



OUTA

Effective Civil Intervention

Preliminary Investigation into Abuse of Capital Grants used for Water and Sanitation Infrastructure Projects

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“The weaknesses in managing key projects funded by grants ... further indicate that some departments did not closely monitor and actively manage the project delivery and finances.”

Auditor General of South Africa, 16 November 2016

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Abbreviations and acronyms

AG- Auditor General of South Africa

DBSA- Development Bank of Southern Africa

DoRA- Division of Revenue Act

DoRB- Division of Revenue Bill

DCoG-Department of Cooperative Government

DWS- Department of Water and Sanitation South Africa (previously DWA and DWAF)

ECSA- Engineering Council of South Africa

LBWSRS- Large Bulk Water Supply Reconciliation Strategy

MIG- Municipal Infrastructure Grant

MIIF- Municipal Infrastructure Investment Framework

MTEF- Medium Term Expenditure Framework

NWA-National Water Act

OUTA- Organization Undoing Tax Abuse

PMU - Project Management Unit

RBIG- Regional Bulk Infrastructure Grant

RSA- Republic of South Africa

SAICE- South African Institute of Civil Engineers

SALGA- South African Local Government Association

WSIG- Water Services Infrastructure Grant

1. Executive Summary

South Africa is the envy of many other developing countries, as it does not depend on loans from international agencies or on donors to fund new water and sanitation infrastructure, mainly because substantial amounts are allocated from the national fiscus. Section 214(1) of the Constitution requires that every year a Division of Revenue Act (DoRA) determines the equitable division of nationally-raised revenue between the national government, the nine (9) provinces and 257 municipalities. The division of revenue process fosters transparency and is at the heart of constitutional cooperative governance. National government allocates funds to local government through a variety of conditional grants that fall into two main groups, namely infrastructure and capacity building.

This report focuses on two capital grants for water and sanitation infrastructure: the Regional Bulk Infrastructure Grant (RBIG) and Water Services Infrastructure Grant (WSIG). These grants are administered by the Department of Water and Sanitation (DWS) with a total allocation of R27,2 bn over the 3-year Medium Term Expenditure Framework (MTEF) period. Proper planning, project management as well as tight financial control are essential elements to ensure the effective and accountable spending of such a huge amount.

Whilst it is good news that substantial amounts are budgeted to fund the necessary water and sanitation infrastructure in South Africa, this report found serious shortcomings in the way the RBIG and WSIG monies are spent.

These areas of concern are summarised below and further explained in section 4 of this report:

- The Auditor General reported in November 2016 that DWS “*faced a number of challenges in its coordinating role in terms of infrastructure delivery*. The AG listed project delays, the poor performance of contractors, lack of internal capacity at municipalities, need of coordination and value chain-oriented planning, and “*a growing concern over the internal capacity of the DWS, water service authorities and water service providers*”. The AG recommended that DWS should “*implement a comprehensive programme to address these challenges*” (AG, 2016).
- The Auditor General (AG) also pointed out poor planning, and a lack of project management and engineering skills. The AG further highlighted fruitless and wasteful expenditure and cost overruns.
- The absence of sufficient operation and maintenance on completed projects resulted in dysfunctional assets and no long term sustainability of these capital programs.
- The RBIG is a conditional grant but some conditions are simply ignored by the DWS in their oversight role.

2. Introduction and Description of Capital Grants

2.1. Purpose and scope of this report:

The purpose of this report is to:

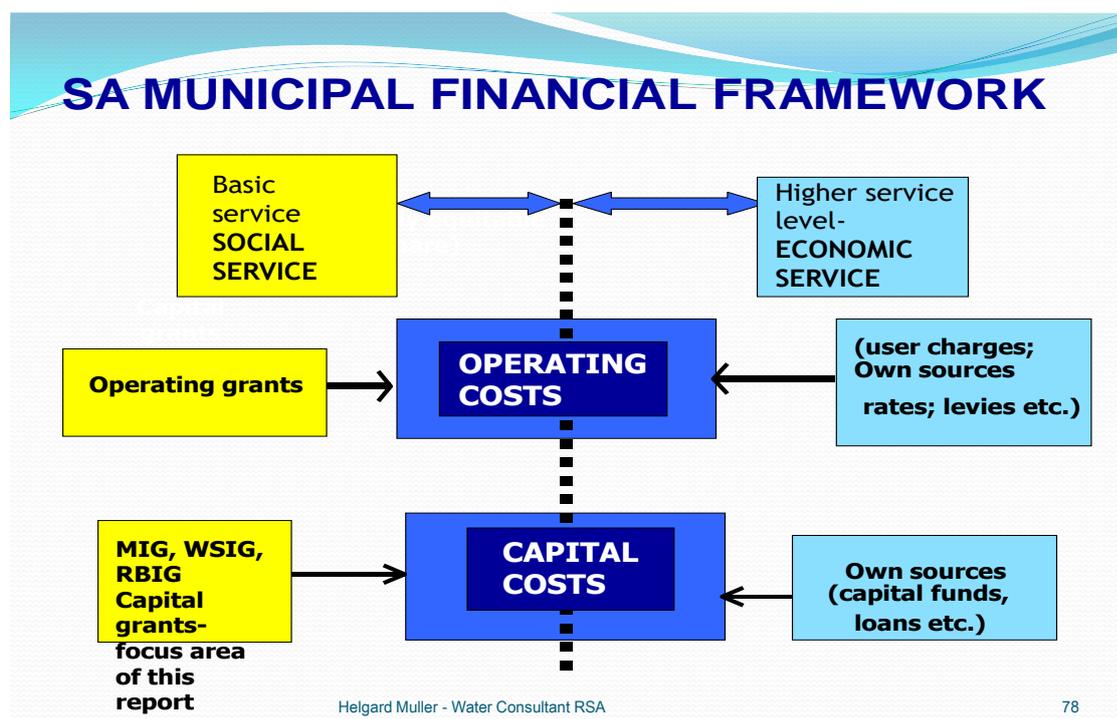
- interrogate the different capital grants available to water boards and municipalities for water and sanitation infrastructure;
- discuss budgets and spending on these grants- with focus on those administered by DWS namely RBIG and WSIG;
- discuss conditions attached to these grants;
- discuss benefits and disadvantages of these funds; and
- investigate possible abuse of grants such as wasteful expenditure, bad planning and general inefficient use of taxpayer's monies in spending these grants.

The limitations in the scope of this report meant that the focus was specifically on grants, and not an analysis or in-depth discussion of the different funding models for water infrastructure and infrastructure investment frameworks. Reports and articles by the Auditor General (AG), the Development Bank of Southern Africa (DBSA) and researchers such as Ruiters (Ruiters, 2013) provides a wealth of information for further studies in this complex field.

2.2. Infrastructure Funding and the need for Capital Grants

Funding for water and sanitation can basically be grouped into two broad categories: capital funding, and operational funding. Capital funding is used for the construction of new infrastructure or rehabilitation and refurbishment of existing infrastructure. Operational funding is needed for the ongoing operation and maintenance of existing infrastructure. Both these funding sources have an economic component where consumers pay for full services, as well as a social component where consumers are poor and the municipality can only depend on grant funding. Figure 1 below provides a schematic overview. This report, therefore, will focus on just one element of the funding models namely capital grants to fund social services.

Figure 1: The South African Municipal Funding Framework



There are still huge backlogs in access to water supply and sanitation as well as refurbishment or replacement of ageing infrastructure. Many of these projects fall outside the financial ability of local government and can be regarded as social projects. The total capital required (for new as well as maintaining and upgrading of existing infrastructure) to meet current backlogs and projected future demand was estimated in 2013 to be R970 bn over a period of 10 years, with approximately R265 bn required for water services infrastructure backlogs alone (Ruiters, 2013). Ruiters used the Municipal Infrastructure Investment Framework (MIIF) models to quantify funding requirements for the different services for municipalities (high, medium and low-capacity categories). He further found that the estimated capital requirement for 2010/2011 (Year 1 of the study) alone was some R83.424 bn, compared to the current budget of R44.6 bn and an allocated Municipal Infrastructure Grant (MIG) of R12.529 bn. Officials of the DWS also said on various public platforms that current funding levels only meet half of the estimated need.

This report will, therefore, not feature further debate over whether grants are needed (as illustrated above, they are of critical importance), but focus on the efficiencies in the application of such grants

2.3. Division of Revenue Bill and Act (DoRB and DoRA)

Section 214(1) of the Constitution requires that every year a Division of Revenue Act determine the equitable division of nationally-raised revenue between the national government, the nine (9) provinces and 257 municipalities. This process takes into account the powers and functions assigned to each sphere of government. The 'division of revenue' process fosters transparency and is at the heart of constitutional cooperative governance. The Intergovernmental Fiscal Relations Act (1997) prescribes the process for determining the equitable sharing and allocation of nationally-raised revenue.

National government allocates funds to local government through a variety of conditional grants. These grants fall into two main groups: infrastructure and capacity building. The total value of conditional grants directly transferred to local government will increase from R43.7 bn in 2017/18 to R46.3 bn in 2018/19 and R49.8 bn in 2019/20. There are four types of local government conditional grants:

- **Schedule 4B** sets out general grants that supplement various programmes partly funded by municipalities.
- **Schedule 5B** grants fund specific responsibilities and programmes implemented by municipalities. The MIG falls in this category whilst the RBIG and WSIG have allocations listed in both 5B and 6B
- **Schedule 6B** grants provide in-kind allocations through which a national department implements projects in municipalities. In practice, this means that the DWS can implement projects from such funds or assign another entity such as a water board to implement. Both the RBIG and WSIG have allocations listed in this schedule
- Schedule 7B grants provide for the swift allocation and transfer of funds to a municipality to help it deal with a disaster.

The conditions in use of these grants as well as the duties of municipalities are also set out in DoRA.

2.4. Description of Capital Grants

2.4.1. Municipal Infrastructure Grant (MIG)

The MIG is the major funding mechanism for all municipal infrastructure for basic services to the poor consumers such as roads, electricity, recreation facilities and water and sanitation. The MIG funding is provided directly to municipalities with certain conditions attached. Conditions are clearly spelt out in the Division of revenue Act (DoRA). To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprises and social institutions servicing poor communities. The MIG is a massive amount of R 15,891 bn for the 2017/18 financial year and exact figures are not available but it is estimated that half of this amount could be allocated to water and sanitation projects in municipalities. The intention of the MIG is that it is meant for basic residential infrastructure for communities who cannot afford loans but as the funds appear on the municipal budget it is the municipality in the end who decides how to apply such funds. This fund is administered by the Department of Cooperative Government and Traditional Affairs (COGTA).

2.4.2. Regional Bulk Infrastructure Grand (RBIG)

South Africa made great strides to provide access to basic water and sanitation services since 1994. Quick wins were possible because there was sufficient spare capacity in certain bulk supply systems. Most of the capacity has since been taken up whilst many rural areas never had sufficient bulk supplies. The problem was further aggravated by ageing infrastructure that needed refurbishment or expansion of capacity. Such bulk supply systems are often outside the financial and management

capacity of a single municipality and ideally, such bulk supplies should benefit more than one town or area for the full benefit of scale. For this purpose, the Regional Bulk Infrastructure Grant (RBIG) was created.

In the words used in DoRA (RSA, 2017) the RBIG has as purpose to: *“....supplement the financing of the social component of regional bulk water and sanitation infrastructure. It targets projects that cut across several municipalities or large bulk projects within one municipality. The grant funds the bulk infrastructure needed to provide reticulated water and sanitation services to individual households. It may also be used to appoint service providers to carry out feasibility studies, related planning or management studies for infrastructure projects. It has both direct and indirect components. In areas where municipalities have the capacity to implement projects themselves, funds are transferred through a direct grant. In other areas, the Department of Water and Sanitation implements projects on behalf of municipalities through an indirect grant. A parallel programme, funded by the Department of Water and Sanitation, also funds water boards for the construction of bulk infrastructure. Though not part of the division of revenue, these projects still form part of the Department of Water and Sanitation. For the 2017 MTEF period, this grant will also fund the cost of developing and implementing transfer plans for how assets built through the indirect grant will be handed over to municipalities, including skills transfer, training, and planning for tariff alignment. This grant will also be used to fund the bulk infrastructure needed for the completion of the bucket eradication programme in formal residential areas. The grant has a total allocation of R14.8 billion over the 2017 MTEF period, consisting of R6.1 billion and R8.7 billion for the direct and indirect components respectively”.* (Page 103, DoRB, 2017)

2.4.3. Conditions of RBIG

The Regional Bulk Infrastructure Grant (RBIG) is intended to fund the **social component** of regional bulk water and wastewater projects approved by the Department of Water and Sanitation (DWS) unless arguments for exemption based on affordability are recommended by DWS and approved by National Treasury. All identified projects must be referenced to and included in the municipal Integrated Development Plan (IDP) and Water Services Development Plans (WSDP), and the must demonstrate linkages to projects under the Municipal Infrastructure Grant (MIG) and/or the Water Services Infrastructure Grant (WSIG). Funds may only be used for drought relief interventions based on a business plan approved by DWS (Page 215 DoRA 2017).

Schedule 5, Part B allocations: (DoRA, 2017)

- *“The municipality must spend grant funds in line with the approved IRS*
- *The municipality must submit monthly financial and quarterly non-financial reports to DWS on stipulated dates*
- *Grant funds must be reflected in the capital budget of the municipality*
- *All source of funding for the cost of the project must be clearly outlined in the approved IRS*
- *The financing plan with associated co-funding agreements must be in place prior to implementation of the project unless exemption to co-funding requirements has been approved by National Treasury”*

Schedule 6, Part B allocations (DoRA, 2017)

- *“This grant can be used to build enabling infrastructure required to connect or protect water resources over significant distances with bulk and reticulation systems*
- *A financing plan with associated co-funding agreements must be in place prior to implementation of RBIG funded projects*
- *All sources of funding for the full cost of the project must be outlined in the IRS and the funding agreement, which must be signed by DWS and the benefiting municipality*
- *RBIG payments for Schedule 6, Part B allocations will be made to the DWS contracted implementing agent based on invoices for work done*
- *All projects must be implemented and transferred in line with the approved IRS*
- *If required, a transfer plan must be developed and agreed to prior to the commencement of any new projects or the handover of projects already under construction. “*

2.4.4. Water Services Infrastructure Grant (WSIG)

The purpose of the WSIG is clearly spelled out on page 102 of DoRA. (DoRA, 2017):

“This grant aims to accelerate the delivery of clean water and sanitation facilities to communities that do not have access to basic water services. The grant, administered by the Department of Water and Sanitation, provides funding for various projects, including the construction of new infrastructure and the refurbishment and extension of existing water schemes. It has both direct and indirect components. In areas where municipalities have the capacity to implement projects themselves, funds are transferred through a direct grant. In other areas, the Department of Water and Sanitation implements projects on behalf of municipalities through an indirect grant. As with other indirect grants, the national department is required to transfer skills to the municipalities benefiting from the indirect grant so that they will be able to implement projects themselves in future. A maximum of 3 per cent of a municipality’s allocation from this grant can be used for capacity building to ensure municipalities can operate and maintain projects in future.

This grant will also be used to support the completion of the bucket eradication programme in formal residential areas, as the bucket eradication programme grant came to an end in 2016/17. The water services infrastructure grant can also be used to fund projects responding to water supply problems caused by drought. To ensure efficiency, these projects and their plans must be shared with the National Disaster Management Centre.

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Over the 2017 MTEF period, the total allocation for the indirect portion of the grant is R1.8 billion. The direct component of this grant is reduced by R400.4 million in 2017/18, R400 million in 2018/19 and R423.4 million in 2019/20, however total allocations for the direct component still amount to R10.6 billion over the 2017 MTEF period and grow at an average annual rate of 9.7 per cent. “

3. Budgets and Spending

3.1. Budget for MTEF period

Schedule 5B of the DoRA provides detail of the amounts budgeted for the water-related infrastructure grants (MIG, RBIG, and WSIG). A summary is provided below in Table 1.

Table 1: Summary of budget amounts for grants allocated in Schedule 5B of DoRA

Name of Grant	Amounts per financial year- in R million			
	2017/18	18/19	19/20	total
MIG	15 891	16 787	17 733	50 412
Estimated W&S portion of MIG (DCoG)	7 945	8 393	8 866	25 206
RBIG (DWS)	1 865	2 060	2 175	6 100
WSIG (DWS)	3 329	3 559	3 757	10 645
Total for Water and Sanitation from 3 capital Grants	13 140	14 012	14 799	41 952
Total of the 2 capital Grants administered by DWS	5 194	5 619	5 932	16 746

Table 2: Summary of budget amounts for grants allocated in Schedule 6B of DoRA as grants in kind (projects to be implemented by DWS, a water board or another municipality as assigned by DWS)

	budget per financial year R million			
	2017/18	18/19	19/20	total
WSIG	R587	R608	R642	R1 838
RBIG	R2 774	R2 881	R3 037	R8 692
total	R3 361	R3 489	R3 680	R10 529

For an overall picture of capital grants administered by DWS both the Schedule 5B and 6B components of the RBIG and the WSIG were added up and are reflected in Table 3 below.

Table 3: Summary of budget amounts for both WSIG and RBIG grants allocated in Schedules 5B and 6B of DoRA

Name of grant	Budget per financial year R million			
	2017/18	18/19	19/20	total
WSIG	R3 917	R4 167	R4 400	R12 483
RBIG	R4 639	R4 941	R5 213	R14 792
total	R8 555	R9 108	R9 612	R27 275

3.2. Projects completed in 2015/16 with RBIG funding:

According to the Division of Revenue Bill (RSA, 2017), a total of 88 Projects were in the construction phase, 12 projects in design or tender phase and 54 projects in feasibility phase. The following 13 projects were completed in the 2015/16 financial year:

- Mount Ayliff bulk water supply scheme
- Mncwasa bulk water supply scheme
- Ibika bulk water supply scheme
- Moqhaka Kroonstad bulk sewer
- Bulwer Donnybrook emergency water scheme
- Greater Eston bulk water supply scheme
- Ermelo bulk water treatment works (Phase 2)
- Balfour wastewater treatment works
- Strydenburg groundwater project
- Ventersdorp bulk water supply scheme
- Worcester bulk water supply scheme
- Grabouw wastewater treatment works
- Swellendam wastewater treatment works

3.3. Current Projects implemented with RBIG funding

On a spreadsheet provided by DWS, there are 52 projects with committed funding that will be implemented directly by municipalities (Schedule 5B allocations) to a total allocation of R 1,865 bn for the 2017/18 financial year. In addition, the DWS, District Municipalities, and Water Boards will implement a further 141 projects (Schedule 6B allocations) budgeted at a total amount of R 4,369 bn. This is a very significant total of R 4,639 bn to be spent on a single financial year (See yellow highlights in tables 1 to 3).

A similar table or spreadsheet for the WSIG funds could not be obtained from DWS.

4. Findings

4.1. Substantial amounts budgeted for water and sanitation infrastructure

South Africa is the envy of many other developing countries as it does not borrow much from international agencies or depend on donors but allocate substantial amounts of own revenue to fund new water and sanitation infrastructure. Although substantial, these amounts are not adequate to cater for the total needs which make it even more necessary to ensure that funds are spent as effectively and efficiently as possible. This report focused on two capital grants, the RBIG and WSIG as administered by the DWS with a total allocation of R27,275 bn over the 3 year MTIF period. The effective and accountable spending of such a huge amount requires proper planning, project management as well as tight financial control. This preliminary report found serious shortcomings in the use of these grants.

4.2. Concerns about financial management in the DWS

The City Press reported on 9 April 2017 about “*Nomvula’s money woes*” (Referring to Minister Nomvula Mokonyane of DWS), quoting from a letter from the Director-General (DG) of the National Treasury directed to the DG at DWS setting out in no uncertain terms that Treasury is concerned about financial matters at the DWS, and that these matters should be rectified. This article outlined a leaked letter revealing that the Water Trading Entity, as administered by DWS, has racked up a R3,5bn overdraft, and that that the Treasury reminded the DG of DWS of the financial rules stating that trading entities are not allowed to run into deficit or bridging finances moved from funds approved by Parliament for other purposes to fund deficits at such trading entities. The City Press also mentioned another case of R654 million shortage at the TCTA that could not be explained. (City Press, 2017)

4.3. Performance Audit by Auditor General

Based on concerns raised by the National Treasury and the South African Local Government Association (SALGA) around the basic water infrastructure programme of the DWS the Auditor General (AG) conducted a performance audit. The objective of the performance audit was to evaluate the effectiveness of the water infrastructure programme implemented on behalf of the department. The performance audit focused on seven of the 27 district municipalities supported by the department with RBIG funding and the reported was completed in November 2016.

The Auditor General (AG) reported that DWS “*faced a number of challenges in its coordinating role in terms of infrastructure delivery. These challenges included project delays, the poor performance of contractors, lack of internal capacity at municipalities to operate and manage infrastructure, the lack of coordination of stakeholders on project delivery, the lack of value chain-oriented planning and a growing concern over the internal capacity of the Department of Water and Sanitation, water service authorities and water service providers. The department should implement a comprehensive programme to address these challenges*” (AG, 2016)

The AG did acknowledge that the DWS made a commitment to firstly, “*develop an integrated plan to address challenges across the value chain, specifically funding, and the management of resources, project implementation, coordination and compliance, and the management of resources*”, and

secondly, *“to establish a Programme Management Unit at the office of the director-general. This unit would address the limited institutional capacity and resources, poor planning and budgeting functions, and implement information management and performance monitoring to eliminate bottlenecks in service delivery”* (AG, 2016)

4.4. Lack of Planning

A major concern around the RBIG is that projects are selected based on political preferences with disregard of planning reports, availability of local resources and inadequate feasibility studies.

Poor planning was identified in a study on infrastructure funding as an area of concern (Ruiters, 2013) *“The results from the primary data collected indicate a concern over poor planning and adherence to a municipal financial framework model as required. Ideally, the financial planning should include high-level planning for all infrastructure, drawing from the detailed sector infrastructure plans and providing a sense of what is possible within financial and institutional constraints”*

The provision of high levels of reticulation services (such as water in houses and flush toilets across the board) without parallel implementation of tariff policies to constrain demand or the development of additional water sources led to increasingly widespread supply failures. Instead of seeking to discipline and structure the process, the DWS is using the RBIG funding for projects that expand supply to municipalities. In practice, this is leading to the development of a number of sub-optimal schemes which ignored cheaper local sources (such as boreholes) in order to justify the expenditure on large regional projects. In many cases, however, the complexities of operating large systems still left many communities with service interruptions.

4.5. Lack of project management and engineering capacity and skills

The AG found that the DWS (AG, 2016):

- had a lack of certified project managers who are critical to the execution of such a massive capital program with numerous projects spread out over all nine provinces;
- did not have a retention policy and succession plan. Due to inadequate retention and succession planning, the department at times experienced difficulty in retaining technical staff. The department did not have a workplace plan to replenish these high-level skills (lost through an aging engineering workforce);
- recruited engineers from Cuba to counter a shortage of engineers but local staff found communication with these engineers to be a challenge. The difficulty in communicating with a foreign engineer delays the transfer of knowledge to local people;and
- engineering candidates (mostly young black engineers) were struggling to register with their statutory body (Engineering Council of South Africa – ECSA) because they were unable to attain the required competencies within the department. As a result, they left and sought alternative employment to meet the requirements, which are a combination of technical and problem-solving competencies. In addition, the department did not have many registered engineering professionals to mentor, train and sign off the engineering candidates in accordance with the ECSA requirements.

4.6. Fruitless and wasteful expenditure

In her pre-Budget Vote media briefing, Minister Mokonyane said: *“We are no longer throwing money at problems and are more focused on bringing on board our full capacity and support, using our water entities and boards, to intervene and to support municipalities. In turn, they must invest in building the required capacity to operate and maintain the water and waste water infrastructure”* (Peterson, 2016).

The AG however reported in November 2016 that: *“Fruitless and wasteful expenditure in 2015-16 was 14% higher than in 2013-14 at R1, 37 billion, and was again incurred by an increasing number of auditees. Six auditees were responsible for just more than 70% of this expenditure – again the Passenger Rail Agency of South Africa and the Department of Water and Sanitation are included in this list...”* (AG, 2016).

4.7. Deviations from conditions

Conditional grants for water services infrastructure investment such as RBIG are conditional on following the policies established by DWS. However, in practice, funds are increasingly allocated for higher than basic levels of service, often at the expense of further delays in service provision to those without any basic supplies. The provision of high levels of reticulation services without parallel implementation of tariff policies to constrain demand or the development of additional water sources led to increasingly widespread supply failures.

Another condition of RBIG funding is that only the social component of projects should be funded from this grant but in practice, mega projects are funded in total from with RBIG money. One example is the bulk water supply to Polokwane whereas the thriving capital city of Limpopo Province there are sufficient financially viable water users that that should fund the economic component of the project and not depend on the national taxpayer to foot the total bill. Instead of seeking to discipline and structure the process, the DWS is abusing taxes.

4.8. Poor supervision on implementation

The AG reported: *“Conditional grants are allocated to drive specific government objectives. Although most of the funds were used, the targets identified for the programmes and projects funded by the grants were not achieved by all provincial departments. We found that the targets of 31% of the projects we audited were either not achieved or not evaluated by departments. We identified non-compliance with supply chain management legislation on 16% of the key projects managed by departments, but the level of non-compliance was significantly higher where implementing agents were used with regard to conditional grants. **The weaknesses in managing key projects funded by grants and managing implementing agents further indicate that some departments did not closely monitor and actively manage the project delivery and finances.**”*

4.9. O&M of completed projects

After a water facility or infrastructure is commissioned it is handed over for operation and maintenance (O&M). This should ensure that such infrastructure remains functional over the next 30 to 40 years and that the newly created assets remain in good order. The sustainability and successful use of the intended asset's design life are directly dependent on the O&M strategies and procedures that are in place. There is a direct correlation between O&M efficiency and the effectiveness and level of water service delivered.

The AG further remarked that *“between custodians (WSAs or DWS), users and/or the implementing agents had left the infrastructure vulnerable to deterioration and damage due to lack of effective management of the facilities”*. (AG, 2016)

4.10. Cost overruns during construction

The AG found that: *“Some contracts were terminated because the contractors were unable to deliver the technical quality of the projects. The reason for this could be that they had under-priced some key activities. Alternatively, it could be that the contractors had not understood the technical requirements of the project due to inexperience and a lack of adequate project planning”* (AG, 2016). It is common in most contracts that weather conditions can cause delays on projects but what was of concern is that the AG reported that further delays were caused by community unrest (service delivery protests) and industrial action. For example, in Gauteng there were numerous delays on the Sebokeng regional waste water scheme, most of which caused by the community unrest as a result of the community members demanding to be employed on the project. The community closed the site down and used intimidation to force the contractor to stop construction. This resulted in the contractor applying for an extension of time with costs. The AG found that the contractor submitted eight claims to the value of R24,692 million relating to delays caused by the community. The AG reported that as at September 2015, 45% of these claims had been approved by the project engineer which means a cost overrun of R 11 million just on one project.

5. Action

The findings in section 4, provides a clear indication on the specific areas where tax abuse in capital grants occur. There is merit to do further investigations in the future processes of these grants.

OUTA will initiate actions with DWS to the ultimate benefit of all the people of South Africa. It is time to ensure that finances are spent responsibly, that water is supplied to those in need, that the future of this critical resource is secured and to ensure that corruption is curbed in the process.

Some of these actions include the following:

1. OUTA will request the Minister and the DG of DWS to provide a full progress report on the commitments made by the DWS in response to the AG's report of November 2016.
2. OUTA will request a detailed report of all projects completed with RBIG and WSIG funds as well as a detail list and report of all projects currently under construction as well as planned to be funded with (a) RBIG funds as well as (b) WSIG funds.
3. OUTA will request the DWS to clearly explain the process followed to select, plan, motivation to fund, awarding of contracts, ensure compliance with conditions of the RBIG and WSIG funds as well as O&M arrangements for all these projects.
4. OUTA will continue its investigation into specific projects to expose corruption and take action to seek for the applicable relief as to ensure responsible investment of capital grants.

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