

## PRESS RELEASE

### WATER STEWARDSHIP EVENT HIGHLIGHTS THE JOURNEY TO ECONOMIC RECOVERY AND A GREEN ECONOMY POST COVID

**25 November 2021** - The COVID-19 pandemic has affected the lives and livelihoods of millions in South Africa and around the world. The economic effects of the pandemic cannot be overstated. While South Africa's [economic growth](#) is expected to rebound to 4% in 2021, this is on the back of a 7% contraction in 2020. This challenge presents an opportunity to build back better towards a green and sustainable future for all. The South African water sector offers huge potential for enabling economic recovery, combined with a quick turnaround, to ensure a greener economy post COVID-19.

How this recovery can be achieved was the focus of the 7th Annual Water Stewardship Conference, which took place in two morning sessions on 23 and 24 November 2021. The event brought together representatives from government, industry, civil society and development partners to explore how investments in South Africa's water sector can be leveraged to generate sustained economic growth, employment and long-term wellbeing.

Jointly hosted by the National Business Initiative (NBI), the Strategic Water Partners Network (SWPN), the Royal Danish Embassy and supported by GIZ's Natural Resources Stewardship Programme (NatuReS) and the Department of Water and Sanitation (DWS), the event builds on the momentum of last year's consultations, which focused on Good Governance for Green Recovery: Stewardship in a Post-COVID Water Sector.

This year's topic of **"Water Stewardship in Action: A Journey to Economic Recovery"**, unpacked what needs to be done to create robust governance for sustainable economic recovery and the national levers for anchoring water stewardship action to ensure initiatives and water investments support a post-COVID 19 green recovery.

The first day of the event sought to inspire further action and collaboration on the journey to economic recovery. The focus was on the economic regulation of water, ongoing structural reforms for enhanced management of the water sector and the economics of ecosystems. The second day highlighted the global discourse on stewardship and the numerous water stewardship initiatives taking place from local to national scale across the country. It also profiled the distinct work occurring at each level.

#### Why is a Green Economic Recovery Important?

The South African water sector struggles with financial challenges and capacity restrictions, constraining its ability to bridge the service delivery gap, a situation exacerbated by the impacts of the COVID-19 pandemic. These challenges are further aggravated by a lack of accountability linked to the governance, management, and oversight of the sector itself.

The [National Water and Sanitation Master Plan](#) indicates that only 65 percent of South Africans have access to safe and reliable water services, while 14.1 million people lack access to decent sanitation. Yet, the Master Plan also contains the solutions to address these issues, stating: "A turn-around towards financial sustainability is not optional." The Master Plans also calls for enhanced revenue streams combined with cost reduction and explores different funding models and innovative technologies. Importantly, it also gives the private sector an opportunity to invest in water and wastewater projects.

With water as a key enabler of economic growth, there is an opportunity to leverage green and sustainable investments in the sector to support South Africa’s efforts to build back better. Further, partnerships between government, the private sector, academia as well as national and international financing institutions and facilities provides the institutional and financial strength to get it done.

Honourable Dikeledi Magadzi, Deputy Minister of the Department of Water and Sanitation (DWS), who spoke at the virtual event says: “COVID-19 has not only deeply affected the physical health of our country. It has exposed the big challenges we as a nation are still facing. Inequality, economic vulnerability, the lack of access to services and the lack of accountability. I would like to take this opportunity to appeal to the water sector to embrace the power of partnerships between private, public and civil society to collaboratively work together to close the water gap through taking a water stewardship approach.”

### **What does A Journey to Economic Recovery look like?**

The COVID-19 pandemic has required collaborative action between Government, businesses and communities to identify critical blockages and ensure sustainable economic recovery that advances the green economy. A key aspect of the green economy is that it achieves water security. Opportunities for sustainable investing in South Africa’s infrastructure are abundant, including in the water, agriculture and energy sectors. Leveraging green finance may be the best way to tap into more resources from domestic and foreign institutional investors now that sustainable investment is a growing necessity.

Robust governance is a crucial enabler if green economic recovery is to be achieved in the South Africa’s water sector. Well governed institutions improve performance and bring about much-needed stability and recovery. In the public sector, the need for greater transparency in decision making, improved financial management and technical capacity at both national and municipal levels is needed. In the private sector, the focus on corporate accountability needs to remain high on the sustainability agenda with more stringent criteria required for corporate leadership on water security.

Through the promotion of community led good governance practice, communities can be equipped and informed on how to both engage with government and private sector stakeholders, as well as hold them to account for specific actions linked to water conservation and demand management. Examples of such action include participatory budgeting processes, greater transparency, deepening understanding of procurement systems and participation in project planning and design. This would ensure strategic links between economic development and natural resource protection and encourage greater ownership of initiatives.

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### **NOTE TO EDITORS:**

### **Key Insights from the AWS Conference 2021**

The first day of the conference highlighted how COVID-19 has negatively affected the South African and global economy, resulting in the need for innovative and cost-effective solutions across various sectors. The address by the Honourable Deputy Minister, Dikeledi Magadzi drew attention to the importance of the District Development Model and how it can be embedded and aligned to work within the water sector. A key point was the need to prioritise the Economic Regulator as well as

create secure income streams from water infrastructure, as this will increase water investments through bankable projects. Another key point was the need to ensure that water tariffs reflect the true catchment value and that ecological infrastructure and key water source areas are adequately valued, as part of ensuring that they are appropriately protected. The value of ecological services and the resultant benefits downstream need to be quantified so appropriate catchment management approaches can be applied to the whole landscape. Finally, an emphasis was placed on the water stewardship community endeavouring to help South Africa achieve its Sustainable Development Goals (SDGs) by preparing business cases for investment.

The focus of the second day was on practical examples of water management, highlighting the numerous water stewardship initiatives taking place from local to national scale across the country. Fresh water is a critical resource for economic development, requiring us to consider water as part of a larger resource issue. Recognising water within this greater context is important, including risk management related to water, food security, climate change and the economy as a whole.

Practical examples of successful catchment level approaches included the uMhlathuze Water Stewardship Partnership (UWASP), which is recognised as global best practice. A key point was that good local governance is critical for advancing the water stewardship agenda, but this needs to be combined with ambitious policy and implemented through collective action. The Department of Water and Sanitation highlighted the opportunities for collaboration inherent in the National Water and Sanitation Master Plan, stressing that constraints in implementation include the need for greater private sector participation. The Department of Trade, Industry and Competition has been engaged in a process of developing a Water Stewardship guideline for sustainable water management in industrial parks, this action reinforces the belief echoed throughout the conference, that water is everyone's concern.

Water stewardship is complex and complicated, and we need companies to commit to landscape level projects that change the quality curve of the water basin by streamlining collective action and collaboration. Three companies, Nestle, AECI and Distell, shared their water stewardship journeys and how they are applying both operational and landscape level approaches, to ensure long-term water security and quality, up and down their value chains. The importance of community level partnerships were further highlighted in the Table Mountain Water Source Area initiative, which includes faith-based groups, and the efforts of the Siyazisiza Trust, a not-for-profit organisation that works with local small-scale farmers in Kwa-Zulu Natal and Mpumalanga to improve yields.

**Social media posts:** #SA\_WaterStewardship2021

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## **About the Water Stewardship Event Partners**

### **The National Business Initiative (NBI)**

The National Business Initiative (NBI) is a voluntary coalition of companies, launched by the late President Nelson Mandela in 1995. The NBI has been working for the past 25 years towards a resilient and inclusive economy, building trust to enable implementation and enhancing the capacity of their stakeholders to participate in economic and social transformation. The NBI's membership includes a

significant proportion of the country's leading listed companies, a number of the major state-owned enterprises and a variety of medium-sized firms. Since its inception in 1995, the NBI has made a distinct impact in the spheres of climate change, water, energy efficiency, local economic development, public sector capacity building, further education and training, public private partnerships and more recently in the social transformation sphere.

### **Strategic Water Partners Network (SWPN)**

This partnership was conceptualised at the World Economic Forum (WEF) Annual Meeting 2011 in Davos, Switzerland, where the DWA-WRG (Water Resource Group) partnership was launched at the Forum's 2011 Africa Summit in Cape Town.

The National Water Resources Strategy (2012) formally identifies the SWPN as the key platform to facilitate new forms of partnerships between DWS, the private sector, civil society and other key stakeholders.

Today the SWPN, hosted by the NEPAD Business Foundation is a recognized industry leader in multi-stakeholder approaches to water resource management and provides a neutral platform for engagement on water issues. The SWPN convenes stakeholders, carries out participatory problem and opportunity analyses and develops, incubates and scales out projects to improve water security.

The underlying driver of the SWPN is the commitment of the public and private sectors together with civil society to work in partnership to find solutions for South Africa's water challenges. The SWPN works together with network partners to identify, design, and implement innovative and cost-effective solutions and programmes that address our shared water challenges.

### **The Royal Danish Embassy**

The Danish Minister of Environment and the South African Minister of Water and Sanitation signed a Memorandum of Understanding on cooperation in the field of water - water use and water resources in November 2015. The cooperation is headed jointly by the Danish and South African ministries, but further includes stakeholders from local government, water utilities, research institutions, industry organizations and private sector.

The purpose of the Water Sector Program, under this cooperation agreement, is to support the South African government agencies and other relevant stakeholders in developing and implementing strategy, management and regulatory frameworks to contribute to the National Water Resource Strategy (2013), to ensure that "water is efficiently and effectively managed for equitable and sustainable growth and development." The program is currently in its second phase and focuses on five tracks, namely, groundwater management, urban water management, water efficiency in industries, research innovation and a project support facility. The Royal Danish Embassy facilitates the program in South Africa.

### **GIZ Natural Resources Stewardship Programme**

The Natural Resources Stewardship Programme (NatuReS) is a global initiative that aims to improve environmental and climate resilience of selected cities, catchments, supply chains and industrial zones through the stewardship of life-supporting natural resources. The programme facilitates partnerships between the public and private sector and civil society stakeholders, promoting



collective action to address shared water security challenges, and to protect and manage natural resources.

NatuReS is funded by the German Federal Ministry for Economic Cooperation and Development (BMZ), the European Union, as well as the Department for International Development (DFID) and is implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH ("GIZ"). The programme is currently active in five African countries including South Africa.

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