

AMATHOLE DISTRICT MUNICIPALITY



Presentation to
Portfolio
Committee on
Water Affairs and
Forestry
PARLIAMENT

03 – 04 May 2007



Presentation to the Portfolio Committee
on Water Affairs and Forestry

OR
TAMBO DM

**CHRIS HANI
District M**



**CACADU
District M**

**East
London
IDZ**



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DEMOGRAPHICS & BACKLOG OF SERVICES IN ADM

- ADM has approx 1 million people spread over 7 Local Municipalities [excl Buffalo City];
- It covers 26 000 km²
- Approx 70% of population in rural areas
- Water backlogs are approx 32% = 283 000 people
- Sanitation backlogs are 82% [780 000 people]



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FUNDING REQUIRED TO ERADICATE BACKLOG OF SERVICES IN ADM

- Water to all by 2008 at RDP level requires R600 million
- Sanitation to all by 2010 at RDP level requires R950 million
- MTEF commitment via MIG = R450 million
- **Shortfall of funds to meet National Targets = R 1.1 billion**



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BUCKET ERADICATION IN ADM

Background

•ADM's pro-active approach

- In **2003** the ADM commissioned a **Business Plan** study into the extent of its buckets in all of its eight (8) Local Municipalities
- The Feasibility Report indicated that only six (6) Local Municipalities used the Bucket System:
 - Buffalo City LM (East London)
 - Great Kei LM (Komga)
 - Mnquma LM (Centane)
 - Nxuba LM (Adelaide)
 - Nkonkobe LM (Fort Beaufort)
 - Ngqushwa LM (Peddie)
- Due to Buffalo City LM being a Water Service Authority (WSA), their buckets do not fall within the ADM's jurisdiction.



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BEP Project Registrations

- During July 2005 it was determined that the LMs were already implementing “sewering” projects, which effectively started the process to eradicate the bucket systems
- The LMs could not secure sufficient funds, therefore the projects were implemented in phases – small scope
- In accordance with Powers & Functions, the ADM engaged these LMs
- Subsequently, the LMs agreed to cede the projects as well as the Service Providers to the ADM



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BEP Project Registrations [Cont]

- In September 2005 the ADM commenced with registering the projects with the Municipal Infrastructure Grant (MIG) – in accordance with the business plan
- All the project registrations were submitted by end September 2005.
- In January 2006 the ADM commenced with the implementation of the projects – design and construction



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BEP Project Registration (cont.)

- During February and March 2006, the LMs submitted additional project lists indicating additional households still using the bucket system
- During April 2006, the ADM embarked on a physical verification of those projects with the assistance of DWAF's consultants
- By end April 2006 the verification process was completed



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BEP Project Registration (cont.)

- Only one (1) additional project was verified as being a Bucket Eradication project, namely the Seymour Bucket Eradication Project in Nkonkobe LM
- The ADM provided funding for the project in the 2005/06 financial year in the amount of R 2 664 000-00 (excl. VAT)
- The Seymour project was officially verified by the Department of Water Affairs and Forestry (DWAF) on 11 August 2006 by physical inspection on site



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Verified No of Buckets (Households)

Local Municipality	Town	No of Buckets (households)	Approved Funding (excl. VAT)
Great Kei	Komga	1,240	R 6 567 744-00
Mnquma	Centani	450	R 3 080 531-00
Nxuba	Bedford	1,868	R 15 228 069-00
	Adelaide	1,564	
Nkonkobe	Fort Beaufort	3,814	R 15 590 400-00
	Newtown	1,285	
	Seymour	296	R 2 664 000-00
Ngqushwa	Peddie Town	27	R 2 084 000-00
	Mathambeka	28	
TOTALS 66, 642 PEOPLE		10,572	R 45 214 744-00



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Problems/Shortfall of funds

- Effective planning only commenced in January/February 2006, once the ADM had formally appointed the Service Providers
- **Cost estimates in the Business Plan did not allow for escalation of construction costs**
- Cost estimates **did not take into account the physical conditions** of each project area, i.e. **geotechnical conditions (rock)** and the erven layouts of the townships
- Effectively, actual progress only commenced in May 2006
- **Funding allocations did not address the bulk services**

Physical Progress to Date

16 April 2007



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Local Municipality	Town	No of Buckets (households)	No of Buckets Eradicated to Date	No of Buckets Remaining
Great Kei	Komga	1,240	472	768
Mnquma	Centani	450	0	450
Nxuba	Bedford	1,868	251	1,617
	Adelaide	1,564	452	1,112
Nkonkobe	Fort Beaufort	3,814	2,140	1,674
	Newtown	1,285	871	414
	Seymour	296	0	296
Ngqushwa	Peddie Town	27	27	0
	Mathambeka	28	28	0
TOTALS		10,572	4,241	6,331



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Expenditure to Date

16 April 2007 – incl. 2007/08 DHLGTA BEP allocations

Local Municipality	Town	Approved Funding to Date (excl. VAT)	Actual Expenditure to Date (excl. VAT)	Balance of Funding (excl. VAT)
Great Kei	Komga	R 13 267 744-74	R 6 363 396-96	R 6 904 347-78
Mnquma	Centani	R 4 080 531-00	R 1 610 381-30	R 2 470 149-70
Nxuba	Bedford	R 20 911 187-63	R 8 559 401.78	R 12 351 785-85
	Adelaide			
Nkonkobe	Fort Beaufort	R 29 372 381-63	R 11 832 518-93	R 17 539 862-70
	Newtown			
	Seymour	R 3 664 000-00	R 176 384.45	R 3 487 615-55
Ngqushwa	Peddie Town	R 2 084 000-00	R 1 742 287-00	R 341 713-00
	Mathambeka			
TOTALS		R 73 379 776-00	R 30 284 370-42	R 43 095 474-58



Bulk Services

- The provision and/or capacity of the bulk services was not addressed in the Bucket Eradication process
- The funding allocations never addressed the bulk services
- An **additional amount of R38 million** is urgently required for that to ensure proper operations of these systems.

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Remaining challenges to eradicate buckets

- Tenders come in extremely high
- **Shortfall of some R53 million** to award last 4 tenders – to be transferred from dplg to ADM = imminent [MIG-NPM]
- Last tender for Bhofolo/NTown split in 4 to reduce construction time to reach Dec 07 – can only go to tender once funds secured
- **additional amount of R38 million for BULK** is urgently required for that to ensure proper operations of these systems.



Thank you.....

Questions...?

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