critical component of continuous improvement in the water and sanitation sector. This involves documenting experiences from implementation across municipalities and service providers - whether they reflect successful innovations or challenges encountered during service delivery, infrastructure development, or institutional reform. These insights contribute to inform planning, policy development, investment prioritisation and help avoid the repetition of past mistakes.

- Facilitating peer-to-peer learning through structured platforms such as municipal forums, technical working groups, and sector dialogues. These platforms will enable the exchange of practical experiences, innovative approaches which fosters a culture of collaboration and mutual support across the sector.

- Indicator Review and Scenario Planning: To maintain relevance, performance indicators will be reviewed annually by a dedicated technical working group. This process will consider emerging priorities such as climate resilience, service equity, and institutional capacity. Scenario-based planning will also be implemented to anticipate future risks such as droughts, infrastructure failure, and demographic shifts to guide strategic prioritisation and contingency planning.

Together, these mechanisms ensure that evaluation outcomes form part of a dynamic system of learning and adaptation. By integrating continuous learning, the sector will be better equipped to respond to challenges, improve service delivery, and achieve long-term water security.

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11. SUPPORT FRAMEWORK

11.1. Vision

To build a responsive and capable water sector through coordinated support systems that strengthen institutional capacity, promote collaboration, and provide equitable access to resources and expertise.

Support is an enforceable constitutional requirement. Section 154(1) of the constitution states that national and provincial governments must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers, and to perform their functions. This places a positive obligation on national and provincial departments to build municipal capacity.

Section 27(1)(b) of the Constitution confers the right to access to sufficient water. This is followed by section 27(2) which requires that the State (including national, provincial, and local government) must take reasonable legislative and other measures, within its available resources, to progressively realise this right. This binds national and provincial spheres to ensure that water services are progressively realised.

The Support Framework seeks to achieve the following objectives:

- Enable effective service delivery through targeted technical and operational support.
- Strengthen institutional capacity at local and regional levels to fulfil water services mandates.
- Facilitate skills development and knowledge exchange across the sector to promote innovation and continuous improvement.
- Promote intergovernmental coordination to align planning and implementation.
- Leverage resources and partnerships to support infrastructure development and innovation in service delivery.

11.2. Key Principles

The following principles inform the vision and objectives of the Support Framework.

- **Outcomes-Based Support**: Support initiatives should focus on achieving measurable improvements in service delivery and institutional performance, rather than just inputs or activities.
- **Targeted and Differentiated Support**: Support must be tailored to meet diverse needs, readiness levels and challenges being faced. This signifies a shift from a “one size fits all” approach.
- **Demand-Driven**: Support should respond to the actual needs and priorities of water services authorities and providers, rather than being supply-led.
- **Strategic Targeting**: National support should be directed toward sector priorities and areas where the greatest impact can be achieved with available resources.
- **Institutionalisation of Capacity**: Support should build internal capacity within water services institutions to reduce long-term reliance on external assistance.

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- **Holistic Approach**: Support for water services should be integrated with support for other municipal services to ensure overall viability and sustainability of local government.

- **Transformation**: Support should contribute to the transformation of water services institutions to be effective, efficient, sustainable, and reflective of South Africa's cultural, gender, and racial diversity.

- **Integration**: Support must align with planning, budgeting, and reporting systems.

11.3. Implementation Mechanisms

11.3.1. Capacity Building Grant

The Capacity Building Grant was introduced in the 2003 SFWS to support WSAs in fulfilling their mandates. It contributed significantly to foundational training and the establishment of institutional structures, particularly in newly formed municipalities. However, subsequent evaluations, including the 2022 Diagnostic Review by National Treasury, revealed that many capacity-building initiatives failed to translate individual training into sustained organisational performance. Despite years of investment, approximately two-thirds of municipalities remain in financial distress and service delivery outcomes have stagnated or declined.

The Capacity Building Grant remains a foundational mechanism for strengthening institutional capacity within the water services sector. It is administered by the Department of Cooperative Governance and National Treasury, the grant has evolved into a more integrated and strategic tool, now integrated within the whole municipality capability development model.

This approach prioritises support for WSAs that face significant service delivery backlogs, have limited institutional maturity, or have recently assumed responsibility for infrastructure transferred from the Department of Water and Sanitation. Capacity-building interventions may include the deployment of technical experts, mentorship programmes, institutional diagnostics, and performance improvement plans. WSAs are required to incorporate these plans into their WSDPs IDPs, ensuring alignment with national priorities and local realities.

Furthermore, the grant supports the professionalisation of municipal staff and encourages the adoption of utility models where appropriate. These reforms are aligned with the broader objectives of Operation Vulindlela, which seeks to improve service delivery through institutional reform and enhanced accountability.

11.3.2. Skills Development

Skills development in the water services sector has undergone significant transformation since the 2003 SFWS. Initially, efforts focused on basic technical training and compliance with minimum standards. However, the sector faced challenges including fragmented programmes, limited uptake of learnerships, and poor alignment with municipal needs. These shortcomings have suppressed the development of a skilled and responsive workforce capable of meeting evolving service delivery demands.

Skills development in the water services sector is coordinated by the Local Government Sector Education and Training Authority (LGSETA), in partnership with the Department of Water and Sanitation, SALGA, and various academic institutions. The skills development landscape has evolved significantly since 2003. While early efforts focused on basic technical training, the sector struggled with fragmented programmes, limited uptake of learnerships, and poor alignment with municipal needs. The scope of skills

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development has expanded significantly to address emerging challenges such as climate change, digital transformation, and the need for inclusive service delivery.

Training programmes now include modules on climate resilience and disaster risk management, digital infrastructure and smart utility enablement, and Fourth Industrial Revolution (4IR) competencies such as artificial intelligence, data analytics, and remote sensing. In addition, there is a renewed focus on water quality management, compliance auditing, and gender-responsive planning.

Skills development is delivered through a range of mechanisms including learnerships, apprenticeships, internships, bursaries, and recognition of prior learning. Work Integrated Learning opportunities are provided for both TVET and university students.

In support of these efforts, MISA also contributes to skills development through structured programmes such as bursaries, apprenticeships, and graduate placements. These initiatives aim to build a pipeline of qualified professionals for the local government sector and address long-term capacity gaps, particularly in engineering and infrastructure management.

Municipalities are required to submit annual Workplace Skills Plans, and Skills Development Facilitators (SDFs) are expected to play a more strategic role in aligning training with IDPs and employment equity objectives. The sector also benefits from increased funding through the Skills Development Levy and donor-supported initiatives, with a renewed focus on gender-responsive and community-based training.

11.3.3. Knowledge Networking

Knowledge networking was introduced in the 2003 SFWS as a mechanism to promote peer learning, information sharing, and sector-wide collaboration. Early initiatives such as the Masibambane Programme were instrumental in fostering multi-stakeholder engagement and building a shared vision for water services delivery. However, post-2003 assessments highlighted several limitations, including the fragmentation of knowledge systems, poor integration of data platforms, and the loss of institutional memory due to staff turnover and siloed operations.

In response to these challenges, the DWS, in collaboration with SALGA, the WRC, and other partners, has developed a suite of digital platforms to facilitate structured knowledge exchange. These include online knowledge hubs, communities of practice, and benchmarking tools that enable WSAs and WSPs to compare performance, share innovations, and identify areas for improvement. NWIS has been upgraded to serve as a backbone for data integration and analysis, supporting both operational and strategic decision-making across the sector.

Institutions such as the WRC, CSIR, IMFO, IMESA, WISA, and various universities continue to play a critical role in generating and disseminating knowledge. Their contributions include webinars, technical toolkits, regional workshops, and case studies that promote continuous learning and adaptive management.

11.3.4. Advisory Services

Advisory services were a key feature of the 2003 Strategic Framework, intended to provide technical support to WSAs and WSPs. However, evaluations of the Masibambane Programme and subsequent sector reviews revealed that advisory support was often ad hoc, under-resourced, and disconnected from local needs.

Advisory services are formalised and expanded through national and provincial technical support teams coordinated by the Department of Water and Sanitation. These services are designed to provide targeted,

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expert assistance to WSAs and WSPs in areas such as institutional reform, contract management, regulatory compliance, infrastructure planning, asset management, and financial sustainability.

Advisory support may be provided through advisors, remote technical assistance, mentorship arrangements, or secondments from experienced institutions. The aim is to build internal capacity while addressing immediate challenges. In addition, the MISA - a government component under CoGTA plays a complementary role by deploying engineers, town planners, and project managers to municipalities with limited internal capacity. MISA's support is particularly valuable in rural and under-resourced municipalities, where technical expertise is often lacking.

Advisory services are increasingly linked to performance improvement plans and aligned with national reform priorities, including those under Operation Vulindlela Phase II, which aims to address root causes of service delivery failures and strengthen regulation.

11.3.5. Guidelines and Tools

The 2003 SFWS introduced a range of guidelines and tools to standardise planning and service delivery. While these resources were widely used, many became outdated and lacked integration with digital systems.

DWS continues to develop and disseminate a comprehensive suite of technical guidelines and planning tools. These resources are designed to standardise practices, improve planning, and enhance service delivery. Examples include smart planning dashboards for WSDPs, GIS-based infrastructure mapping tools, mobile applications for field data collection, and updated standards for sanitation and water quality.

In response to climate change and increasing environmental risks, new tools have been developed to integrate climate risk assessments into infrastructure design and service planning. MISA also contributes to this effort through its Municipal Infrastructure Performance Management Information System (MIPMIS), which enables municipalities to monitor asset condition and plan for maintenance and rehabilitation. These systems complement DWS tools and ensure that infrastructure decisions are informed by reliable data and aligned with national norms and standards.

11.3.6. Strategic Support Initiatives

Strategic support initiatives such as the rollout of free basic services and institutional reform were central to the 2003 framework. While these initiatives achieved notable successes, they were often fragmented and lacked long-term sustainability. Evaluations highlighted the need for better coordination, clearer objectives, and stronger links to national strategies.

The SFWSS 2025 introduces a more targeted and integrated approach to strategic support. Key initiatives include climate adaptation planning, emergency response and disaster recovery, institutional restructuring and regionalisation, and water quality improvement. These are aligned with the NWRS-III's focus on managing water and sanitation services under a changing climate and improving water quality.

Funding is sourced from national budgets, donor programmes, and blended finance mechanisms. Implementation is led by DWS in partnership with provincial governments, water boards, and other sector stakeholders. MISA plays a strategic role in supporting infrastructure delivery and maintenance, particularly in municipalities with high service backlogs. Its technical interventions are aligned with municipal IDPs and WSDPs and contribute to the sustainability of strategic infrastructure investments.

Strategic support is guided by principles of equity, sustainability, and responsiveness to local needs, and is often linked to broader programmes such as Operation Vulindlela and the Water and Sanitation Master Plan.

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11.3.7. Donor Coordination

Donor coordination was a strength of the early Masibambane Programme, which successfully aligned international support with national priorities. However, post-2010 reviews noted a decline in coherence and strategic alignment, with fragmented donor activities and limited integration into national systems.

Donor coordination through the WPO and the PPP Unit under Operation Vulindlela are re-established. These entities facilitate alignment of donor programmes with national strategies, promote blended finance and public-private partnerships, and support innovation and technology transfer.

Donor-funded initiatives now focus on infrastructure investment, institutional reform, capacity building, and climate resilience. Key partners include development finance institutions, bilateral and multilateral donors, private sector investors, and non-governmental organisations.

11.3.8. Support Strategy Development

The 2003 SFWS called for a national support strategy, but implementation was uneven and lacked regular review. As a result, support activities became fragmented and reactive, with limited coordination across institutions.

The Department of Water and Sanitation leads the development of a comprehensive National Support Strategy for the water services sector. This strategy defines the roles and responsibilities of sector stakeholders, sets priorities for capacity building, skills development, and institutional reform, and establishes performance indicators and reporting mechanisms.

The strategy is aligned with the objectives of Operation Vulindlela, the NWRS-III, and the NDP. It is reviewed periodically and informed by sector performance data, stakeholder feedback, and emerging challenges. The strategy serves as a guiding framework for all support activities, ensuring coherence, accountability, and continuous improvement across the sector.

11.3.9. Policy Advocacy and Alignment Project

The Policy Advocacy and Alignment Project was launched in response to findings that 70% of WSAs lack approved and updated water and sanitation services policies. DWS developed a Model Water and Sanitation Services Policy for municipalities to adopt and customize, ensuring local policies comply with national standards.

DWS provides one-on-one assistance to WSAs during the drafting, review, and approval of their policies and by-laws. While DWS does play a supporting role in the process, the obligation to have water and sanitation services policies is on the WSAs.

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12. CONCLUSION

In 2003, South Africa adopted the first Strategic Framework for Water Services with a clear and powerful message: Water is life, sanitation is dignity. That framework laid the foundation for universal access to basic services, introduced free basic water and sanitation, and committed to progressively improving service levels. It was a bold step focused on redressing historical inequalities and building institutional capacity.

Two decades later, the sector has made significant progress - but the challenges have evolved. Inequality persists, infrastructure is ageing, climate risks are intensifying, and fiscal and institutional constraints are more pronounced. This new Strategic Framework responds to those realities with renewed urgency and a sharper focus on sustainability, resilience, and inclusion.

It sets out a clear path forward in aligning policies and institutions, strengthening regulation, modernising tariff governance, integrating climate adaptation and digital transformation into everyday operations. It prioritises those who have been left behind - informal settlements, rural communities - and commits to measurable outcomes such as universal access, eradication of bucket toilets, full servicing of schools and clinics, and improved environmental compliance.

The Strategic Framework also redefines how the sector works together. It clarifies roles across all levels of government and institutions. It promotes integrated planning, credible budgeting, and professionalised service delivery. It embraces partnerships - with the private sector, civil society, and communities - to bring innovation.

Monitoring and evaluation are no longer back-end functions, they are central to performance and learning. Outcome-based indicators, public reporting, certification, and independent audits will drive accountability with peer learning, scenario planning, and digital platforms to keep the framework responsive to change.

This is more than a policy document, it is a Strategic Framework that renews the sector's commitment to restoring public trust, protecting South Africa's water resources, and ensuring dignified sanitation for all. Designed to evolve as targets are achieved and conditions change; it provides a flexible yet focused foundation for long-term impact. Acting with urgency and unity, the journey that began with the 2003 SFWS can be fulfilled by transforming the principle that water is life, sanitation is dignity into a lived reality for every South African.

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13. ANNEXURES

13.1. Annexure 1: List of Relevant Policies and Legislation

Legislation

- Constitution of the Republic of South Africa, 1996
- Water Research Act 34 of 1971
- Water Services Act 108 of 1997
- National Water Act 36 of 1998
- Municipal Structures Act 117 of 1998
- Public Finance Management Act 1 of 1999
- Municipal Systems Act 32 of 2000
- Municipal Finance Management Act 56 of 2003
- Intergovernmental Relations Framework Act 13 of 2005
- Disaster Management Act 57 of 2002
- Infrastructure Development Act 23 of 2014
- Government Gazette No. 50716 (2024): Revised Norms and Standards in respect of tariffs for water services (issued under section 10(1) of the Water Services Act)
- Government Notice 4992, Government Gazette No. 50852 (2024): Revised pricing strategy for raw water use charges (issued under section 56(1) of the National Water Act)
- National Water Amendment Bill, 2023
- South African National Water Resources Infrastructure Agency SOC Limited Bill, 2023
- Water Resource Infrastructure Agency SOC Limited Act (Act 34 of 2024)
- Convention on the Rights of Persons with Disabilities, 2007 (United Nations)
- The Paris Agreement (United Nations)

Policies, Strategies and Frameworks

- Department of Cooperative Governance and Traditional Affairs: District Development Model Implementation Framework, 2025
- Department of Environment, Forestry and Fisheries: Climate Risk and Vulnerability (CRV) Assessment Framework, 2020

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- Department of Planning, Monitoring and Evaluation: Medium Term Strategic Framework 2019–2024, 2020
- Department of Water Affairs and Forestry: Strategic Framework for Water Services (SFWS), 2003
- Department of Water and Sanitation: National Water and Sanitation Master Plan (Volume 1), 2018
- Department of Water and Sanitation: National Sanitation Policy, 2016
- Department of Water and Sanitation: National Water Policy Review, 2015
- Department of Water and Sanitation: National Water Policy Review – Water Policy Positions, 2013
- Department of Water and Sanitation: National Water Resource Strategy III (NWRS-3), 2023
- Department of Water and Sanitation: Water and Sanitation Services Policy on Privately Owned Land, 2024 (gazetted policy)
- Department of Water and Sanitation: Revised Strategic Plan for the fiscal years 2020/21–2024/25, 2020
- Department of Water and Sanitation: Strategic Partnership Framework
- National Planning Commission: National Development Plan (NDP) 2030, 2012
- National Planning Commission: National Water Security Framework for South Africa – Summary Principles and Recommendations, 2020
- SEIAS: Socio-Economic Impact Assessment System, 2022

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13.2. Annexure 2: Key Performance Indicators for Water Services Authorities

Indicator	Benchmark	Means of Verification		
Access to Services				
1		**Access to water**. Rate of reduction in the number of households in the WSA area without a basic water supply service.	Number of households without a basic water supply service reduced by 20% each year to achieve full coverage in five years.	Reported to DWS by the WSA. Checked by DWS on a random basis.
2		**Access to sanitation**. Rate of reduction in the number of households in the WSA area without a basic sanitation service.	Number of households without a basic sanitation service reduced by 14% each year to achieve full coverage in seven years.	Reported to DWS by the WSA. Checked by DWS on a random basis.
Note: The Key Performance Indicators will be updated once the targets are confirmed.				
Quality of Services Provided				
3		**Water quality**. Number of households (and proportion of total households supplied by formal piped systems) who do not receive water of an adequate drinking quality.	All households supplied with water from formal piped water supply systems receive water which consistently meets the defined minimum standards for potable water as defined in SANS 241.	Sampling system in place for all formal piped water supply systems and water quality results regularly reported. Testing systems and results checked by DWS on a random basis.
4		**Continuity of water supply**. Number of households (and proportion of total households supplied by formal piped systems) which experience	All consumers served by formal piped systems (and with at least a basic level of water supply service) experience interruptions of less than 48	WSA complaint and maintenance logs. Random customer surveys undertaken by DWS to verify reporting.

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Indicator	Benchmark	Means of Verification		
		inadequate continuity of the water supply service.	hours (at any one time) and a cumulative interruption time during the year of less than 15 days.	
Note: The Key Performance Indicators will be updated once the targets are confirmed.				
Free Basic Services Provided				
5		**Free basic water**. Number of domestic consumers (and proportion of total) who must pay for services even though they have access to just a basic water supply service and they use only a basic amount.	Zero (0%).	Reported by WSAs to DWS. Random checks by DWS to verify.
6		**Free basic sanitation**. Number of domestic consumers (and proportion of total) who must pay for services even though they have access to just a basic sanitation service and they use only the basic service.	Zero (0%).	Reported by WSAs to DWS. Random checks by DWS to verify.
Note: The Key Performance Indicators will be updated once the targets are confirmed.				
Financial Performance				
7		**Affordability**. Outstanding debt for water and sanitation services for all consumers expressed as debtor days. (Note: This is also a measure of the efficacy	Less than 90 days.	Reported by WSA to National Treasury as weighted average for the WSA area. Annual financial audits of financial

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Indicator	Benchmark	Means of Verification		
		of revenue collection.)		reporting by the auditor general.
Use of Resources				
8		**Metering efficiency**. The proportion of the total water abstracted and/or purchased which is supplied & metered.	At least 80%.	Reported by WSA to DWS. Random checks by DWS to verify.
Environment				
9		**Quality of water discharged**. Volume of water discharged to the environment (and % of total discharge) which does not meet discharge standards.	Zero (0%).	Reported by WSA to DWS. Random checks by DWS to verify.
Note: The Key Performance Indicators will be updated once the targets are confirmed.				

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13.3. Annexure 3: Definitions

basic sanitation facility	The infrastructure necessary to provide a sanitation service which is safe, reliable, private, protected from the weather, ventilated, keeps smells to the minimum, is easy to keep clean, minimises the risk of the spread of sanitation-related diseases by facilitating the appropriate control of disease carrying flies and pests, and enables safe and appropriate treatment and/or removal of human waste and wastewater in an environmentally sound manner.
basic sanitation service	The provision of a basic sanitation facility which is easily accessible to a household, the sustainable operation of the facility, including the safe removal of human waste and wastewater from the premises where this is appropriate and necessary, and the communication of good sanitation, hygiene and related practices.
basic water services	A basic water supply service and/or a basic sanitation service.
basic water supply facility	The infrastructure necessary to supply 25 litres of potable water per person per day supplied within 200 metres of a household and with a minimum flow of 10 litres per minute (in the case of communal water points) or 6 000 litres of potable water supplied per formal connection per month (in the case of yard or house connections).
basic water supply service	The provision of a basic water supply facility, the sustainable operation of the facility (available for at least 350 days per year and not interrupted for more than 48 consecutive hours per incident) and the communication of good water-use, hygiene and related practices.
BoR	The Bill of Rights, Chapter 2 of the Constitution.
bulk water services provider	A bulk water services provider is any person who has a contract with a water services authority or another water services provider to sell water to, and/or accept wastewater for the purposes of treatment from, that authority or provider.
capacity building grant	A consolidated capacity building grant administered by DPLG.
CBO	Community Based Organisation.
civil society	That part of the society that is not part of the state. Organisations of civil society are all formed voluntarily by citizens on the basis of common concerns and interests.
community-based water services provider	A not-for-profit organisation situated within a defined community that is mandated by that community to provide a specific municipal service to that community on behalf of the municipality, provided that (1) all members of the governing body of the organisation are nominated members of the community and are permanently resident within the community, (2) all employees of the organisation are members of the community and are permanently resident within the community, and (3) the area constituting the community is defined by the municipality.
compulsory national water and sanitation services standards (2025)	The legally binding minimum requirements set by the national government that all Water Services Authorities (WSAs) and Water Services Providers (WSPs) must comply with when providing water supply and sanitation services.
consumer charter	A statement by a water services provider that sets out the duties and responsibilities of both the water services provider and consumers with respect to each other.
consumer contract	The contract concluded or deemed to be concluded, between the water services authority or water services provider and an end consumer for the provision of water services, incorporating the rights and obligations of the parties as set out in the water services authority's by-laws and, where appropriate, the conditions of supply of the water services provider. (A consumer charter can take the place of individual consumer contracts.)

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DDM	District Development Model.
DWS	Department of Water and Sanitation
economic costs	The direct (financial) and indirect costs associated with the provision of the service. Indirect costs include environmental and other externalities and economic opportunity costs.
environmental sustainability	Resources (water, energy, ecosystems) are used responsibly to avoid depletion or pollution.
financial costs	All financial costs directly associated with the provision of the service including (but not limited to) operating costs, maintenance costs, depreciation costs, finance costs and necessary and prudent financial provisions (to account for bad debt, for example).
financial sustainability	Tariffs, subsidies, and funding models ensure affordability and full cost recovery for operations, maintenance, and future upgrades.
formal connection	A connection approved by a water services provider including any connection which is formally registered with a water services provider.
industrial wastewater	Wastewater arising from mining, manufacturing, electricity generation, land-based transport, construction or any related activities.
industrial water	Water used for mining, manufacturing, generating electricity, land-based transport, construction or any related purpose. (Consistent with definition of industrial use in the Water Services Act.)
integrated development plan (IDP)	A municipal plan as defined in the Municipal Systems Act of 2000.
IWRM	Integrated Water Resource Management.
IUDF	Integrated Urban Development Framework.
interim sanitation service	A temporary sanitation service is an interim measure and should provide privacy to the user, be readily accessible and in close walking distance, and provide for the safe disposal of human waste.
interim water supply service	A temporary water supply service is an interim measure and should provide, within reasonable walking distance, water of an adequate quality from a health point of view.
Institutional sustainability	Municipalities and service providers have the skills, governance, and capacity to operate systems effectively.
ISO	International Organisation for Standardisation
local government equitable share	A constitutionally protected unconditional grant from national government to local government to support the operating costs of basic services.
local water services provider	A water services providers providing water services to only one water services authority.
MDG	Millenium Development Goal
municipal infrastructure grant	A conditional grant from national government to support investments in basic municipal infrastructure.
potable water	Water used for drinking or domestic purposes of a quality consistent with SANS 241 (Specifications for Drinking Water) as may be amended from time to time.

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proposed national water and sanitation services norms and standards (2024)	These regulations aim to strengthen drinking water quality, manage water losses, and set minimum standards for water supply and sanitation.
public-private partnerships (PPP)	PPPs are formal, contract-based arrangements in which private entities assume significant responsibility for the delivery of public services or infrastructure.
public-private collaboration (PPC)	PPC is a critical enabler of sustainable, inclusive, and resilient water and sanitation services. This strategy recognises PPCs as a distinct and necessary institutional mechanism that complements public sector mandates by leveraging private sector capabilities, innovation, and investment. PPCs are structured as flexible, multi-stakeholder arrangements that prioritise co-creation, shared value, and long-term developmental outcomes.
private sector participation (PSP)	PSP refers to a spectrum of arrangements in which private entities are contracted to perform specific functions within the water and sanitation value chain. Unlike PPPs, PSPs do not typically involve large-scale investment or long-term risk transfer, but rather focus on operational efficiency, service quality, and innovation.
regional scheme	A water services scheme that crosses water services authority boundaries.
regional water services provider	A water services provider that operates a regional scheme.
retail water services provider	Any person who has a contract with a water services authority to assume operational responsibility for providing water services to one or more consumers (end users) within a specific geographic area.
RDI	Research, Development and Innovation.
RQO	Resource Quality Objective.
sanitation services	The collection, removal, disposal or treatment of human excreta and domestic wastewater, and the collection, treatment and disposal of industrial wastewater. This includes all the organisational arrangements necessary to ensure the provision of sanitation services including, amongst others, appropriate health, hygiene and sanitation-related awareness, the measurement of the quantity and quality of discharges where appropriate, and the associated billing, collection of revenue and consumer care. Water services authorities have a right but not an obligation to accept industrial wastewater from industries within their area of jurisdiction.
SANS	South African National Standard
service delivery agreement	A contract between a water services authority and a water services provider for the delivery of municipal services, or between water services providers.
SDG	Sustainable Development Goal
SFWSS	Strategic Framework for Water and Sanitation Services
W2RAP	Wastewater Risk Abatement Plan
wastewater	Used water resulting from the use of water for domestic or other purposes which may include or exclude human excreta.
water board	A water services provider which is an organ of state and whose primary function is that of bulk water services provider.

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water partnerships office (WPO)	The Water Partnership Office (WPO) is an entity that was established to facilitate private sector participation in municipal water and sanitation services. It was created through a collaboration between the Department of Water and Sanitation (DWS), the Development Bank of Southern Africa (DBSA), and the South African Local Government Association (SALGA).
water resource	Any water resource as defined in the National Water Act.
water sector	Includes both water resources and water services.
water services	Refers to both water and sanitation services. (The definition of what constitutes water services has been extended to include all aspects of the service necessary for the provision of an adequate service, specifically the business processes (such as billing and revenue collection) and the communication of what constitutes good hygiene and water and sanitation-related consumer practices.)
water services agent	A legal entity that provides services to water services providers. The distinguishing characteristic of water services agents is that they do not assume full operational responsibility for the physical provision of water and/or sanitation services, but rather provide support services (for example, meter reading) to water services providers.
water services authority (WSA)	Any municipality that has the executive authority to provide water services within its area of jurisdiction in terms of the Municipal Structures Act 118 of 1998 or the ministerial authorisations made in terms of this Act.
water services development plan (WSDP)	A plan for water and sanitation services in terms of the Water Services Act.
water services institution (WSI)	A water services authority and/or a water services provider. This includes DWS, CoGTA, WSAs, Water Boards, WSPs, WRC and the NWRIA. (It is useful to restrict the term water services institution to just a water services authority and/or a water services provider. Previously water services intermediaries were included in the definition of water services institution. The responsibilities placed on water services intermediaries are different in nature to those placed on water services providers and water services authorities and hence is it appropriate to distinguish between these in the more generic definition which is used for the sake of conciseness.)
water services intermediary (WSI)	Any person who is obliged to provide water services to another in terms of a contract where the obligation to provide water services is incidental to the main object of that contract.
water services provider (WSP)	A water services provider is: • any person who has a contract with a water services authority or another water services provider to sell water to, and/or accept wastewater for the purposes of treatment from, that authority or provider (bulk water services provider); and/or • any person who has a contract with a water services authority to assume operational responsibility for providing water services to one or more consumers (end users) within a specific geographic area (retail water services provider); or • a water services authority which provides either or both above services itself.
water supply services	The abstraction from a water resource, conveyance, treatment, storage and distribution of potable water, water intended to be converted to potable water and water for industrial or other use, to consumers or other water services providers. This includes all the organisational arrangements necessary to ensure the provision of water supply services including, amongst others, appropriate health, hygiene and water-related awareness, the measurement of consumption and the associated billing, collection of revenue and consumer care. Water services authorities have a right but not an obligation to provide industrial water to industries within their area of jurisdiction.

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	(The definition of water supply services is no longer restricted to the supply of potable water but includes all water supplied by or on behalf of a water services authority.)
WHO	World Health Organisation
WSP	Water Safety Plan
Water user association (WUA)	Statutory bodies established under Chapter 8 of the National Water Act (1998) to enable cooperative management of water resources at a local level.

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13.4. Annexure 4: Sector Targets

13.4.1. Explanation of Sector Targets

Target No.	Target Area	Updated Target	Explanation
1	Water and Sanitation Services Provision	All WSAs should have provided 70% water and sanitation services on privately owned land (planning and service delivery stats).	This target aims to ensure that Water Services Authorities (WSAs) progressively extend water and sanitation services to individuals located on privately owned land, where service provision has often been constrained.
2	Access to services	All people have access to a functioning basic water supply facility and basic sanitation facility	This target affirms the commitment to universal access to safe, reliable, and functional basic water and sanitation services for all people.
3	Schools	All schools have adequate and safe water supply and sanitation services	This target ensures that every school is equipped with reliable, safe, and sufficient water supply and sanitation facilities that meet required health and safety standards.
4	Clinics	All clinics have adequate and safe water supply and sanitation services	This target ensures that all healthcare clinics are equipped with reliable, safe, and sufficient water supply and sanitation services to support effective healthcare delivery.
5	Investment	Investment in water services infrastructure totals at least 0.75% of GDP	This target seeks to ensure sustained and adequate financial investment in water services infrastructure to support reliable service delivery, system maintenance, and long-term water security.
6	Education & hygiene	Hygiene education and wise water use taught in all schools	This target aims to embed hygiene practices and responsible water use into the education system, ensuring that all learners develop lifelong knowledge and behaviors that support health, water conservation, and environmental sustainability.
7	Hygiene practice (households)	100% of households with basic sanitation know safe practices	This target focuses on ensuring that all households with access to basic sanitation facilities are knowledgeable about safe sanitation and hygiene practices, including proper use, maintenance, and hygiene behaviours.
8	Free basic services	Free basic sanitation policy implemented in all WSAs	This target ensures that all Water Services Authorities (WSAs) implement the free basic sanitation policy to guarantee access to essential sanitation services for indigent and vulnerable households.

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Target No.	Target Area	Updated Target	Explanation
9	Institutional reform	National institutional reform strategy developed	This target focuses on the development of a comprehensive national institutional reform strategy to guide the restructuring and strengthening of institutions responsible for water and sanitation services.
10	Institutional reform	Institutional reform of regional water services providers completed	This target aims to finalise the restructuring and strengthening of regional water services providers to improve governance, efficiency, and service delivery performance.
11	Planning & reporting	All WSAs report annually on progress against their WSDPs	Regular reporting enables WSAs to track service delivery improvements, infrastructure development, financial performance, and compliance with sector objectives against planned targets.
12	Provider performance	All WSPs render services in terms of a business plan	This target aims to strengthen the sustainability, efficiency, and accountability of water services provision by ensuring that all Water Services Providers operate in accordance with a formal business plan.
13	KPIs & performance monitoring	All WSAs adopt KPIs and report annually	This target aims to strengthen accountability, transparency, and performance management across all Water Services Authorities (WSAs) through the adoption of standardised KPIs and annual reporting.
14	Water Quality Compliance	100% compliance with potable water standards (SANS 241)	This target ensures that all drinking water supplied to consumers meets the quality requirements set out in SANS 241, safeguarding public health and confidence in water services.
15	Non-Revenue Water Reduction	Reduce non-revenue water to <25% nationally	This target focuses on improving the efficiency, financial sustainability, and reliability of the national water supply system by reducing losses caused by leaks, illegal connections, metering inaccuracies, and operational inefficiencies.
16	Digital Metering	80% of urban households have smart meters	This target seeks to improve water demand management, operational efficiency, and service reliability in urban areas through the widespread deployment of smart metering technology.
17	Gender Equity in Sector Employment	50% of new hires in water services institutions are women	This target promotes gender equality and inclusivity within water services institutions by ensuring that women make up at least half of all new recruits.

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Target No.	Target Area	Updated Target	Explanation
18	Environmental Compliance	100% of water services projects must obtain all required environmental approvals prior to implementation, and comply with approval conditions throughout the project lifecycle	This target ensures that all water services projects are planned, implemented, and operated in full compliance with applicable environmental legislation and regulatory requirements.
19	Climate Resilience & Capacity Building	100% of WSAs must prepare Climate Change Adaptation Strategies and train staff on climate governance.	This target aims to strengthen the resilience of the water services sector to climate-related risks by ensuring that all WSAs develop and implement Climate Change Adaptation Strategies and build institutional capacity through staff training.
20	Sector reporting	DWS reports on sector development and progress annually	This target aims to strengthen national oversight, transparency, and accountability in the water and sanitation sector through the publication of an annual sector performance report by DWS.
21	Infrastructure Renewal	All WSAs to renew at least 10% of high risk systems of ageing assets annually	Renewing at least 10% of identified high-risk asset systems each year supports proactive asset management, extends infrastructure lifespan, and prevents costly emergency repairs and service disruptions.
22	Replacement of Ageing Infrastructure (Risk-Based)	By 2035, all WSAs must replace ≥30% of end-of-life network assets (pipelines, pumps, process units)	Replacing at least 30% of critical assets such as pipelines, pumps, and process units by 2035 reflects a proactive approach to asset lifecycle management, reducing the risk of failures, water losses, and service interruptions.
23	Grant Funding Alignment (WSIG & RBIG)	All WSIG and RBIG grant applications must embed Life-Cycle Costing (LCC) and allocate ≥20% on repairs and renewal of linked water and wastewater network/system assets	Embedding Life-Cycle Costing in grant applications ensures that planning and investment decisions consider the full cost of assets over their lifespan, including capital, operation, maintenance, rehabilitation, and replacement costs.
24	Technical Capacity & Competence for Renew, Repairs or Refurbishments	By 2030, each WSA meets a minimum renewal capacity standard: staffing ratio (≥1 technician/20,000 connections; ≥1 Pr.Eng/Pr.Tech renewal lead; IAM Accountable Official)	Strengthen the institutional and technical capacity of WSAs to plan, implement, and sustain infrastructure renewal programmes. Establishing minimum staffing standards ensures that WSAs have adequate operational and professional expertise to manage ageing assets, reduce failure risks, and deliver timely repairs and renewals.

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13.4.2. 2003 SFWS Targets – Evidence for scoring

Target No.	2003 SFWS Target	Deadline	Status	Evidence
1	All people have access to a functioning basic water supply facility.	2008	Partially Achieved	By 2010, Stats SA reported 92.9% of households had access to a safe water supply, meaning access expanded substantially but not 100%
2	All people have access to a functioning basic water and sanitation facility.	2010	Partially Achieved	The sanitation backlog had reduced but was not eliminated.
3	All schools have adequate water and sanitation.	2005	Partially Achieved	The creation ASIDI (explicitly aimed at eradicating school backlogs in water and sanitation) in 2011 indicates that backlogs persisted well beyond 2005.
4	All clinics have adequate water and sanitation.	2007	Partially Achieved	A Water Research Commission report (2007) highlights that potable water quality at rural health care facilities was not routinely monitored and documents challenges in rural clinics.
5	All bucket toilets are eradicated	2006	Not Achieved	Stats SA reported tens of thousands of consumer units still served by bucket toilets in 2014, showing eradication was not achieved.
6	Investment in water services infrastructure totals at least 0.75% of GDP	Ongoing	Not Achieved	A parliamentary committee briefing (2006) explicitly stated SA was investing about 0.55% of GDP in the sector at the time.
7	Hygiene education and wise water use taught in all schools	2005	Partially Achieved	WRC research on integrating hygiene education in the water/sanitation sector notes inconsistency and lack of coherence in health & hygiene education approaches, implying it was not uniformly embedded across all schools.
8	70% of households with sanitation know safe practices	2005/2010	Partially Achieved	WRC Report No. TT 414/09 points to uneven implementation and sustainability challenges,

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Target No.	2003 SFWS Target	Deadline	Status	Evidence
				supporting partial achievement rather than a clearly met 70% knowledge threshold nationwide.
9	Free Basic Sanitation policy implemented in all WSAs	2005	Partially Achieved	WRC Report No. TT 422/09 show the FBSan approach/strategy development and municipal implementation were uneven and slow, with approval and implementation processes taking time.
10	Free Basic Sanitation policy implemented in all WSAs	2010	Partially Achieved	After 2010, national reporting and reviews continued to document sanitation quality and delivery gaps and uneven municipal performance.
11	National institutional reform strategy developed	2004	Not Achieved	Sector programme documentation (2008) still lists “Institutional Reform Strategy” as an active component within sector planning and budgeting alignment.
12	Institutional reform of regional providers completed	2013	Partially Achieved	Long-standing institutional reform continued beyond 2013. A Water Research Commission working paper notes the institutional landscape has been in flux and explicitly argues there is an “urgent need” to address remaining policy gaps and implement decisions to complete the long-standing institutional reform process.
13	All DWAF assets transferred to WSAs	2008	Achieved	By 2007/08–2008, DWAF communications refer to schemes as already transferred and focus on post-transfer rehabilitation funding.
14	By-laws promulgated in every WSA	2005	Partially Achieved	National legislation provides for WSAs to regulate via by-laws, but the existence of model by-laws and continued support indicates uneven promulgation across municipalities.

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Target No.	2003 SFWS Target	Deadline	Status	Evidence
15	All WSAs report annually on WSDPs	2005	Partially Achieved	The Water Services Act requires WSAs to prepare WSDPs and report on implementation annually, but compliance is uneven. A 2024 Parliamentary Q&A shows many WSAs still failing to submit or submitting incomplete WSDPs.
16	All external providers under contract	2005	Achieved	The Water Services Act framework requires written contracts when WSAs appoint providers/intermediaries.
17	All providers operate under business plans	2005	Partially Achieved	
18	All WSAs adopt KPIs and report annually	2005	Partially Achieved	The introduction of incentive-based regulation programmes such as the Drop programmes created performance KPI frameworks and annual assessment cycles, but participation/compliance varied over time and not all authorities submitted complete evidence portfolios.
19	DWAF reports on sector progress annually	Ongoing	Partially Achieved	Complete sector-wide reporting is constrained by inconsistent institutional reporting from WSAs.

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