

The Water Dialogues – South Africa:

Proceedings of a Working Group Meeting

10-12 March 2009, The Cottages, Johannesburg

Meeting Register

Tuesday, 10 March

Mary Galvin (WD-SA Coordinator)
Jean-Pierre Mas (JOWAM)
Thobile Mthiyane (DWAF)
Tony Sanders (Water and Sanitation Services, SA)
Laila Smith (Mvula Trust)
Jessica Wilson (Environmental Monitoring Group [EMG])
Stephen Law (EMG)
Neil Macleod (eThekweni Municipality)
Kathy Eales (Independent Consultant)
Jeff Rudin (SAMWU) (from 1930)
+
Karen Goldberg (researcher)
Glen Robbins (researcher)
Ruby Essack (WD-SA Administrator)
Liane Greef; Roy McGregor (filmmakers)
Nomvula Dlamini (facilitator)
Warren Banks (recorder)

Apologies

Hameda Deedat (SA Water Caucus)
Jay Bhagwan (Water Research Commission)
William Moraka (SALGA)
Malcolm White (Irish Aid, WD-SA Donor)

Wednesday, 11 March

Mary Galvin (WD-SA Coordinator)
Neil Macleod (eThekweni Municipality)
Jean Pierre Mas (JOWAM)
Sandile Mbanjwa (Westonaria Municipality) ?? not at the beginning of the day
Thobile Mthiyane (DWAF) not at the beginning of the day
Laila Smith (Mvula Trust)
Kathy Eales (Independent Consultant)
Jessica Wilson (Environmental Monitoring Group)
Jeff Rudin (SAMWU)
Hameeda Deedat (South African Water Caucus)
Jay Bhagwan (Water Research Commission)
+
Carina van Rooyen (Researcher presenting on Johannesburg);
Lesley Steele (Researcher presenting on Chris Hani) Present in the morning
Glen Robbins (Researcher presenting on Maluti);
Karen Goldberg (Researcher presenting on Cape Town)
Liane Greef (filmmaker)
Nomvula Dlamini (facilitator)
Warren Banks (recorder)

Apologies

Tony Sanders (Water and Sanitation Services, SA) - for Wednesday
William Moraka (SALGA)
Malcolm White (Irish Aid, WD-SA Donor)

Thursday, 12 March

William Moraka (SALGA)
Mary Galvin (WD-SA Coordinator)
Jean Pierre Mas (JOWAM)
Thobile Mthiyane (DWAF)
Laila Smith (Mvula Trust)
Jessica Wilson (Environmental Monitoring Group)
Kathy Eales (Independent Consultant)
Jay Bhagwan (Water Research Commission)
+
Malcolm White (Irish Aid, WD-SA Donor)
Glen Robbins (Researcher)
Liane Greef (filmmaker)
Nomvula Dlamini (Facilitator)
Warren Banks (Recorder)

Apologies

Neil Macleod (eThekweni Municipality)

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- 6. Summarising the WD-SA process and linking to cross-cutting issues
- 7. Some suggestions to structure and articulate our overall advocacy message anchored within our dialogue practice

Introduction to this document

This document contains proceedings from a WD-SA Working Group (WG) meeting which took place from 10-12 March 2009 at The Cottages in Johannesburg. While it is organised in a largely chronological fashion, some thematically linked conversations have been clustered together, although they in fact took place at separate times (for example, more than one discussion of the Maluti, Cape Town and Johannesburg case studies took place during the meeting - here these are each reflected as *one* discussion; i.e. the points made in separate discussion have been brought together).

Please note that the points captured from each discussion are *not* consensus points; they belong to one or several WG members. Where largely common positions or views emerged this is specifically stated.

10 March 2009

Opening and welcome

Mary Galvin (WD-SA Co-ordinator) greeted and welcomed the group and thanked those present for coming to the evening session. She indicated that the meeting was focused on finishing up the case studies as the WD-SA project moves towards closure. Four remaining case studies were to be presented at the meeting:

- Cape Town;
- Maluti;
- Johannesburg; and
- Chris Hani.

The case studies were to be discussed at two levels:

1. getting feedback on gaps, issues and necessary additions to the research; and
2. more in-depth discussion about the meaning of each case for our Cross-Cutting Issues.

The aim was to finalise the case studies and finalise the Cross-Cutting Issues. We will also begin to explore the question of advocacy and the question of the impact of WD-SA.

Mary introduced the facilitator of the meeting: Nomvula Dlamini of the Community Development Resource Association. Nomvula co-facilitated the 2008 Forum and is stepping into the role Ann Harper previously played in relation to the WG.

Nomvula indicated that she aimed to bring a light touch to the process - offering questions where needed, holding the space and enabling conversations that need to happen. She also noted that depending on what emerged, she was willing to shift and adapt the programme.

A brief round of introductions was completed before entering the meeting programme by sharing the objectives and beginning to engage with research presentations.

Objectives of the meeting

1. To receive research reports and provide comment.
2. To finalise cross-cutting issues.
3. To agree on a process and first steps towards advocacy.

Case Study Presentation: Cape Town

(Karen Goldberg, Researcher)

For the full presentation see Appendix 1 (separate attachment).

Some explanatory notes on the presentation (incl. responses to questions of clarity)

Four community researchers and Karen conducted the research.

Four types of “bucket” toilets were looked at in the research:

- basic black buckets (20-25l capacity; serving one household)
- container toilets (approx. 100l capacity; serving multiple households)
- Chemical toilets
- Portapotties

Acronyms:

- IS - Informal Settlements
- ISS - Information Settlements Section (of the City of Cape Town)
- Hh - household

Outsourcing:

- All bucket technologies (with a few exceptions) are outsourced. Often the argument for outsourcing is that it is cheaper than internal service provision by the municipality.

Real costs:

- The cheapest contractor provides container toilets (which are unacceptable to communities and do not meet standards of basic sanitation).
- In terms of cost, the next cheapest solution would be internal service provision by the City of Cape Town.

Assumptions about informal settlements (IS):

- It appears to have been assumed that that IS would be integrated (23000 households) into the City’s service provision. This assumption proved incorrect; chemical toilets which were meant to be in place for 2 months have been left in place for years in some cases.

No. of people served by each type of technology:

- Black buckets are supposedly one per household; this assumes the household is made up of 5 people (often an incorrect assumption with backyard dwellers, etc.).
- Chemical toilets and container toilets are set up to serve 5 households each.
- Portapotties serve 1 household each.

Why does the municipal black bucket service cost half the private sector charge?

- In the private sector, buckets are an artefact in communities in which have changed over to container toilets. However, the private contractors treat the buckets the same as containers... They therefore effectively cost five times as much as containers to service.
- The municipal cost data comes from the Klipfontein depot (the only local municipality still making use of buckets).

An interjection from the WG:

Q: Did these costs calculations include capital and operational costs?

A: Only operational costs were used.

Recommendation to the researcher:

Interrogate the figures further including capital costs.

The City's vision/plan for informal settlements:

- The researcher was not aware of any strategic planning or vision for informal settlements.

An emerging Cross-Cutting Issue:

Municipalities do not see IS as permanent (although they often turn out to be more or less permanent. This means that adequate planning to address people in IS needs is often not done.

Recommendation to the researcher:

Disaggregate the staff allocation numbers further if possible.

City personnel servicing IS:

- In Cape Town, 2.6% of water services personnel are focusing in IS.
- A WG member noted that this is more than anywhere else in the country; e.g. Durban has about 30 people (an even lower percentage) to provide for IS; Durban also outsources many of these services.
- The Cape Town figures do not include outsourcing: including the personnel employed by contractors would give a more realistic picture.

The City's Sanitation budget:

- It was not clear why the sanitation dept. requested less money than is required to do their work and address basic backlogs.

The SAMWU research:

- indicated gross non-compliance with Health and Safety policies in relation to bucket workers from private companies;
- these sanitation systems also present an environmental health and safety risk.

The dependent relationship between ISS and contractors; contractor's behaviour:

- ISS depends on contractors; when contractors threaten to withdraw their services ISS treats them very delicately.
- Contractors generally complain about the low payment they receive for their work; although they themselves negotiated their contracts with the City.
- It is not clear why ISS allows itself to be 'held to ransom' by contractors.
- Contractors take little responsibility for subcontractors. They are managed by the primary contractors.
- There is no independent auditing of contractors or of the whole contracting process; line management controls it.

Feedback/discussion

WG members: The national Department of Housing has established the deadline for eradication of informal settlements as 2014. The goal in Durban is that there should be no more unserviced informal settlements in 2 years time. Does Cape Town have a similar Master Plan?

Researcher: They were talking about eradicating buckets by July 2009. There is nothing in policy, but the City wants to eradicate all backlogs within the next 5 years.

WG member: What we're seeing in this case is symptomatic of a far bigger problem. Government's promise to provide housing within 5 years is unlikely to be fully achieved. Different cities have

different approaches. For example, in Johannesburg the major problem is around finding acceptable land. The number of people far exceed the available land. We need a reality check around what is really possible.

Perhaps it would be more useful to acknowledge what is not working and consider what kind of partnerships are possible to improve the sanitation and water situation. Just planting toilets does not help; we need some different, more innovative and holistic approaches.

Exploring the issue of informal settlements

There does need to be an integrated plan in each city - for water and sanitation; housing, roads, electricity, and so on. Some settlements can never be formalised - they have to be moved. Others are extremely densely populated, so a whole lot of detailed plans need to be made and integrated. In Durban, our practice has been to extend sewage lines to the borders of the informal settlements; but in order to do this, you need a plan. The problems in Cape Town seem to be symptoms of poor planning and poor regulation.

The City's response to the SAMWU research:

The SAMWU research revealed the levels of non-compliance with policy taking place in Cape Town. At the time the research was presented, there was strong interest from the City. The findings have since been shelved - especially the more hard-hitting content; what is inconvenient has been forgotten. This is part of a pattern that is broader than just Cape Town.

What has DWAF's response to this been? How does one escalate pressure so that the City acts on the findings? Who should be stepping in when findings and realities like this are ignored?

Regulation:

The conclusion of the research seems to be that "things are not working" - there must be some regulation happening... Is this a balanced perspective?

Researcher's response: Some technicians and companies do better work than others - the full report provides balanced information about this. On the specific issue of regulation, the City is *not* doing its job; self-regulation on the part of contractors is the norm.

There is no Water Services Authority (WSA); and this the case almost everywhere. As WD-SA we need to think about what to say to DWAF about this aspect of their regulatory framework: it is not working in practice.

Self-regulation by contractors:

Self-regulation is a pipedream!

Outsourcing:

It is important to remember that outsourcing is not the same as Public Private Partnerships (PPP). PPP might be a better arrangement here. Legislation does not require a section 78 (Municipal Systems Act) in order to outsource services. Outsourcing is regulated by the Municipal Finance Act.

Although Section 78 does, in theory, require that the municipality account for why outsourcing is necessary, there is little rigour in practice.

Cost of outsourcing vs. provision by the City:

It is important that we are sure that these findings are correct in relation to capital *and* operational costs (for example, the municipality makes use of bakkies or other forms of transport which may not be taken into account in their costing). If the findings are correct, we would be able to say that the City isn't aware of the *real* costs. However, I don't think we should embark on a detailed financial analysis at this point in the process.

Direction to the researcher:

Try to get more information about real costs (operational and capital). If you can't access this information, then indicate that the City does not have the information available. But, do not spend weeks on a definitive analysis of the finances.

In-depth discussion of the Cape Town Case

[Note: This discussion took place on the day after the presentation (see above). For the sake of coherence it is captured here.]

What does the case study tell us about cross-cutting issues?

- Outsourcing is used by the municipality as a way to avoid having to regulate; this should not be allowed.
- There is a myth that outsourcing is cheaper and the bottom line is so terribly important; there is so much pressure to achieve targets and in the process quality gets lost.
- Sustainability has never been a factor: second generation backlogs have been created by shoddy, quick interventions. The mindset of many municipalities seems to be, “Why should we think about process or quality - that is not our job.” But this has major cost implications in the longer term.
- Although there are financing issues in the Cape Town case, I got a sense that the decision to outsource was made on less rational grounds. Institutional instability seemed to have a major impact on the decision. It seems that the decision was: “It’s too much of a responsibility - let’s pay someone else to take it on.” The cross-cutting issue might be: crisis, continuous institutional change and the decisions arising from these conditions (which are often poor decisions). As WD-SA we could look at where and how decisions are made. Often, when people are in a crisis and don’t know what to do, they simply call in the private sector...
- Outsourcing must be a conscious decision. It forces you to look at what is and is not your core business. In Johannesburg electronic mechanisms were outsourced and then had to be reintegrated (after Johannesburg has lost internal capacity). There are many hidden costs in making and then changing this kind of decision. If you outsource, you need to manage and regulate the contractor - which means building the capacity to regulate the outsourced work. Section 78 offers the illusion that you can avoid capacity building, but you *always* have to build capacity to manage the process.
- **Researcher:** The decision to outsource had a lot to do with the political instability at the time. We need to capture this. **I will speak to the engineer again.** The informal settlement section (ISS) provides essential services. In their minds, they are providing some services. Their mindset is “we’re going from nothing to something”. It is not necessarily in their minds that they have to provide quality in what is supposed to be a temporary situation (informal settlements). We also need to remember that things are in a constant process of flux: the ISS was making substantial changes at the time of the interviews. They were setting up an evaluation function (though I think that this is an inappropriate place for the regulation function). Still, things might have changed by the time I go back to them.
- **SAMWU WG member:** We might be talking about things that have now been addressed but I think not. Two-and-a-half years ago the same senior managers were horrified by the photos that emerged from the SAMWU MSP research. Arising out of that absolute shock, Councillors said: “We must never ever outsource again.” Commitments were made. But very little actually changed through this awareness.

On enforcement: we have fairly advanced Health and Safety (H&S) legislation, but it's not enforced. The City is responsible for ensuring that it meets H&S standards and it is not. One of the arguments for outsourcing and privatisation is to bring in capacity. But in this case there is no skills transfer. The City claims to be stuck with the private companies and that they can't be got rid of. But this is simply not true, given many of the companies' poor performance: the municipality *couldn't* provide a worse service! If they were to recognise the problem and involve the workers and unions, I can guarantee that there would be a sympathetic response from organised labour.

Decision making and section 78: One relatively junior manager made the decision to outsource and the city went with it...

I believe that a low priority is given to this issue because of its class aspect: it involves "temporary people at the bottom of the heap".

Advocacy: I've been waiting for this research and after seeing the first draft, I was stunned by how little progress had been made. We can make this public and back it up with the photos from the MSP research. SAMWU would support this approach.

- One missing aspect is the notion of co-production: yes, people at the bottom of the heap are being neglected and yes, the state should provide basic services. But at what point do communities have to do something to provide a sustainability factor? In Johannesburg, the pace of urbanisation means it is almost impossible to address backlogs. So people need to contribute something, not just receive stuff; their agency is absent, but is an essential ingredient for sustainability.
 - **Researcher's responses:** I feel uncomfortable about assuming that the status quo is the same as three years ago; I feel we should do the photo investigation again. This is a crucial piece of evidence. There have been some improvements; I have a sense it's not as bad as it was 3 years ago.
On the question of contractors "bullying" the city: one of the subcontractors withheld services because they were unhappy with their contract. And because the red tape is so heavy, you can't replace contractors quickly. Two to three weeks without services would leave citizens in a difficult situation and the municipality would get the blame. Contractors know that the threat of withdrawing their services is effective. It works, because the city's procurement procedure ensures that the turn-around time involved in bringing an alternative service provider on board will be lengthy. The City can't procure services quickly. **[A note from a Working Group member: *Please ensure that the issues raised in the paragraph above are reflected in the report.*]**
Interestingly, the contractors keep saying: "You're not paying us enough!" (although the same contractors entered into agreements with the City knowing the budgets and payments involved).
The sustainability issue related to communities' involvement and investment in water services provision is important, but enabling this would require a fundamental paradigm shift on the part of local and national government.
 - JOWAM WG member: When we began installing VIPs in Johannesburg each household had to dig their own pit. DWAF said that this was not allowed. Yes, a paradigm shift is needed; in the end, DWAF agreed to our approach, but their initial response was "no".
 - Another WG member noted that DWAF's hesitation around this kind of sweat equity arrangement may have more to do with the fact that it slows down delivery and gets in the way of meeting targets than with ethical or other issues.
- Cape Town has very high water tables, therefore VIPs are not an option and buckets were an obvious option. And because there is no technology ascribed to the level of service, people have nothing to hang on to in taking Council to task for below basic services. In JHB for example, you can say that the VIP is basic: that's something to hold onto. **This issue is not being explored.**

- Where there's political will you can usually get around technical problems. People have a lot of myths about VIPs. In Cape Town, it's a political hot potato between the DA and the ANC. Officials in the middle are trying to give a better service but the political tensions are holding them back. The technology is not the issue.
- *Kathy*: Are we doing poor people a disservice by saying, "Wait, wait, wait; we'll do it." I have seen a local sanitation system which is appropriate for dense informal settlements. Users contribute and determine who manages the service. The user pays, and the service provider and the user are accountable to each other. But it was concluded that this wouldn't work in Durban because DWAF was not comfortable with it: "Can we ask poor people to pay?" This leads me to ask how pro-poor Free Basic Water really is, if it leads us to dismiss viable solutions that could benefit poor people?
- The public sector has to do the planning and the regulating. Delivery without civil society and customers having a say does not achieve sustainability. And there is this fixation about putting toilets or taps in the ground without a process. Dialogue is necessary and communities need to influence the process. But this 'soft-skills' aspect (which engineers don't like much) is seen as delaying delivery. However, *not* doing it actually *stops* delivery in the long-term. We need to look at the whole picture. Technologies are there, but communities need to buy-in; and regulation is needed - holding civil soc, government and contractors to account. Beyond that, it doesn't matter if the service is provided by the municipality or the private sector or civil society - as long as these conditions are met.
- Does it or doesn't it matter who provides the service (private sector, municipality, etc.)? **Perhaps we could put together a matrix comparing all the case studies and look at what emerges.**
- No ideal model has emerged and the value chain in water services has been significantly outsourced for many years. But the decision-making process and regulation are the real issues. For example: Tshwane brought in a new effluent treatment technology and employed 6 people full time. R400 million of basic sanitation to the poor is being run by two people. Institutions need to transform to address their realities.
- Outsourcing can work: in Durban, it increased the efficiency of meter reading from 100 meters per day per reader to 600 meters per day per reader. We looked at using civil society, but civil society people were threatened if they didn't turn in low readings. We do what works given our context.
- Cape Town has chosen to make operational expenditures rather than capital expenditures. Change would involve a different budgetary mix. And there are Treasury imposed limits as to how budgets can be allocated. The challenge is to find a mechanism that allows for a 5-10 year solution that does not completely disrupt the operations budget.
- On tariffs: If you ask someone in Polokwane how they set tariffs they will say that they take Durban's tariffs and add 10. Municipalities are not looking at their customer base and how they need to evolve institutionally to address the local needs and realities. Customer management in a rural environment is very different from what is needed in an urban area. At the same time, while the focus has been on services for the poor, billions of Rands worth of infrastructure has been allowed to go into decline.
- This case provides us with the basis to prove that we need civil society participation and good regulation. The Cape Town situation is an example of what happens when neither is in place.
- *Researcher*: The experience from this case study is that community leaders are often greater obstacles than enablers of participation. Information isn't trickling down to facilitate true community participation on the ground. The political dynamics in each community are unique. My sense is that there is high level political will - ring-fenced funding for informal settlements was a priority, but hasn't moved down through the management chain. Somewhere between top and middle management there is a blockage.

Way forward:

- Jeff Rudin will organise an update of the photo-investigation.
- It was suggested that there should be a Local Dialogue at Cape Town, preferably involving high level political leadership. There is no allocated budget for this: ManCo will need to discuss this.
- This case study is close to being final. It was suggested that the researcher contact Mike Marsden (Head of Integrated Services); he could help with accessing the right people for final interviews. (Approach the Mvula Trust WG member for contact information if necessary.)
- The researcher/photo-investigator could contact Alvin *[surname? - Jay?]* for information about procurement. Many photographs and well-recorded processes are apparently available.
- Some of the more substantial issues in relation to the Cape Town case need more attention before making decisions about advocacy. A WG teleconference will need to be organised by the Coordinator to finalise this.

Case Study Presentation: Maluti-a-Phofung

(Researcher: Glen Robbins)

For the full presentation see Appendix 2 (separate attachment).

Some explanatory notes on the presentation (incl. responses to questions of clarity)

The researcher noted that his presentation was not complete and required input from the WG. He was not involved in the data gathering process, so some information gaps may be apparent.

Acronym:

- WSS - Water and Sanitation Services

Comparison:

- Three quite different arrangements have been in place in Maluti; this makes direct comparisons difficult.
- Previously:
 - Sedibeng Water; and
 - Amanziwethu (a business unit, though not completely distinct from the municipality).
- Now:
 - MaP Water Pty - which have been given a mandate by its shareholder (the municipality), and then contracted the Uzinzo Consortium - to build capacity and provide management support. (MaP water was only about 18 months old when the research was done.)

A comment on the numerical data:

- Most of the numbers presented refer to numbers of people (though in some cases to other units are mentioned - e.g. number of standpipes).
- Rural residents are excluded from the numbers.
- It was also noted that the numbers do not add up; they were all acquired from different sources.

Recommendation to the researcher:

Include the dates related to the figures; currently, these figures cover different periods.

Financial comparison:

- Adjusted: means “adjusted for inflation”; consolidated refers to an imagined consolidation of Sedibeng and Amanziwethu.
- Profit of almost R6mill was shown in 2007; this includes subsidies (from DWAF and equitable share); however, DWAF subsidies have been decreasing. Sedibeng accounted for subsidies as sales; this means that MaP is actually earning more money from sales than was previously the case.

Recommendation to the researcher:

It would be more useful to compare cost to Municipality to cost to company. The comparison made in the presentation is less useful because all the subsidies are built in.

An update from Tony Sanderson (WSSSA):

- MaP Water has adopted a new billing system which should address some of the problems.
- Staff turnover remains an issue: at Chief Executive level in particular, people are approached by other players in the market. There are easier cities to work in and it is challenging to hold onto good executives.

Community perspectives:

- The researcher found that many community members expressed concerns about the cost of a connection (whether legal or illegal). There is a trend in which people pay private providers to connect them to the mains or to other people’s pipes.
- The municipality is reluctant to implement too high a level of service in informal settlements; they don’t want to attract more people to these settlements.

Feedback/Discussion

Regulation:

Again, issues around regulation are present. What do you do when the municipality is not interested in fulfilling either the WSA or the WSP function. What is the lowest *appropriate* level of decentralisation? *Should* things be decentralised to the lowest possible level? This is an especially pertinent question with regard to rural areas. Further, while Maluti is not a delinquent municipality, such municipalities do exist: what can be done in these cases?

Moving from the particular to the general, one WG member asked whether perhaps the reason for the municipalities and DWAF avoiding the regulatory function is because if they did regulate and intervene they would put themselves in the position of having to find solution to the problems they uncovered. Another member argued that problem solving is *not* necessarily the job of the regulator: rather, regulation makes sure that issues and problems are exposed so that the information is in the public domain and it becomes possible for others to apply pressure and propose solutions.

In relation to Section 78, the DWAF WG member noted that some changes are necessary. DWAF is considering conducting further research and is open to making amendments to the legislation and procedures. DWAF takes its oversight role seriously and wants to increase the effectiveness of this role; it was also noted that DWAF struggles to access credible information (effective monitoring and evaluation [M&E] is a real challenge).

Another WG member noted that the more incentives and consequences are implemented, the more incentive there will be to fudge facts and put a positive spin on reality. Therefore, we need a very efficient and effective regulator. She pointed out that it is unrealistic to take the ‘rose-tinted’ view that most municipalities can deliver when this is not so. Perhaps we need to review our expectations of local level regulation; and of higher level regulation (where the capacity to make sense of and interrogate the data is critical). There are several levels of regulation: for example - holding providers to account; assessing impact; detailed scrutiny of performance indicators; and regulation of the regulator.

It was suggested that the regulator should account to parliament. But this leaves communities out of the regulation process. The public needs to be more empowered to play a monitoring role; a more democratic, grassroots approach to regulation has a place. We need to work with the skills we have, especially since it is very hard to find the skills for high level M&E.

The discussion on regulation was concluded when a WG member noted that this is not an “either/or” issue: expertise is needed to examine the financials and more technical aspects, *and* community involvement is important.

An addition from the researcher: Perhaps the political context is absent from the presentation; in particular, the 2006 protests around service delivery. National intelligence and the line departments had to report directly to Cabinet about these issues. The Maluti Municipality did make changes and improve service delivery in response to this.

Service delivery, capacity and regulation (an insider view):

Maluti is slightly more proactive than many municipalities. There have been improvements in levels of service in water and sanitation (e.g. the eradication of the bucket system). They have a problem in attracting and retaining appropriately skilled staff to fulfil the function. The Director of Engineering Services is the controlling officer; it would be more advantageous if there was a proper regulator in place. But the municipality is reasonably committed to the process of service delivery. There is supposed to be an independent auditor, but the municipality has not been able to fill this position; instead, they have been making do with internal mechanisms. [Another WG member noted that this was a risk.] There are regular meetings, reports, and so on, but it would be good to have an external regulator.

A WG member expressed the view that the city should regulate the relationship between MaP and the independent service provider (Uzinzo).

MaP Water Staffing:

MaP Water employs all the water-related staff; the municipality seconds 3 people.

Community participation in regulation and service harmonisation

The researcher indicated that some of the frustration expressed by community members arose from their the fact that they have no role in or access to the regulatory process. He also noted that, in general, people do not understand the services harmonisation process because they were not involved in it; the public element in the regulatory mix is missing.

In response, Tony Sanders noted that the harmonisation process has raised service levels and that there was consultation during the transition (an effective communication forum was in place). He noted that it may be of value to resuscitate the communication forum.

Financing extension and improvements to service delivery

There appear to be large numbers of unserved people in Maluti: what is the sustainable solution?

The former QwaQwa is very hilly and it is therefore very expensive to install sanitation infrastructure: what are appropriate levels of service in these conditions and what is affordable?

Could National Treasury provide a grant? Is cross-subsidisation possible? This situation also highlights some of the microcosm issues about poverty - people ability to pay for services in a sustained manner is severely limited. This is certainly a major issue if high levels of service are the goal. Equitable share isn't touching sides. This is a feature of several of our case studies, especially those in rural areas where extreme poverty is endemic. What is the appropriate intervention?

Tony Sanders indicated that Maluti's response to this challenge was to ring-fence the equitable share so that it is used only to address these issues.

Further discussion of the Maluti-a-Phofung Case

[Note: This discussion took place on the day after the presentation (see above). For the sake of coherence it is captured here.]

The researcher opened the discussion by revisiting the figures presented the previous evening:

April 2008:

Backlog = 2 800hh at RDP level water access. This implies approximately 12 000 people, though this is a contested number: some say 30 000 people; the municipality is working with the figure of 20 000.

In 2001:

Backlog = 65 000hh.

According to DWAF, the population of the municipality is approximately 400 000. Therefore, in 2001, almost the whole population was part of the backlog!

The backlog is made up of: informal settlements; rural QwaQwa; labour tenants on farms. Sanitation is a much higher backlog.

In general, figures seem to be contested; this is linked to issues around M&E.

What does the case study tell us about cross-cutting issues?

- This case raises issues about how you service rural areas; communities are dispersed, scattered and far from administrative centres; the terrain is hilly. Should we not be exploring other approaches: hub and spoke options? Is there not more room for partnering; holding locally based people accountable for responsiveness.
- It is important to define the finances of the provider and know what the real costs are: what options are really cheaper or more expensive. Sometimes all the costs are not put into local government accounts. It is important to have measurable and manageable (preferably ring-fenced) finances.
- Affordability is a major issue and there is also a political reluctance to bill households. As we have mentioned, this raises sustainability as a major issue. Some areas are really, really poor, but this doesn't necessarily mean that people can't pay *anything*. On the other hand, people often don't have sustained income every month to pay for a service. How does one get around this area given a 67% poverty rate; what can people really afford.
- On the other hand, a view was expressed that it is a waste of time to try to collect any revenue from poor household: the average household is consuming less water than the Free Basic allowance. It would cost more to collect revenue than could possibly be recovered! Municipalities need to choose what level of service they will provide with care; and then be clear about the consequences and where the money will come from. Equitable share will not pay for a high level of service.
- Bear in mind the institutional context: high turnover; loss of institutional memory; therefore, relatively low levels of experience and knowledge; and so on. And lots of capital grants that need to be spent (MIG, etc). So engineering firms come and offer things that might not be appropriate in the long term. And discontinuity in leadership means that learning is lost.
- We need to be looking at full lifetime costs of infrastructure. Often municipalities invest in infrastructure they can't maintain and operate. But the money has been spent, so on paper it is possible to conclude (incorrectly!) that people have been served.
- There are major issues of skills retention in both the public and private sectors. We sometimes imagine an ideal world with enough engineers and so on, but we need to work from our reality.
- That's my concern with the water sector in SA. No one talks realities; we need to know the real costs. Promising the dream and then realising that we don't have the money to realise it is not OK. Not knowing real costs also means that we're not able to make real comparisons. There is a culture of engineers not knowing about finance - they are technical people. And

municipalities are often run by engineers who end up making huge policy decisions based on little financial understanding. If we are to be serious and responsible, you need to be able to tell communities and civil society what things really cost.

- In Maluti a Section 78 was done. The section 78 showed that keeping service delivery in-house would cost less. SAMWU raised this and never received a response. The data that the municipality based the decision to privatise said they should do the opposite of what they did.
- In this situation, you have people with high assurance of water and sanitation, but no real revenue base. This is a critical point. Questions are being asked about the sustainability of the successes in the area. There has been no real growth in revenue, and the Municipality is showing a reluctance to read meters (although more have been installed) and invoice users. DWAF subsidies are declining. In about 18 months time the Municipality will reach a critical point and will have to start finding ways to gather revenue. The massive roll-out of infrastructure that has taken place will start to need maintenance in about five year's time which will cause operating costs to rise. Umzinzo says that MaP Water needs to build reserves - this is not being done and will present a crisis in time.

Glen thanked participants for their feedback and indicated that he would also be open to receiving written feedback (robbinsg@ukzn.ac.za).

11 March 2009

Welcome and Introduction

Nomvula welcomed participants and summarised the cross-cutting issues arising from the previous evening's work:

Cross-cutting issues

Regulation

- Self-regulation by contractors is not working
- DWAF's regulatory framework is not working effectively
- Capacity to regulate: insufficient at various levels
- There is also a need for different role-players (community, civil society, municipalities, national government) to play a part:
 - How could the different role players engage in the regulation process/with the regulation framework?
- DWAF is struggling with getting credible information (M&E a gap).
 - There is both an awareness of the need to amend the the Section 78 process and the willingness to do so.

Context of poverty

- Ensuring access is a human rights issue; how do you balance this in situations where people cannot pay for services?
- Equitable share is not enough to finance the funding gap... Is there an advocacy issue here?
- Sustainable solutions are needed? What are some possible interventions to improve water and sanitation.
- Unserved people (e.g. informal settlements): what are the appropriate levels of service and how to do these in a sustainable way? An opportunity for advocacy?

Nomvula then checked if anything significant was missing from this summary.

Responses:

- Some of these issues are linked to the Water Ladder - which is an illusion. People aren't actually able to progress up this ladder. Perhaps that is an advocacy point?
- It would be interesting to characterise and compare what the different cases say about the different levels of services, for example, Johannesburg is interesting in that it focuses on Level 2 service delivery.

Johannesburg Case Presentation

(Researcher: Carina van Rooyen)

For the full presentation see Appendix 3 (separate attachment).

Some explanatory notes on the presentation (incl. responses to questions of clarity)

Acronyms/definitions of term:

- Hh - households
- LoS - Level of Service
- Self-help: a reference to people connecting themselves to the mains (AKA illegal connections) - these terms have acquired political undertones

Community research:

- 1700 households were engaged with in an original household survey; we selected participants from the database made in process of doing the survey. Respondents were selected on the basis that they had been resident in the area since before 2000.
- Participants in the focus groups wanted feedback from the process; the WG needs to decide how to do this. Councillors and civic organisations expressed a similar interest.

Clean-and-lock system:

- In Alexandra people buy locks for toilets and will only give keys to others who keep them clean; thus public space becomes privately owned on the basis of whether or not one has a key.

Illegal connections and leaks:

- Illegal connections tend to lead to leaks

The researcher's contract - analysis of the data:

- The researcher noted that she had been contracted on the basis that the WG would engage in the analysis of the data gathered during the research; therefore, little in-depth analysis had been done at the time of the presentation.
- A meeting took place between the researcher and three WG members (Laila, Jean-Pierre and Kathy) during the week prior to the WG meeting; this meeting was intended to move the researcher towards the analysis phase of the work.

Feedback/Discussion:

- *Mary Galvin*: Some analysis is inevitable. But when we started out, we weren't sure how we were going to deal with Johannesburg, so we elected to just dip a toe in. But then we did more than we expected and had to continue the process and engage in community research. We didn't start out asking the researchers for analysis. That's the background. We need some guidance from the WG here.

In terms of timing, I pushed the research team to move on to integrated conclusions: this will be the only opportunity for them to get feedback from the WG.

It is also important to note that several WG members have a stake in the Johannesburg situation; please take a step back from the research and respond to it primarily as a WG member.

It is interesting to note that JOWAM did well according to its contract (as did Siza Water [concessionaire in Ilembe Municipality]); this raises questions about whether the contract was appropriate and what is actually in the contract.

Feedback to the researcher: *Communities' confusion about sanitation comes through in the community report; we need to get this clarified or remove some of this material. At present, it is confusing to read.*

A query: Was it JOWAM who pushed for pre-aid meters or did the impulse for this come from the City of Johannesburg of Johannesburg Water?

- **Response from WG members:** *The installation of pre-paid meters was a political decision; it was and is what Council wants. JOWAM opposed pre-paid meters on the basis that they would be too expensive. The City of Johannesburg wanted it because of the credit control advantages pre-paid meters offered.*
- **Feedback to the researcher:** The above fact needs to be reflected in the report.

[NOTE: It was agreed at this point to suspend the discussion until Jean-Pierre Mas had returned; Jean-Pierre has valuable experience in relation to the Johannesburg case and had to leave the meeting for an hour. On his return, the conversation continued as captured below.]

- Does having one of these management contracts result in the contracting partner raising their game? There is a need to meet procedural and contractual agreements; without them it may be easier for things to start slipping.
- In broad terms I have no doubt that the JOWAM contract added to JoW's performance. Performance management both is onerous and very necessary. It is important to report on the things that matter. This involved determining which indicators make the most difference (rather than reporting very broadly): which are your real *dashboard indicators* and what's just nice to know? Nationally, we need to look at strengthening performance management.
- Performance indicators can only be developed on the basis of an agreement (which is also the basis for regulation). The agreement gives rise to Key Performance Indicators (KPIs). Then you have to start gathering data. We took one year to build up enough data in the Johannesburg situation. This was a very important step. In many municipalities one simply doesn't have the data to know what is going on. Data collection is not a waste of time: without it, you're just talking about impressions, not facts.
- The City of Johannesburg (CoJ) is not confident in JoW's data around backlogs. This lack of data is a problem everywhere. Often data is contested or not trusted. In some cases municipalities over-report their challenges to access finance.
- One could read the Johannesburg case and assume that everything is ideal - that the corporatisation model will work. But a lot of adaptation is involved in implementing: there's always a learning process to get to some kind of efficiency (technical and socio-political) and many compromises are involved. **It is important to capture these compromises and their consequences, not just in this case study, but in all of these cases.** One can almost never say that the *model* is good or bad, because its implementation is inevitably a result of many compromises.
- **Feedback to the researcher:** *I don't think that this paper has evolved much; we expected it to be less raw. I don't know where you're going with it. I don't know what the argument framing of the paper is which makes it difficult to comment on.*

- **Researcher's response:** *I had a meeting with Jean-Pierre, Laila and Kathy to discuss the next steps six days ago. Originally, I was going to present the data and the WG was to make meaning of it. I have not yet had enough time to put together an argument.*
- One of the things that shouted out from the report is the complete lack of accountability. For example: "I leave my tap running because I will not pay for my water." Where ultimate responsibility lies is not clear. The municipality seems to be the WSA, but there are very blurred and shifting lines defining where responsibility lies. On the one hand Johannesburg is pointed to as having a very good accountability mechanism, but in fact it is fractured, and there is a profound lack of understanding amongst people on the ground about what *their* responsibilities are. I feel that there is a desperate need for a Forum to start creating space for debate, engagement and informed discussion.
- In Johannesburg, a political decision was made to install prepaid meters. Have any of the politicians given any indication that this may have been a mistake?
- Background information from Jean-Pierre Mas:
 - Water losses in metered areas were around 20%. Losses of 60-70% were experienced in unmetered areas. The City said they wanted to do something about this. Every time the Housing Dept comes they are mostly interested in the top structure and in capital expenditure, not in operational expenditure. Then the issue of service comes in and the vicious circle begins. The problem starts with leaks in people's houses, especially leaking cisterns. In level 2 service situations we tried to address this problem. This involves an in yard tap and a sewerer toilet which is not connected to the water system: a pour flush toilet. You transport water from the tap to the cistern and therefore don't have to pay anything. Consumption was projected as 6-10kl per month.
 - When communities want to move from level 2 to level 3 service, there needs to be a reality check. Level 3 means that each household is responsible for repairing their own leaks. The upgrade costs R600. In the report people have level 3 service, but are unhappy about having to pay a plumber to fix repairs. Level 3 comes with responsibilities. This needs to be made clear to people when they upgrade.
 - The need to make it clear that people have both rights and responsibilities led to the installation of metering devices in Soweto - this made it possible to see if there is a leak.
 - Prepayment raises issues because the local economy can't really support level 3 service.
- *A direct response from another WG member:* Responsibility is important, but I do not put a monetary value on responsibilities and rights. Responsibility needs to be socially engendered; people have responsibilities as citizens, not as consumers. These are two different paradigms which I do not think we shall agree on.
- We need to go slightly further back: leaks are an Apartheid legacy. Horrible infrastructure was installed and we are now saying that people who did not choose that infrastructure are responsible for it.
- The technical infrastructure does not differ: there are the same kind of pipes, etc. in Soweto and in Observatory. And 70% of water losses were in-house/on property water losses. That is what led to the intervention.
- It is true that the Infrastructure was not of the best and was not well placed when JOWAM became involved. However, we did a lot of work on both operations and infrastructure before implementing prepaid meters. There was a water crisis every weekend, so we raised the level of service and replaced all the leaking pipes. In a sense, this meant that people started from scratch, and there were still very high water losses (all of which were physical rather than commercial). So another kind of intervention was necessary (metering).
- The same situation obtained in Durban: I think it relates to the culture of entitlement. There were whole townships in Durban where 70% of the water was running out of the system. The same quality taps were installed everywhere, but they have never been maintained. So we replaced them in 1990. Now we're getting calls from the same people to come and fix their

taps. It doesn't take a million rand to change a tap washer, so pleading poverty doesn't wash. There is a view that government will do everything, politicians promise the earth and the bills keep going up.

- Awareness and education are critical. When we looked at the water leaks issue (Water Leaks Project, Cape Town) we said, we're willing to go and raise awareness to get people to fix leaks. That had more positive spin-offs than asking them to pay out money they simply don't have. There *are* households that genuinely can't afford to fix leaks and there are those who just need education. You can't take a one-size-fits-all approach or generalise about a "culture of entitlement".
- *It would be good to have some analysis in the case studies about how people's expectations of service provision are formed.*
- Somewhere there is a background thought that JoW is going to do social services... This leads to confusion. You cannot be a social worker, a plumber, and so forth. It's just not workable. I think we need to train private plumbers and find more innovative solutions. We need to look beyond JoW's role and see the whole picture and all the possible resources that could be brought to bear, not just JoW.
- The Water Research Commission has been doing some research on vandalism of water services. In one case, where 222 standpipes installed 5482 repairs were needed over a relatively short period (stolen taps, etc.). In another case, 2459 toilets installed; 4252 repairs were needed. I understand the poverty debate, but please show us how to do it better! At the end of the day, it's a pipe, a technology and it needs to be managed. Please don't shoot the prepaid technology down: it has many applications. It was designed as a bidirectional communicating device; it can both send and receive information. If we are to manage a precious resource, we *have* to meter it. You cannot manage what you do not measure. Why should a very poor person pay for someone else's neglect (and the "someone else" might well be his neighbour). The meters in Johannesburg were a way of assigning individual responsibility.
- We are not going to reach agreement on these issues because we are working from very different assumptions and paradigms. We need to recognise these differences.
- To me it seems that we're honing in on a technical issue (meters) when the cause of the problem was a decision to do something. Whether or not there was a private company in Johannesburg or not, the same things would have had to happen. The private company took Johannesburg from being a basket case to something functional. To me, *that* is the exciting story. If it worked in JHB; what can we learn from it?
 - *Recommendation to the researcher: The turn-around mentioned above needs to be reflected in the report.*
- The private sector turned the city around within the paradigm of neoliberalism. What happens if you don't accept that?
- You would be swimming in sewerage without JOWAM!
- I think that this is an example in which the private sector did make a real contribution. And I think that this discussion reflects the different positions that are alive around this issue.
- What all the case studies demonstrate to me is not that privatisation is the way forward, but that private sector participation in a municipal context makes a difference to efficiency and effectiveness.
- *We gave some direction to the researcher when we met (Jean-Pierre, Laila, Kathy) and that direction still stands. JoWAM was very successful in achieving efficiency targets, but there were obstacles in achieving equity and ways in which the CoJ undermined the equity principle. If a City does not effectively manage a management contract, then the equity principle is unlikely to be realised. The City did not see communicating with communities as a priority. Unless pushed, JOWAM would only run a customer call centre as required by its contract.*
- I understand a critical factor was effective monitoring from people on the Board of JW.

- *Recommendation to the researcher: Some unpacking of the roles of different entities seems in order.*
- There's something about the way in which political and administrative politics turn ambiguous policies into something more conservative than even national government might have envisaged. For example, look at how cities work with informal trade: some want it banned; others embrace it. National signals filter down to local level in an interesting variety of ways.
- Institutional fragmentation is a major problem. There is a lack of political alignment to housing and other departments. Central coordination of plans is critical.

Further direction to the researcher may come from ManCo if required.

Chris Hani Case Presentation

(Researcher: Lesley Steele)

For the full presentation see Appendix 4 (separate attachment).

Some explanatory notes on the presentation (incl. responses to questions of clarity)

WG members have not yet been sent the Chris Hani report. Much Interesting data is available, but the process of analysing it had not yet begun at the time of the presentation. A more final version will be circulated to WG members. This was therefore an opportunity to give feedback on the work in its current phase and provide some direction. The report should be available by end-March.

Local Municipalities and demarcation:

- There are 8 local municipalities in Chris Hani.
- The eastern municipalities were part of the Transkei homeland during apartheid.

History and institutional structures (and acronyms):

- There were over 600 independent schemes in the area
- SSA - Service Support Agent
- CSP - Community Service Provider
- H&H = health and hygiene

Tension between CBOs and DWAF staff:

- CBO staff and staff employed by DWAF receive different kinds of payment (stipends and salaries respectively). This leads to tension between the two groups.

Feedback/Discussion

- There is a wealth of information in this presentation. There is not a "pure" model - which makes it somewhat problematic. Karen Baker's publications unpacking the myth of the CBO model provides some useful insights into some of these issues.
What can be expected of CBOs? We need to carve out various functions of service provision. CBOs can be very effective at some of these. There is an Operations and Maintenance (O&M) crisis in many areas: perhaps working with CBOs is a useful way of working with and resolving this? They also provide some economic opportunities in a highly impoverished area. (It is also notable that "SMMEs" is a 'sexier' term than "co-operatives".) In Chris Hani they seem to have the political will to make use of these opportunities.

Feedback to the researchers: *It would be great if you could present your argument to show how your findings support (or disagree with) the above conception of the role of CBOs.*

- For me, the term “CBO” captures a feeling about community participation and ownership. It is important that we are clear on what is actually meant by CBO here. Is it just about CBOs playing a role in operations and maintenance. We should call it what it is and not give the impression that this is necessarily about participatory process. There is still not great communication with the community: this is not really a “CBO model” in that sense - the engagement with communities is at a technical level, not at a decision making level. Indeed, in some cases, the CBOs don’t seem to be based in the community.
- Q: Who regulates the CBOs?
Response from the researcher: The CBOs have constitutions and they report to the SSA which also pays them. Beyond this, no one really regulates them.
- If Water Boards can avoid the procurement regulations then what is their role?
- Historically, the community organisations were doing some *de facto* maintenance: taking ownership of what was problematic and doing what they could. That’s the background we’ve come from. Now we’re trying to formalise these structures into a complex system. But tender process for an NGO/CBO make no sense. The shift in terminology is about recognising these CBOs (SMMEs) as small businesses.
- Do they know about section 36 of the supply chain regulations in the Municipal Finance Act (MFA)? It allows you to dispense with the procurement process: it is perfectly legal to procure in a non-competitive manner where appropriate, provided the process is transparent.
- **Request to the researcher:** *Please provide more information about the relationship between SSAs and CBOs - how much are they paying, and in what conditions do they work? Were trade unions involved in the research/active in the area? What role are they playing?*
- I do recoil when I hear the term “SMMEs” because it seems part of the push towards privatisation. On the contrary, when things are municipalized there are proper pay and working conditions for workers. The government has said that one of its prime objectives is to create quality jobs.
- The researcher did not emphasise the special nature of this model: it’s actually a basic operations and maintenance model; it certainly doesn’t cover all aspects of service delivery. What wasn’t captured is that when they started with the SSA, the legal responsibility was with the SSA. This was partly because unregistered CBOs couldn’t account properly. This was another motivation for the SMME registration idea.
- Some of the organisations being called CBOs do fit into the frame of a more conventional CBO. Others are just a couple of people employed locally to do some ops and maintenance. In this sense, Umgeni water and others have arrangements with locals (to fish frogs out of reservoirs) - not an uncommon arrangement. This begs the question of how ambitious the national policy framework is. It points to the importance of really involving communities in decision-making and other aspects of the whole process.
- It may be difficult to transition from a CBO to a formal SMME in some of these contexts. For example, you can’t register an SMME if you have a judgement against you for non-payment of a department store account...
- Collection rates are almost zero. Equitable share is insufficient. No one seems have any idea about the real costs involved. There is very little inflow of cash and the solution offered is to ask government for more money.
This seems to be a theme - municipalities abrogating their responsibilities. In general, I am aware of several incompetent Chief Financial Officers (CFOs) working in local and district municipalities. This is a major problem; municipal government should not provide a holiday home for retirees!
- CBO staff receive stipends of about R400/month while DWAF staff earn proper salaries. This does contribute towards tension between these two groups.

- Once again, this is taking place in the context of a maintenance crisis. No LM really has the staff capacity to go to such distant regions, so CBOs were one possible response. However, the Chris Hani case does point to something different from the more pure model where CBOs ran schemes. In those cases the CBOs developed a sense of ownership of the schemes which contributed to ongoing maintenance. Free Basic Water (FBW) ended this since there seemed to be no need for communities to do anything. Is there any ownership from the communities in Chris Hani?
- *A response from a WG member:* During the 1980s (the ‘Water Decade’) there was a strong emphasis on community based schemes. This was strongly informed by the Indian experience where centralised service provision was a disaster. At the same time there was a great deal of urgency to make swift progress and a need for community ownership. So, CBOs were set up to address these needs. Where the schemes were fairly straightforward this worked fairly well. Where more complex mechanics were involved it worked less well. In the mid to late 1990s water and sanitation schemes were generally more complex and involved the local implementation of centralised decisions. Many unaffordable, supply-side measures were taken. The role of CBOs faded.
- I feel that DWAF’s choice to impose RDP levels of service for everyone (i.e. 6kl, diesel rather than solar, etc.) was a mistake. One cannot reflect in silos: there was an absence of long-term planning and a lack of understanding of long-term consequences. If (as in the Eastern Cape) you find one hut every kilometre, what does it *mean* to have a standpipe within 200 metres of each household? In reality, this means installing a private connection. We need to be a little more sophisticated in our understanding of the RDP standards than that.
- If people do not contribute to the assets they are given in some way (e.g. sweat equity) these assets will not be valued.
- Chris Hani is an interesting kind of hybrid institutional arrangement. Mvula Triust has just done a 15-year review of its work with CBOs. Sometimes CBOs have failed miserably; in other cases, especially when support has been available, they have been very successful. Unique solutions for each situation need to be found.
- Let’s remember that what we’re seeing here is a specific task related to Ops and Maintenance being performed by CBOs. But I don’t think we should dismiss it out of hand. Is community empowerment always a realistic expectation? Perhaps it is enough for the services to be delivered? An additional critical issue is the regulation of the CBOs.
- The international trend is to call these kinds of organisations “Locally Based Small Scale Providers”. This is a critical distinction. It is also important to remember that CBOs today are not the same as they were 20 years ago. I think the motivation of the District Municipality is more about job creation than community empowerment, and their primary interest is that they need people to do O&M on the ground.
- It would be useful to draw links between this Case Study and the Ugu case. CBOs were tried in Ugu but were unregulated; they decided the approach helped them reach areas they couldn’t reach before, but the CBOs were scrapped after a time.

Water Services in SA: some perspectives on where we’re at

(Presentation: Kathy Eales, WG member)

For the full presentation see Appendix 5 (separate attachment).

WG responses to the presentation

- This was a wonderful presentation, though I disagree with much of what was said:
 - You said we should take comfort from the fact that we’re not in same situation as Pakistan - this is an unfortunate comparison. It oughtn’t to give us any comfort. We’re

- immensely rich and developed which makes us very different. Enormous inequalities characterise SA.
- You were far too dismissive of workers in the treatment plants because of low levels of formal education; many of them have long experience.
 - Skills gap: SAMWU has been trying to remind people that some of the skills gap is self-created. The engineers are now in the private sector. How did they get there? Because of government policy. The whole concept of “small government is good government”. Skills from municipalities have moved into the private sector. A recent Treasury study confirms this. We need to reverse this trend. In many instances the needed skills do exist in the private sector.
 - I recently came across Geraldine Fraser Moleketi’s last speech. She critiqued neoliberalism or “new public management” (i.e. a neoliberal form of public management). Many of the things that you were talking about are part of the new public management discourse. The then minister of provincial and local government said they were too ready to learn from the foreigners.
 - Section 78: it is astonishing how transparent the whole process needs to be. The problem is that this transparency doesn’t happen in practice. I would agree with you on the problems; but scrapping Section 78 is not the answer.
 - Section 78 has become a money making business for private consultants who don’t transfer skills. Municipal recruitment and procurement is in disarray. People are hiding away from management decisions; also, it is far more comfortable to be a consultant; to give advice and leave. Accountability and commitment are missing. Municipalities should tell people what they plan and then account to their stakeholders.
 - The new government is looking at ways to improve service delivery. Some possible opportunities for advocacy:
 - We need a shift towards focus on service outcomes, rather than focus on spending as the measure.
 - The policy framework results in funds being channelled through MIG; this is one area that needs to be looked at closely.
 - Business plans come in which aren’t always technically viable; as DWAF, we respond, query them, and are accused of delaying progress. Now we give conditional approval so that MIG can begin to disburse. Then municipalities seem no longer to be interested in adapting their plans to meet changing circumstances: they feel driven to spend the money.
 - The skills gap is worsening. We have made inputs to the DPLG white paper around this. There is a need to build up personnel, including waste water treatment operators and managers in general. We want to learn from their process and ensure that the correct managers are heading departments. DPLG has welcomed this. We still need to agree on the profile: what we mean by a “competent manager” for Water Services.
 - DWAF’s regulatory framework is still at in its infancy. It is too early to conclude that it has failed. We are still debating the indicators of assessment for WSPs. But clearly, there are huge capacity constraints within the Department.
 - We have specified WSA indicators, but not WSP indicators. So there is nothing to qualify one service provider over another. This links to the issue of performance management of service providers.
 - As DWAF, we do prefer to engage with Water Boards as they are public sector institutions. And there are some areas where they are managing quite well. Where it’s working, let it work. Where they’re not, the Section 78 process needs to be implemented. WSAs have powers to take decision about this; they need to assess the most suitable option for their areas. We need to support them in their assessments and decisions. We want to get more say in the decisions on WSPs too, by engaging through DPLG.
 - The Sect 78 process is lengthy. People often get tired and simply decide on an internal option... The legislation is process-focused rather than outcome-focused.

- I agree that regulation can reveal problems but not necessarily fix them. DWAF has three intervention strategies: regulation, support and institutional reform - and all are necessary.
- Momentum is keeping us going. I think we keep providing more money to keep things moving; this will lead to a sudden crash. Slowly, the system is beginning to teeter. Money alone will not sustain it. In my academic analysis we're taking a very British approach; if everything is in place, you can regulate effectively. This is inappropriate; it doesn't work - things just become more complex. More emphasis on self-monitoring and performance management is needed. We need more clarity on the overall game plan. Change is an incremental process; and we need to get the game plan right before we can regulate effectively.
I like Kathy's idea that one size does *not* fit all. We do have good practice in some municipalities, but there is no standard good practice across Metropolitan areas. We're going through a whole alignment process in the water sector and we're not in the position to say which is the best model or the best institutional framework. There are many lessons from these case studies that need to inform this process. Different areas need to find the appropriate institutional match for their specific circumstances.
- We need to remember that equitable share and MIG are like the Trojan Horse. Local government is using that money without planning how to maintain the services they install. On Water Boards: when they had to Tender, they were by far the most expensive option. We need a rigorous assessment here: sometimes the realities get pushed under the carpet.
- I agree. The Water Boards mostly behave like the private sector but expect the protection of the public sector.

Kathy responds:

- I don't want workers fired - I'm suggesting that operator's skills align with their job requirements. For example, some jobs require a fairly high level of maths proficiency.
- Nor am I suggesting that we scrap Section 78 - need to assess it, involve citizens and strengthen this process.
- It may be premature to judge the regulatory framework as a failure. However, if there is no WSA, then a WSA cannot be the starting point for regulation!

12 March 2009

Summarising the WD-SA Process and Linking to Cross-Cutting Issues

(Presenter: Mary Galvin, WD-SA Coordinator)

For the full presentation see Appendix 6 (separate attachment). In addition, Mary handed out:

- the Cross-Cutting Issues summaries used at the October 2008 Forum;
- the reframing questions document ("Priority questions for South Africa's review of public and private sector provision of water supply and sanitation").

Mary framed the presentation in the light of a key question:

We need to choose what issues have promise - what do we want to announce as our key findings and take forward into advocacy?

She went on to suggest that discussions the following morning should focus on the first level of findings (see Appendix 6).

Some brief comments from participants during the presentation:

- There are costs that have to be recovered; we need to do this somehow. But it doesn't have to be from poor households.

- The issue is the quantity: how much finance will come from grants, from equitable share, etc. Clearly, service to the poor needs to be subsidised. This is called sustainable cost recovery.
- We need to enable universal delivery outside of cost recovery from the immediate user. Does that help... Taking that position would bring SAMWU on board.
- But we can't exempt users from all responsibility!
- It is find aim for a high level of universal service, but we might need to consider what appropriate levels of service are at this point.

Responses to the presentation

From Mary's presentation:

Findings 1:

Irrespective of institutional approach

Service levels, payment, and affordability:

1. Access to services provided are not maintained – O & M not functioning (eventually a capital problem)
2. Municipalities find it difficult to move past basic service standards (no incentive to provide above RDP and difficult to implement RDP levels in some areas)
3. Enable delivery to the poor outside cost recovery paradigm
 - Revisit RDP/ FBW standards (“new deal” with civil society)
 - Revisit funding model for universal free basic water and affordable first tariff step (political will)

Need new thinking about short term fix v. long term provision

- All have rights... but people are desperate for sustainable delivery. How move up the ladder?
- Consider setting standards per profile area– with long term shared standards/ rights?
- Short term fix usually results in higher costs, never ends up proceeding fully, other unexpected problems

“New Deal” with Civil Society

- Frank about what can and cannot do in terms of promises and RDP etc
- Open involvement in deliberations about priorities and trade-offs
- Need to add sanitation

- I love the idea of a new deal - a new social compact. Strategically, it gives us the opportunity to take forward the notion of dialogue. We need to renegotiate roles and responsibilities: a national conversation about where we're at.
- What you present is very diplomatic and subtle. Maybe we need to capitalise on this crisis situation and emphasise the key findings a bit more strongly. We need to say clearly: “This is not working!” and then provide commentary that gives a more balanced perspective. We can also draw out the key themes that point to the crisis situation. We need people to take notice of the findings. It's necessary to stick your neck out at some point. We need to support the researchers' findings. As researchers, you also have some leverage. It's not right for the WG only to decide.
- Cost recovery is phrased in a very ambiguous way. What we have to say is that cost recovery cannot be *full* cost recovery - it doesn't work. That is the consensus in relation to poor people;

subsidy is necessary. Beyond that, we have to stop all black/white oversimplifications; the debate needs to be more sophisticated. That should be one of the points we make. After all, what do you do after 6kl or 12kl? A lot of municipalities are not recovering costs from those who *can* pay! We need to say that. There must be cost recovery if people are using resource above a certain threshold.

- *Mary responds*: A lot of the areas where we worked had communal standpipes and no billing systems. Or else, in the other half of the cases, people didn't understand the way the tariffs worked and didn't know if they were getting free basic water. I'm not sure our *findings* bear out what you are saying.
- It's fine for us to come up with statements that are informed by the research *and* our own experiences and views; provided we make the links.
- The issue of cost-recovery is where we always get stuck.
- We never did a very detailed financial assessment in any of the case studies.
- *Mary responds*: I think that's indicative of something else. People just don't have the financial information! We hired financial experts to look at the cases and still could not get complete clarity.
- We need to distinguish between findings, discussions, and what we want to do. The evidence shows that things remain very murky. We have had three-and-a-half years of discussion emerging from the group process and the research. This needs to be developed further: further research; more engagement; consultation. We have to engage around the issue of cost-recovery. We have come so far in terms of understanding the nature of the problems and the direction in which we need to move. We owe this to the sector.
- I concur. Finance is a critical element. Some things do come out of the research. And there is some wisdom from the municipalities. For example, engineers often fail to see the importance of bringing in the right competencies to do proper costing. That's one of the main reasons we have the problems we have now. Engineers don't sit with finance people. In Cape Town, they lacked the financial expertise to figure out their basic costs, so they were constantly asset-stripping and had low tariffs.

Some core issues:

- The lack of ability to make sound decisions; if the CFO is not competent, how do they do their costing?
- Finance links to this country's inability to climb the ladder. Johannesburg is the only Metro that has tried to make Level 2 service provision the basic level of service. Johannesburg set its tariffs appropriately and the top 10 000 customers were used to cross-subsidise others. That made it possible to start moving up to another level of service. This is a lesson to other municipalities. Communities need to understand that if they want municipalities to deliver, they need to apply pressure on them to sort out their finances.
- Who bears the cost for the fact that O&M hasn't been happening? Some people have been paying; and the money is going into new schemes. The old social compact had a redistributive intent, but this hasn't worked. There is a funding gap in many municipalities and in many it is not possible to charge tariffs at the full cost recovery rate. We need a new social compact.
- On the issue of being in "crisis": some places are in crisis; others aren't.

An exchange between two WG members:

- I disagree with much of what's being said. Finance *is* a problem. But I think we can be much bolder. We're not even catching up with current government thinking. And we're being ahistorical. Ring-fencing is a new idea; "the user pays" is a new idea. Yet, we want to hang on to them, even though they're manifestly past their sell-by date. Most municipalities are poor; so what in heaven's name are we talking about? What do we want them to do? We are not achieving our bill of rights because of a lack of political will. We are an immensely rich country. Mary's third point on Finding 1 about enabling delivery of services to the poor outside of the cost recovery paradigm does not work for me. We took a decision early on not to

focus on the poor, but on universal delivery. I suggest that finding talk about “enabling universal delivery”.

I also don’t know what’s meant by ‘social compact’ in this context. I am dubious about that concept. Water ought to be universally provided. The individualistic, ‘user-pays’ approach is part of a new idea - the neo-liberal paradigm.

- But let’s take an example: in Sekhukhune District Municipality, there are many poor people and three towns where there are wealthy people. Why not let the wealthy cross-subsidise the poor so that they don’t have to pay?
 - The money could come out of municipal rates.
 - If you say that, then you are saying install a flat rate; one delinked from consumption. This is the same as saying, “Waste all the water you want! We don’t care.”
 - It’s extraordinary to suggest that just because there’s no money involved, there will be no responsibility. Education is needed.
 - There needs to be enforcement as well as education. As water practitioners, we have the responsibility to enforce.
 - That’s like saying that because I have no children I shouldn’t pay taxes for education. I am arguing from another place.
 - In SA water is increasingly scarce; we can’t keep building dams. We’re going to need to recycle and desalinate in time. This compels us to link consumption with payment. How can we make economic rationing more affordable? I believe more in demand-side subsidies than in supply-side subsidies. Policy decisions taken now are going to inform the sector for the next 10 years. Climate change is not a joke; we have to face the reality of it. Right now, we’re rewarding poor performance and negligence: give them more money when it’s not working. If we’re considering further grants we have to differentiate between a core allocation; beyond that we need to incentivise *good* performance (not poor performance).
 - **At this point another WG member intervened with the following comment: “We have to register the different positions here. They are ideologically based. Let’s note them and move on.”**
- It’s necessary to include the climate change issue. It is getting drier. Just making rich people pay more won’t solve that problem. Also, the point of the Dialogues is to hear and capture all the different positions. We are still looking for points of consensus.

It was agreed to record the minority and majority views and move on. The majority view was that cost recovery from users is necessary; although member’s preferred strategies differ, most members favoured cross-subsidisation where practicable. The minority view embraced universally free water for all (i.e. no consumer cross-subsidisation) with costs being borne by the local state.

- SAMWU has a problem with the material under the second heading (see box on page 26): it implies different standards for different kind of areas. We are in the middle-term of the new SA. We are not going to differentiate between different areas of the country. Everyone has the right to same level of service.
- There are incredibly different capacities and situations in different areas. I agree that the same level of service should be the longer term objective. But I think we’ve done a huge disservice to people to create the expectation of high level universal service in the short term. Differentiated capacities shape what is possible in the short-term.
- We need to be able to hold open and honest conversations in local areas about anything - about what needs to be engaged around. And some common agreement on what is possible and by when need to emerge in local areas. I don’t think standards are the main issue: *approach* is.
- I position myself somewhere in between the previous positions. It might not be worthwhile to install a whole reticulated system in a specific area, but I would want us to find innovative ways of finding alternatives that are as good. People’s right to dignity should come first. *How* you make that happen has to depend on the context.

- Some findings has policy implications and some have operational implications. A lot of these are planning/operational issues. Perhaps some legislation is driving this. For Treasury legislation about municipalities not holding reserves (which has very important implications for O&M).
Good planning is very important. We should show poor planning vs. good planning in the findings. There are a lot of operational insights that we can share, and operational planning issues need to inform policy.
- We need to identify about three key policy issues and then work to influence policy and practice.
- Surely all that we could and should do is acknowledge the unevenness between Municipalities. I don't know whether it's incumbent upon us to start developing policies or just to leave it at that.
- Policy signals translate differently in different areas. Is reducing backlogs the most important thing? Or is it level of service? DWAF would say, "Both." The MEC would be likely to focus on backlogs. If MIG is at issue, the focus would be on new projects and on getting as much funding as possible. Political signals cause some of these trade-offs. The policy is supposed to benefit users, but the way it is implemented is sometimes quite confused.
- What's not coming out very strongly for me is the responsibility aspect of these findings. I'd like to see that word next to each mention of rights. For example, at Bushbuckridge, communities have standpipes. After years of democracy, they don't want standpipes anymore. People started making their own connections. SAMWU was actually supporting this: saying that the term "illegal connections" should be scrapped.

From Mary's presentation:

Public participation and politics

- A type of finding expected from WD
- Space is needed to ensure rights and responsibilities get attention (citizen voice, other initiatives, protest)
- Local dialogues demonstrated how to leverage participation for change: what we did was comprehensively different than day to day practice
- Reinforces that approach cannot be top down
- It is in our interest to keep up momentum: how?

- I don't think we have the political weight here to restructure the relationships between the sectors. I think the focus should be on building trust at the local level; supporting participation beyond a once-off dialogue set up by WD-SA. Participation could focus on financing, service delivery, tariff setting, quantities, etc.
- I agree. But one of the key findings of the case studies is about the degree to which users/citizens don't understand how service provision happens. I would hope that we could talk about what we would need to do strategically to involve citizens in participation.
- Some of the people in municipalities also don't understand the processes and don't have enough technical knowledge. For example, in one area of Bushbuckridge they have 10 boreholes, and they are still repairing the pumps and putting in yet *more* boreholes. The technical expertise to deliver the services is lacking.
- The Ilembe local dialogue provided a unique space. In theory, there's supposed to be consultation, but this sort of thing had never happened before: politicians, officials, and community people having a good, solid discussion. One could think about the possibility of using that as the basis for the creation of a forum which begins to serve the purpose of supporting public participation. Maybe these are potential pilots to try to create a new form -

mechanisms for accountability at the local level. There are even emerging notion at Ilembe that the concessionaire and the municipality could learn from each other - potential for real progress!

- However, where municipal officials are out of their depth, having that exposed in a public forum could be political suicide. They won't want that. We need to be quite sensitive to the realities and be realistic about what's possible.
- There are the formal legal requirements, and then there are the informal processes that happen. We need to gauge from a public participation point of view which entry point we use. If one wants to make input into existing municipal processes one needs to engage through the formal channels. If you just want to come together for a debate, you can do that. I think we might need a multi-pronged approach.
- Accountability is the issue here. There are many misunderstandings about rights and responsibilities, universal services, etc. We can capture all the facts down, show the implications and relate these to the particular institutional model. I didn't hear the Chris Hani model as a bad option and it is very decentralised. Perhaps that would help with participation?
- We also need to draw out some of the positive elements - not just focus on what is not working. Showcasing what *is* working that could influence and create space for effective participation.
- In the Johannesburg case where citizens have refused to take responsibility, more education is clearly needed.
- We shouldn't be shy about what we mean by public participation. This is a new style of managing water: you recognise that getting a lot of brains around the table works better. We are trying to get universal coverage *through sustainable solutions*. Not *just* universal coverage. So we need to take all the issues into account: rights, geography, economics, and so on. Put all that on the table and engage with it in a participatory way. That is the praxis we have experienced in this WG - and it is the way we should practice in future.
- The findings don't explore the role of the Health Department. There is clearly a gap: Environmental Health is very much in touch with communities. Perhaps we should try to find their role in the process.
- I don't think this came out explicitly in the research, but there is a common problem around public expectations for the state to deliver *everything*. It is a real problem if the citizen is completely passive. It's not just about getting the municipality to be willing to engage; it's also about getting citizen's to see their own agency in the process of ensuring sustainability. We need to find ways to harness frustration into something more positive than vandalism.
- What we're talking about is asking municipalities give up some of their power. We will need to stimulate debate around the trade-offs and the benefits.
- Of course we must encourage people to struggle for agency. And this needs to be put into a broader context. When they have agency in their lives as a whole, then it will be meaningful. People whose experience in life is of being passive - for a whole variety of reasons (poverty, unemployment, etc.) - are unlikely to discover their agency in relation to water.
- I think there is a lot of agency; it's just not expressing what we want it to express! We need to listen to what communities are actually saying.
- There are two main approaches to public participation: the formal customer management approach and a more activist approach (which tends to be protest-oriented). What are we recommending?
- *Response from Warren Banks (Local Dialogues facilitator)*: Neither. As in the local dialogues, we are trying to create a new space for dialogue where real meeting is possible.

From Mary's presentation:

Regulation and WSA-WSP relationships

1. Many institutions not functioning at the local level or weak
Failures of section 78 process: not rigorous since can make it say what you want. Premature decentralisation?
2. Institutions formed on top of failed institutions – solution becomes the problem
3. “The Emperor has No Clothes”: WSA-WSP doesn't work (some exceptions with contracts?) – dangerous because basis for other policies
4. Crisis bells: “when will we open our eyes?”
From electricity to water – raise social awareness

- Point 1 implies that things were OK before, and that DWAF can manage. This is not so.
- The push towards further decentralisation of water and sanitation services results in further fragmentation in relationships.
- People tend to confuse centralised/decentralised governance with centralised/decentralised technical management. We need to be clear about which we are referring to.
- Point 3: We need to bring in the performance management issue; incompetent CFOs; etc. The accountability question comes in here.
- There are different views about the Section 78 process. It is meant to be a vehicle for municipalities to decide if they need assistance and what kind of assistance they need. Because of the kind of monopoly voice that labour has had in this process, it has undermined the options to address problems quickly and effectively. Often, patronage is a consequence of failed Section 78 processes. This needs to be resolved; different contexts need different things.
- Section 78 is not to do with the power of unions; rather, it has to do with the ethos of the age - outsource, outsource, outsource! If you must, outsource in an organised way. Section 78 is a structured way to do outsourcing. However, SAMWU would agree that there are problems in how it is being implemented.
- Maybe we need to say that labour should not be the only constituency consulted. The Board or the panel to review Section 78 decisions should be more broadly constituted. A better governance arrangement would include people from civil society and Treasury.
- If a Section 78 is done, it automatically goes to Treasury for approval. The problem is that they often aren't done. Perhaps we're beginning to distil where we can agree.
The community should be involved from the very beginning, as should the unions. To facilitate this, documentation needs to be written in such a way that *anyone* can read it and facilities need to be made available to involve community members. We can make the legislation more detailed. **I volunteer to work on that. (Jeff Rudin)**
- We shouldn't say that the WSA/WSP should fall away - we just need clear agreements on the basis of which they can do their work.
- At a political level, we are regulating the wrong stuff - focusing on backlogs, not on quality.
- An external auditor (financial skills) and local monitoring at a more grassroots level are both important and necessary.
- We always say there is not enough capacity and so defeat ourselves before we even begin. Skills transfer has to start to work; this requires that a sufficient time-frame is allowed in which to build capacity (especially when using consultants).

- Handing out disposable cameras is one important way to collect information and monitor. We need to introduce more varied ways of inviting participation in monitoring and so, in regulation.
- Please explain Point 2.
- *Mary Galvin*: At Bushbuckridge and Maluti there was a response that went something like: “Things are not working; let’s do another S78 and move on.” So another institution is built and the capacity that was built in the previous institution is lost. There is a lot of energy wasted because people imagine that a new form will solve the problem; this is seldom the case.
- In all the case studies there was another thread - the issue of capacity and the skills gap. We can’t discount this. All of these problems are a manifestation of those gaps. The matter of the crisis is also important: we need to present the crisis with some of the key findings, such as dams failing. The cases also provide evidence of the build-up to crisis: poor decision making, incorrect technology choices, etc.
- This capacity issue has become such a cliché that it’s almost become meaningless. Let’s use our findings as an educative opportunity to show how things might be different. Let’s unpack what we mean by capacity: it’s about applied problem solving and competency - the ability to act in a way that is *constructive*.

Some suggestions to structure and articulate our overall advocacy message anchored within our dialogue practice

(Presentation: Jean Pierre Mas)

For the full presentation see Appendix 7 (separate attachment).

In addition, Jean-Pierre presented the following table which he linked to the slide headed, “How do we articulate the message”:

	PROPOSED PROCESS →		
1. Overarching Value	2. Common emerging governance values (out of the dialogue process)	3. Relevant institutional arrangements (IA) - which should reflect the values...	4. Relevant environment (where do the IAs produce best results)
Shared value: universal coverage	e.g. citizen voice	e.g. • PPP • Public-Public But <i>how</i> you work in this...	

He then posed the following question to participants and asked them to respond to the question by working in pairs:

What are the emerging governance values (minimum prerequisites) that made this dialogue and this WG work? Think beyond mechanisms and forms and try to identify principles, values or prerequisites.

Responses:

Jay and William:

- Transparency
- Accountability
- Willingness
- Good pre-feasibility planning - viability
- M&E
- Community awareness

Laila and Hamed:

- Efficiency and equity must go hand in hand to produce sustainable, affordable and effective services.
- Governance arrangement must encompass a developmental agenda that begins with public education on water services and resources in the strategic planning of any delivery of service.
- Any external institutional arrangement for wholesale provision has to go through a fair, transparent and competitive tendering process.
- CBO involvement in as aspect of delivery is to be valued and encouraged.

Jeff, Mary and Jessica:

- Plurality of perspectives (inclusive of as many views as possible)
- Space to be equal (in recognition of power differences)
- Respect - active listening to really understand what another person or sector thinks and experiences
- Personal contact creates opening to understand different perspectives

Thobile and Kathy:

- Commitment to problem solving
- Sustainable outcomes
- Mutual accountability
- Equity
- Redress
- Transparency
- Inclusivity
- Mutual respect

With facilitation to hold a space for dialogue.

Glen and Jean-Pierre:

- Shared understanding of the purpose of the service
- Transparency
- Accountability
- Meaningful participation and engagement
- Agendas being open - many different possible solutions
- Respect for diversity
- Transfer and sharing of knowledge needs to be an integral element of the process
- A review mechanism is important - to work with and manage conflict/dispute
- Intergenerational sustainability

Moving on from here...

- An immediate next step would be to work on the wording of this material: a lot of what emerged is common/connected.

- How do we turn this into a methodology or refine this into a process so that it can be considered at a municipal level? How can we pilot this? Perhaps by using this in a process where a municipality is reviewing its institutional arrangements?
- Some of the initial baby steps that began the WD-SA process were very important. I don't think it is as simple as defining a methodology or a standard set of steps; it's about an approach and some skills.
- We can write all of this up. But this is also the time for individual organisations to start talking about how to take things forward.
- How best can we structure WSPs to serve the interests of WSAs? Another model could be that the arrangement is contracted between the WSP and the municipality. But then, who decides who the WSP is and on the nature of the contract? A municipality is *not* the same as local government. Actually, the relationship is between local government and the agency given responsibility for executing the strategy. The municipality is *one* component of local government. There are councillors and officials. There are CSOs, FBOs, citizen's voices, specific interest groups, constituencies like labour, SMMEs, business. Section 78 processes need to make sure that all of these voices are heard. It needs a complete rethinking, updating and reframing. This is a dynamic process. This approach explodes and expands the range of people who need to be involved.
- The Water Dialogues was a research project; these points are the guiding principles for a new process. Mary needs to take these principles and present them as recommendations; and link them back to our process (for example, where weren't they implemented, what happened and what we would recommend in future). This would add value to the policy process, etc. Perhaps we could turn them into minimum requirements which guide Section 78s in the future.
- It's not a "how to" guide - these are the broad brushstrokes. I don't think this is just about the Section 78 process either. It is about governance.

Concluding comment from Jean-Pierre: This is not just about decision-making processes; it is about how you decide on and implement institutional arrangements. I am suggesting that it should become natural. At the same time, let's not be too idealistic... This is a practice, not a law or a regulation... It is about internalising this practice.

Advocacy

Mary Galvin opened the session by indicating that for planning and budgeting purposes some direction on advocacy priorities was needed. A record of the ensuing discussion follows:

Discussion

- Sometimes you achieve more by getting someone to take custodianship. It might be a route to get certain key organisations to become custodians. If that doesn't work, then you have to go the more activist, agitation route - start mobilising greater awareness at a local level. We can do both.
- Some of the cross cutting issues are not necessarily anything new, but there's a lot of empirical evidence. I hope we can present and apply pressure beyond DWAF. For example on the Presidency and Treasury. We should at least attempt that.
- Get an endorsement from the Water Sector Leadership Group (WSLG) before you go to the Presidency.
- A new Exco decides what needs to be discussed at WSLG. They were supposed to meet tomorrow to plan for the June session.
- You need a high level presentation to the DG. That gives you the custodian you need. Start at the top and then release the information at the bottom.
- I disagree; we should report back to civil society on the lessons that we've learned - this comes first. This is not to say that these other things at the top shouldn't happen. But don't forget

the people: start there. And then go higher up (for what it's worth). If we do this, it might be possible to take some of the NGOs and CBOs along with us.

- Do we want to use Liane's movie as part of the advocacy strategy? Film is a powerful way of prompting and crystallising debate and dialogue.
 - *Liane (filmmaker)*: We are preparing 10 minute movies on four case studies and an hour-long movie that reflects the process of WDSA from international inception to date. But many different products are possible. It would just take more work and more time which would affect the budget. I agree that this is potentially a very powerful advocacy tool though.
 - *A WG member*: Once the material is captured it's captured - we're able to raise funds for other products.
- Regarding the policy input on Section 78: timing is our advantage. Many changes and policy reviews are going on at present. We can make Input to DPLG on the Local Government White Paper review. And other organisations could contribute to this discussion once the discussion paper is released in June.
- Moving into advocacy, DWAF needs to facilitate getting DPLG and some of the key people in DWAF, Treasury, etc. around the table. Some of the key people from the WG should also be present (unions, private sector, etc.).
- ***Thobile (DWAF) agreed to try to access the DWAF policy review process.***

The facilitator checked agreement that the advocacy approach should be to engage national government and civil society simultaneously. This was agreed.

- Do we need some kind of launch? This would be a useful way of generating interest and would create spaces for people to invite us. Perhaps DWAF and DPLG could help us host it; alternatively, we could do a media launch.
- This is a great idea. We also need to consider how we will disseminate findings to local government. At SALGA's annual conference this year, there's no opportunity for external input. We need some time to engage with local government through DWAF and/or DPLG.
- *SALGA WG member*: There are various platforms within SALGA at which we could pitch this. The big question would be, "Where does this fit within SALGA's organisational strategy?" It could fit into advocacy. We would want to adopt a bottom-up approach: from Municipality to Province up to National and SALGA. ***I would like to approach the CEO of SALGA myself. (William Moraka)***

Generally, the proposal to hold a launch was supported.

- There are many presentations at WSLG meetings: our presentation might not fit well. We need to reach the DG directly and have time to explain our findings. We could send a letter to him signed by all WG members.
- CSOs have a quarterly meeting with the DG; the CSOs would have to caucus amongst themselves to allow the WD-SA to come in. We would need the whole session. Perhaps the Water Caucus could look into this? Alternatively, they could use their meeting to ask for an additional meeting for WD-SA.
- Approach to Helgard (DWAF) - he is senior enough in the Department to take this forward. That could be a step to prepare for a meeting with the DG. Take a multi-faceted approach. Use existing processes and show how our findings can feed into and add value to what is already being worked on.

It was agreed that quality space and time for engagement was needed - dialogue rather than simple presentation.

It was agreed to continue to hold local processes and to explore to how to pick up on them beyond once-off local dialogues.

Closure

The meeting was closed. The facilitator and the WD-SA Co-ordinator thanked all present for their participation and the rich conversations that had taken place.