



TERMS OF REFERENCE FOR A DIRECTED WRC PROJECT

KEY STRATEGIC AREA	KSA 3
THRUST	4 - SANITI
PROGRAMME	2 – Sanitation Sensitive Design
TITLE	Development of a Strategic Approach to include Re-Engineered Toilets into Institutional and Municipal Financial Planning

Objectives:

General:

As cities grow and become under increasing water, energy, climatic and energy demand pressures, novel sanitation systems and processes are required. Accelerating the development of new technologies, processes and servicing and management models is required to catalyze a paradigm change in unsustainable practices. Many of these applications have been developed, tried and tested with success but have not reached the desired critical mass.

Contracting and procurement remains a major obstacle for new sanitation technologies and services. It is widely recognized that public procurement is an important demand-side instrument that governments can use to steer the sector in a more sustainable direction. It makes up a sizeable percentage of a country's GDP and therefore has influence over the market. Because it is traditionally considered an administrative function of government, however, a lot of the potential advantages and multiplier benefits have not yet been realized.

The contracting environment around implementing innovative solutions and services is fraught with challenges. There is a lot of resistance to considering a solution or process that appears costlier than the business-as-usual alternative even it may allow more sustainable spin-offs. Much public procurement remains very compliance-driven and not inclusive of innovative solutions. Many public procurement agencies continue to buy yesterday's technologies and are, therefore, a barrier to deploying innovative solutions. There are also challenge of contracting where a new sanitation model may require different contracting and financing options across the sanitation value chain. For example, short servicing contracts may be required for the emptying of latrines or toilet servicing, but long-term financing is required for an innovative faecal sludge treatment process.

There are new sanitation technologies and services that offer more sustainability. Contracting decisions however are generally made on the price of acquisition, or the capital cost only, and do not take into consideration sustainability of the solution, including societal needs, availability of technical and natural resources, developing new revenues and / or economies, and skills development and local entrepreneurship. There is a need to bring innovative sanitation solutions to the market and make them

mainstream through public procurement. There are already examples out there of how business-as-usual has resulted in the lock-in and the failure of yesterday's solutions which do not take into account today's challenges of societal needs, servicing requirements, and water, energy and technical constraints. There is a need to look at ways of achieving the best value for money for a sanitation investment and where public procurement can become an immensely powerful tool to stimulate innovation and be a driver of more sustainable sanitation options.

Specific Aims:

The specific aims of the project are:

1. Frame the challenges that stop municipalities from being able to implement new sanitation technologies and processes
2. Unpack what is needed to make it sustainable for businesses (particularly those with new or novel sanitation solutions) to work with municipalities in a way that is financially sustainable and where risk is appropriately shared.
3. Clarify what processes, policy and or models will be needed to unlock procurement and contracting models across the sanitation value chain for new sanitation technologies and processes and their associated businesses
4. Produce a policy brief based on outputs

Deliverables:

1. Reports on key aspects researched as per specific objectives
2. Workshop(s)
3. Dissemination material (papers, briefs)
4. Final Report

Note that the selected project team will be expected to synergise its stakeholder engagement and project processes with a related, broader water sector WRC study looking supporting the enabling environment for public sector uptake of emerging water innovations.

Lighthouse:

- The Green Economy

Knowledge Tree

- Informing policy and decision-making
- Sustainable Development Solutions

Budget: R700,000.00 (VAT inclusive). Year 1: R350,000, Year 2: R350,000.

Time Frame: 2-Years