
PROJECT FUNDING SUPPORT

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Challenge Owner: Alfred Ndzo District Municipality

Business Opportunity:

Seeking a funding partner for the Alfred Nzo District Municipality's Capital Infrastructure (CAPEX) Programme including support with the operations and maintenance of existing infrastructure, water conservation and demand management plans and strategies and their implementation thereof and revenue enhancement programmes within a public-private partnership (PPP) arrangement with ANDM.

The Alfred Nzo District Municipality is a Water Services Authority and Water Services Provider for four local municipalities under its jurisdiction. The Water Services Authority's (WSA) main functions are to provide regulations and policy frameworks on how water resources and services are to be provided on an incremental basis to the communities within the geographical areas of jurisdiction. The Water Services Provider (WSP) main functions are to ensure that all the water services facilities / assets within their areas of jurisdiction are operational and are meeting the expected service delivery outcomes. The Alfred Nzo DM is responsible for the development of the necessary infrastructure and assets for the provision of water services (water and sanitation) to the areas under its geographical jurisdiction.

Solution Maturity:

Concepts, ideas currently being piloted or tested at a small scale and demonstrated solutions already available on the market i.e. In use in both commercial and non-commercial activities. Concepts and ideas under pilot must be a clear business case and motivation. In South Africa, the Department of Water and Sanitation (DWS) and the Water Research Council and other research institutions are responsible for the development of new initiatives into the water sector. Due to funding limitations for research, it is very difficult for municipalities which are either Water Service Authorities (WSAs) or Water Service Providers (WSPs) to initiate their own research options or pilots into new innovation options.

Delivery Times:

Ready to be implemented BEFORE/DURING the onset of the 2020/2021 financial year

The water services backlogs for the ANDM region were supposed to be eliminated by 2014. The ANDM as part of one of the District Municipalities prioritised by Cabinet should have 100 % water services coverage by 2030. With the current funding models, this can only be achieved by year 2045.

There is a 2030 Vision within the Alfred Nzo District Municipality of which some projects and programmes are funded while some are not funded.

Reward:

A service contract or an appropriate commercial agreement with the municipality [currently most funding is coming from central government while the local sphere (Local Municipality) is responsible for the superintendent of the asset. There is a movement towards sustainable operation and maintenance of the developed asset base and infrastructure where it is expected that an element of revenue collection is calculated into every water services infrastructure / asset that has been developed. The Alfred Nzo District Municipality should therefore developed its Water Services Provider (WSP) function into a self-sustaining Business Unit where cost apportionment is given for all services rendered and some form of revenue collection is realised for the continuance of the same delivery of services.

CHALLENGE STATEMENT

Alfred Ndzo District Municipality (ANDM), a municipal authority in the Eastern Cape and bordering the Free State province is seeking assistance / partnerships or solutions

CHALLENGE BACKGROUND

The ANDM as a Water Services Authority of its four local municipalities under it is faced with a huge challenge looking for water and sanitation infrastructure solutions for its municipality which is currently in dire straits. Access to potable reticulated water within the ANDM is still limited to about 36, 8 % with the remaining 63, 3 % of the people depended on alternative sources of untreated water supplies. Access to all forms of sanitation services is at 33 %. Although the ANDM receives funding from the fiscus for infrastructure funding, 100 % coverage for water supply services will take over fifteen years and the current annual funding allocations

The challenge is therefore to find a solution that will also find innovative ways of funding the said solution.

The said solution should accelerate the eradication of water services infrastructure backlogs within the ANDM thereby improving the livelihoods of the entire population of the ANDM while at the same time realising one objective of the Sustainable Development Goals (SDG) of access to water services. The solution with the Infrastructure funding support will greatly improve growth and development within the urban centres of the whole ANDM which can be developed into economic (EPZs) and industrial development zones (IDZs).

The ANDM receives funding for infrastructure development mainly from Municipal Infrastructure Grant (MIG), Regional Bulk Infrastructure Grant (RBIG) and Water Services Infrastructure Grant (WSIG).

This therefore indicates that although the Government is funding for water services infrastructure development, the annual allocations are not adequate. Any potential innovative ways of getting additional funding into water services infrastructure will automatically:

- 1) Reduce water services backlogs within the communities.
- 2) Improve on water services availability to the various nodal towns within the ANDM
- 3) Improve water resources adequacy within the region through the construction of dams.
- 4) Create local employment opportunities during the construction period and post-commissioning and also for downstream services.

Support with infrastructure funding to the ANDM will have the potential of improving the livelihoods of the region.

One critical challenge is to improve the Water Services function into a well – stream Business Unit to ensure that the municipality will be able to run the function along business lines in the long term. The functional Water Services Sector will unlock the full potential of other Business Units of the ANDM and the Local Municipalities under it thereby allowing full developmental growth of the Alfred Nzo region

The following other issues can also be noted as potential challenges in ANDM:

- 1) Limited funding to Operation and Maintenance of water services infrastructure.
- 2) Limited funding to develop and implement water conservation and water demand management plans and revenue enhancement strategies.
- 3) Land claims
- 4) Institutional and Political Support
- 5) Electricity power connections

The above issues are part of the SWOT analysis done and they are within the ambit of the Alfred Nzo DM to be resolved.

KEY SPECIFICATIONS

- Solutions that are innovative and possible to implement in a rural setting.
- Solutions that will be inclusive, making use of the community to create jobs.
- The solution must improve the Water Services function into a well – stream Business Unit to ensure that the municipality will be able to run the function along business lines in the long term
- The solution and its funding must be ready for implementation in year 2021
- The solution needs to come with reasonable evidence that it has been tested elsewhere.

POSSIBLE SOLUTIONS

The solution will be considered, provided it adheres to the key specifications as stipulated above.

SOLUTIONS OF NO INTERESTS

Any solution that either does not meet the key specifications as stipulated above will not be of interest, **EXCEPT** if it can be shown why such a “non-compliant” solution needs to be selected.

PHASES OF DELIVERY

The winning solution will have to be implemented once approved for funding.

Please note that specific projects might change since the Alfred Nzo District Municipality will continue to implement some of its programmes and projects with the current funding they have

EVALUATION CRITERIA

The proposed solutions will be evaluated against each of the points raised under key specifications.

INTERESTED IN RESPONDING WITH PROPOSAL

To respond to this Challenge please copy your prepared text, as entered in this template, online into the appropriate blocks on the web-based response template at: www.connectandsolve.co.za

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