

Minutes

The Water Dialogues - South Africa
Meeting of the Working Group, Wednesday 16 May 2007
Water Research Commission, Pretoria

Present: Kathy Eales (City of Johannesburg), Marie Brisley (DWAF), Bheki Ngubo (DWAF), Richard Franceys (International Academic Review Board), Neil MacLeod (eThekweni Municipality), Jean-Pierre Mas (JOWAM), Laila Smith (The Mvula Trust), Ina Socishe (SALGA), Mary Galvin (WD Coordinator), Jeff Rudin (SAMWU), Jessica Wilson (EMG), Ann Harper (facilitator), Victor Munnik (recorder)

Apologies: William Moraka (SALGA), Jay Bhagwan (WRC), Tony Sanders (WSSA), Hamed Deedat (SA Water Caucus)

1. Welcome and apologies

Mary welcomed everyone to the meeting and introduced Richard Franceys. She asked for the WG to select a chairperson for this meeting.

Kathy Eales agreed to chair this meeting. The WG agreed on the procedure of selecting the chair for the next meeting when setting the date of the next meeting. Neil MacLeod will chair the next meeting.

2. Agenda

The agenda was adopted, with an item about Kathy Eales' ongoing participation added under matters arising. Reports were moved to the end of the agenda.

3. Facilitation needs

Ann Harper requested clarity on the role of the facilitator. It was agreed that the meeting would be chaired for business, and facilitated when research and process were discussed.

4. Approval of minutes

Two sets of minutes were accepted, with the following changes:

Minutes 23 February, p. 7- remove names and change "extreme" to "strong".

Minutes 3 April – Add apologies from Jay Bhagwan and Neil MacLeod who were part of the Forum but unable to participate in the WG meeting that followed.

The WG reiterated the importance of members sending alternates when they are unable to attend WG meetings.

5. Matters Arising

5.1 Matters arising from the minutes

5.1.1 International investment treaties

The question is the effect of bilateral and other investment treaties on private sector involvement in water resources and ultimately in delivering water services. Mary reported that she had obtained website references and that she and Jessica had raised the issue at the last International Working Group meeting. Although the IS agreed to explore the topic, Jessica suggested that Miguel Solanes of the International Review Board be asked to make input at the next international research meeting. It was suggested that Jeff, Jessica, Marie, and Hamedra work with Mary to take this matter forward.

ACTION:

Mary, with assistance from Jeff and Marie, to write to DWAF and DTI at DG level and ask them for relevant information. .

Marie to find out about recent developments related to this point within DWAF.

Jessica to circulate her prior work for the WRC as well as a piece written for the IWG on GATS.

Mary to ask Hamedra for information on GATS.

5.1.2 Academic research seminar

This seems less relevant now that the research framework is developed, and can be dropped for now.

5.1.3 Expert team

The expert team issue is on the agenda as part of research discussion.

5.2 Signing the Code of Conduct

Mary reported that, despite her best efforts, she failed to obtain signatures from the five organisations that have not yet signed the Code of Conduct, namely SALGA, the Coalition Against Water Privatisation, National Treasury, SAAWU, and Siza Water. SALGA is undergoing restructuring and has a new CEO. Ina reported that the Code of Conduct had been given to the Executive Director, and would now be considered by the CEO.

There is no doubt that SALGA is the most representative local government organisation and that it should be here, the only question is the signature. Whether other municipalities should be represented here was discussed.

In response to a suggestion that individuals from SALGA be allowed to sign in their individual capacity until the organisation signed, WG members then asked whether this changes the role so that the Code of Conduct may be signed by individuals and/or organisations.

Mary reported that she met with National Treasury, which is apparently uncomfortable signing as an organisation. She provided reassurance that the final

report would allow for recording minority positions. With DWAF support (Bheki and Abri), she also met with SAAWU, which agreed to send members to the WG. The Coalition Against Water Privatisation has indicated that signing has been delayed by administrative problems.

The meeting agreed that the Code of Conduct will be critical when there are research findings.

ACTION:

Mary to send a letter to all non-signatories indicating a deadline of 30 June, after which they will no longer be considered WG members. However they will be welcome to rejoin the WG whenever they have a signed Code of Conduct.

Mary and another WG member to meet with organisations that have not signed the Code of Conduct.

Potential participants

Bheki has spoken to a contact in the Department of Provincial and Local Government (dplg), who undertook to recommend a person to participate on the Working Group.

Mary reported that she invited Nolene Morris from Bloem Water to join the Working Group. Nolene Morris was unable to attend this meeting, and Mary is seeking clarity whether she will join the WG.

5.3 Feedback from the City Water Managers' Forum

Abri attended the City Water Managers' Forum, but there was little scope to discuss WD.

ACTION: With support from WG members serving on the City Water Managers' Forum, Mary will request a slot to give a brief update at the next meeting on 26 and 27 July in Mangaung (Bloemfontein).

Mary to ask for similar slot at the District Water Managers' Forum.

Mary to make presentations at these meetings with at least one representative from the WG.

5.4 Feedback from the Water Information Network's Partners Forum

Bheki, Hameda and others attended and had the opportunity to raise the profile of WD by explaining briefly where it is now and who is part of it. Mary indicated that it had not been possible to make a presentation on the WD, as she had expected, since there was an open "learning bazaar".

5.5 Issues from the Forum

Kathy said that it was a remarkable event, and a very positive experience. Laila commented that the attendance list gave the impression that the representation of civil society was predominantly from Gauteng. Mary said that there were people from Queenstown and Pietermaritzburg and elsewhere in the country, but acknowledged that there probably were more for Gauteng.

Jessica said that she had some small technical corrections to the Forum proceedings.

ACTION: Working Group members to send any changes to the Forum proceedings by 21 May 2007.

5.5.1 Change to Problem Statement

On p. 6 of proceedings of Forum, it is noted that we should add “affordable” to the adjectives of problem statement. There was some discussion on the exact formulation (between “affordable to citizens” and “affordable to all”).

ACTION:

Jeff to send proposed change regarding the addition of “affordable” to the problem statement and others to respond.

5.5.2 Representation of local government

Concern was expressed about the slight representation of local government at the Forum. By the time of the next meeting, the WD should have developed relationships with municipalities where the research is taking place.

Mary explained that prior to Forum, the WD office invited municipalities where the proposed 24 case studies are located, both through direct water contacts provided by WG members and the Municipal Managers with the help of William (SALGA). They did not participate in the Forum.

Kathy noted that most water service managers are extremely busy and do not have time. Once our research is going and the debate starts, those municipalities will be involved. Laila suggested using existing forums and working on their terms. All the provinces have local government structures which water managers attend. We could easily have a slot or workshop in a provincial or national summit-- and Mvula has five regional offices with a lot of relationships with municipalities.

5.6 Participation in meetings planned by IWG

There are a number of research meetings coming up: a research meeting in London in September, which will be attended by the Coordinator and one other person (Jessica will be at the IWG already); the Stockholm World Water Week in August and another research meeting in Bali in November – not yet defined, but it is hoped that South African and Brazilian research findings will be available, 2 or 3 people from each of the national process, with a focus on preliminary findings. The IWG said they are organising this representation. A thought to get a local govt person to go. (not to discuss now)

The WG developed criteria for selecting people (when discussed Berlin selection):

- Knowledgeable about subject
- All members get exposure
- Representivity of sector
- Use opportunities to piggy back
- Attention to race and gender
- Availability from one’s employer

Jeff expressed a personal and professional interest in London, and Laila was nominated as well. They recused themselves while the meeting discussed the choice. On the basis of Jeff's longer involvement in the process he was chosen to go to the London meeting.

It was also decided that a local government representative should be prioritised for going to the more general meeting in Bali.

Neil may go to Stockholm, and DWAF will send someone to Stockholm.

5.7 Kathy Eales joins the WRC but stays on in WD

Kathy is moving from the City of Johannesburg to the Water Research Commission, but she would like to remain part of this process. The meeting agreed in principle that Kathy stays, and to leave details to the people involved. The details will be discussed with both the City of Johannesburg (when the succession there is clear) and with the WRC.

Laila argued for recruiting more municipal officials, especially from non-metropolitan, rural municipalities onto the WG. Bheki Zondi, current District Managers' Forum chair, could be approached but may be too busy.

ACTION: Mary to ask Abri Vermeulen for suggestions of individuals from non-metropolitan municipalities.

6. Research section

Mary reported that the Forum expressed general support for the research design. But one group at the Forum argued that we should be doing a review rather than an evaluation. They suggested that the WD should first define criteria or values, for example, affordability, sustainability, equitability, and efficiency. In this approach, existing case studies should be reviewed to see whether they meet these criteria.

It was noted that we will consider these criteria or values in the analysis phase. The Working Group was concerned that it would delay the start of pilots even longer to change the research design now.

All of these words – and more of them – mean different things to different people. The richest outcome is to have a working definition and then to see what we discover these things to really mean. We need to be clear about what we are looking for, but open. The need is to collect the right information. The important next step is to do the three pilots.

ACTION:

Mary to propose working definitions of key values and terms and WG members to engage with working definitions by email.

6.1 Presentation of Method and Researcher Selection Process, Dr Mary Galvin

Discussion was taken on each slide, as is reflected in the notes below.

Unambiguous and Unambitious?!

- Need to make sure that Working Group can deal with data
- Can expect problems with gathering comparable data even if unambiguous!
- Better to achieve solid outcome- unambitious
- Starting with pilot to test outcomes, e.g. financial data
- Could still use WG members hands-on review of outcomes!

Comments on the outcomes have been received from Jessica (on environmental sustainability). The Coordinator has met with Jean-Pierre on financial indicators, and discussed the question of how financial indicators developed within the private sector would apply to the public sector. Jeff designed a set of detailed questions, and is prepared to do more.

Laila asked about using the guiding questions. Mary responded that they were used to develop the outcomes (indicators) and that the focus will return to the guiding questions in the analysis phase. The Coordinator again underlined the ambitious nature of the project.

Methods to be used

- Review of available documentation
- Participatory/ community level
 - Workshops with community leaders
 - Special focus groups
 - Data gathering around specific issue

Community leaders

A question was raised about what is meant by “community leaders”? The Coordinator explained that these would be people who are knowledgeable, for example councillors, shopkeepers, nurses, teachers, people involved in ward committees, who are in the know on the ground.

Working Group members warned that researchers will have to be very careful in choosing which “leaders” to talk to, as different leaders will give very different opinions. High quality researchers will be needed to make sure that dissenting points of view are included.

Researchers will have to discuss their planning process – for example how they selected people to interview - as part of the research report. It may not be possible to name people, but at least a description of who they are should be given.

User satisfaction

There is a danger with the concept of user satisfaction, namely that the general expectation is so low that the results researchers get will be skewed by it. You could have two areas with same services but get two different levels of “user satisfaction”, because of expectations.

However, if people are happier now than they were before, it says something about how things are changing. What the research really wants to measure are the dynamics, in other words how much improvement there has been. The outcomes indicators are designed to look at a change (comparing the situation before a specific institutional approach started with the present situation or when the approach ended). Jeff added that the research also should not lose sight of the rights based issue (including dignity as a right).

Kathy asked how we can attribute causality? In 2000 there was a major restructuring of local government and in many places, for the next three or four years, nobody knew what was going on. You might have an unlucky service providers struggling in that time.

The WG agreed that this is (also) qualitative research and that stories will be told.

Methods to be used (cont'd)

- Municipal and WSP key informant interviews
- Synthesis and write up by researcher team
- Review, discussion and deliberation by WG
- Report back to local workshop/ handover for action research

The question about “user satisfaction” could well produce conflicting findings from community and providers, and research teams will have to find ways of reconciling these or, failing that, bringing the conflicting results to the WG analytical discussion. The researchers – particularly the researcher focusing on the key informants and the researcher focusing on the community – have to resolve or try to resolve the contradictions that they have found. They have to work as a team and in the end, produce one output. The researchers resolve it, or if not, they have to reflect the discrepancies.

After doing community and WSP interviews, the case study is brought to the Working Group. Then it is taken back to the researched area and reported back to people who participated in the community workshops. Local people will be interested in what is going on in other places, and how other communities are in a similar situation. It might be useful to think about how we report back – say 4 or 5 municipalities to meet together. The question will arise: “How will this change our lives?” But that is not for this project. Other groups can take that up.

The idea that the WSP interviews are more for getting data and secondly keeping an eye on what the approach is, on the softer (e.g. attitude, understanding) elicited some discussion. Visiting researcher Franceys pointed out that gathering the financial indicators is a very different skill from working out what the approach is. Other WG members pointed out that the researcher must have a high level of understanding of municipal finances “to know what question to ask next” when something puzzling is revealed in an interview. The Coordinator reported that she was considering hiring consultancies to do the financial analysis.

Background Information: Other Ideas?

- Benchmarking data
- IDP
- WSDP
- Quality of life surveys
- Demarcation Board and Treasury data
- IWRM report

Background info

Mary indicated that one of the WD Project Officers compiled the above list of background information to be given to researchers for each case. She asked WG members to comment and add to the list.

Neil explained that the benchmarking data will be useful because 70 municipalities participate in it. Following requirements in Appendix B in the Water Services Act, the benchmarking initiative reports once a year on how these municipalities are doing, and learns lessons from them. DWAF, WRC and SALGA are the owners and funders of the process. A consultancy gathers the data by spending two days with each municipality. It is a consistent methodology, and the same questions are asked every year. This information is then held by DWAF, who releases it in the State of the Sector reports. State of Sector 05/06 has been released, and 06/07 is in process. The Metros have been part of this process for four or five years.

Laila suggested that researchers need to comment in their case study reports on the process of extracting information, for example something like a Water Services Development Plan (WSDP) might not be easily available.

Kathy asked whether the Integrated Water Resource Management (IWRM) reports listed on the slide really exist and, if so, how many there are.

ACTION:

Mary to obtain benchmarking data from Neil.

Mary to follow up with IWRM reports listed by the WD Project Officer.

Researcher Selection Process

- Advert approval and placement
- Shortlisting per criteria
- Working Group review of cvs
- Briefing and selection workshop(s)
- Recommendation to Working Group
- WG confirmation
- Field preparation exercise prior to beginning
- Review of one case study prior to others

Researcher selection

There were 67 applicants, and 19 were selected who met the criteria mostly with a High and Medium score. Some are consultants who charge R500-700 per hour, some are individuals or part of small groups, and others come from academic institutions, typically using master's students to conduct research. The WD should make sure that whatever arrangement is reached, the WD has a say in sub-contracting. These are strong resources that the WD should use. If there are 12 case studies, two researchers can be hired per case study. Mary proposed that

researchers from consultancies do financials. Jean-Pierre suggested that we first establish data that can be drawn from the benchmarking study and then doing a gap analysis to identify data that we still need to gather.

Briefing and selection workshop

- Brief: about WD and why research different
- Group work: WG members to observe whether applicants can work as a team
- Self-rating: acknowledge skill strengths and gaps (to be used in forming teams)
- Writing task: ability to write and engage with research challenges
- Positions on privatisation: awareness of issues and ability to articulate all positions

Terms of employment and case study budget

- Contract with payment based on deliverables
- Main deliverable is final report from team as a whole
- 15 weeks total researcher time (pilots to test)
- R100 000 per case, depending on researcher skills (three categories)
- Budget and project timeframe need to be revisited
- Prioritisation of cases needed

Next Steps

- Appoint researchers for pilot (and select for phase two)
- Conduct pilot research
- Revisit timeframe
- Revisit budget allocation
- Appoint expert(s)- financial
- Arrange for National Scoping Process
- Begin contextual paper

6.2 Review of Researcher CVs

Working Group members broke into three groups to review shortlisted cvs. They indicated full support to objections, with comments. Then the WG discussed cvs overall and members raised objections to a couple of researchers, based on their previous experience working with them. This was noted as part of the selection process.

Looking at the CVs, the following points were made for the selection team to assess during the researcher workshop:

- Generally weak on water services background, how will we strengthen/ train researchers?
- Not many able to handle municipal services
- Views on privatisation important and watch out for ideology of consultants
- Insert a learning element into the project, eg interns
- Need one person per pair to have management abilities or to offer support
- Possible need to separate researchers conducting municipal interviews from those gathering financial data (use specialist on later)
- Consider pool of researchers
- Perhaps we did not get the researchers we could have got because of the way the advert was worded.

WG members discussed two researchers who they did not support due to previous negative experiences working with them. This was noted on their applications as part of the selection process.

It was suggested that we link WG members with specific case studies.

7. Reports

7.1 Coordinator's report

Timeline and budget

The Coordinator asked for a mandate from this group for management committee to rework the budget, which was duly given.

ACTION: The Management Committee to revisit line items in the budget to identify possible additional funding for case studies.

At the IWG meeting, each country representatives revisited their timeframe and this is what was produced for South Africa:

Proposed Timeline

May

Select and train researchers

June and July

Phase 1 pilots

August

WG meeting

Phase 2 planning

September-November

Phase 2 (10 case studies)

London IWG and research meeting

Bali international research meeting

December

Researcher write-up

January 2008

WG meeting, 2nd forum meeting preparation

February

Forum 2

March – May

Draft 1 preparation

Verify

Local report backs

Advocacy

June

WG review

July

Publish report

August

Forum 3

Launch report

Discussion of budget and time frame

The meeting discussed the strong possibility of raising more money, but noted that there have to be some results available before such a request can be made. The results of the pilot studies will be available after phase 1, therefore the application for further funding can be made in August. The application would be to do more case studies as a phase 3.

The case studies will be drawn together in a form that can be considered by the Forum.

Jessica invited people to join a sub-group to consider outreach, advocacy, timing of forums, dissemination of results throughout this period.

ACTION: Mary to place the formation of an advocacy and communications group on the next WG agenda.

While it is possible to plan the coming quarter in detail, the meeting observed that there is a fork in the road in February 2008 (after which different possibilities open up) so we need to remain over a longer time span.

7.2 Report back from International Working Group meeting in London

Mary noted the brief report back on the IWG meeting in her Coordinator's Report.

7.2.1 Update on international processes

Jessica gave a brief report back on progress in other WD countries. Full proceedings of the international working group will be circulated.

7.2.2 International trends (as reported on in the IWG meeting)

- Jessica reported on international trends discussed at the IWG meeting: Private equity from pension funds is being used to buy up international water companies. The water companies are delisting (from stock exchanges). This means that there is no longer an annual (profit) performance requirement, but at the same time, they are no longer in the public eye.
- Some people at the international level think that the privatisation controversy is over, but this statement was contested by many. There is a trend towards more involvement by local private service providers. The multinationals are shifting from investment to management contracts. Jean-Pierre reported that

World Bank Water Week showed that big five water companies are representing only 25% of the market, as opposed to 75% ten years ago. Water Operating Partnerships (WOP) has been established as an exchange between public sector water operators around the world. It wants to improve existing networks. Rand Water is the secretariat for Water Operating Partnership.

- The IS and the IWG are planning a session on WD at the World Water Week in Stockholm in August. This will profile what is WD is doing and look at it as a new process approach. A small team based in the International Secretariat will prepare the presentation and may approach WD-South Africa to help.

Full proceedings of the international working group will be circulated.

7.3 Report to Irish Aid

The Working Group approved the report prepared by Mary for Irish Aid, including the financial statements.

8. Process Section

8.1 Process recording options

The International Secretariat completed the first process recording exercise last year and is now planning a second one. Ganesh from the IS plans to visit South Africa in August for the Working Group meeting, and to conduct process recording interviews on how fundraising and research design took place.

WD-SA planned to embark on process recording at three peak periods. How does this related to process recording by the IS?

In the discussion it was observed that the meeting never has enough time to look at the process section. This should be done, and the process here should be compared to other countries' WD processes.

The International Secretariat is doing process recording, centred on the question of how the dialogues were done, and is planning to produce a toolkit for other countries who may want to do the same. But can this be done when national dynamics are so different? Franceys argued that the idea of producing a narrative on the process is interesting, but the toolkit idea is not, because it denies the working together which is the dynamic of overcoming the tensions you start with and encounter. Groups have to struggle themselves.

Mary proposed a reflection on the process at the end of our project as part of a retrospective case study. However she asked whether there are process issues that should be record now. For example, a current process issue is the fact that the Coalition against Water Privatisation is not attending WG meetings. It would be useful to interview them and work out why they are not coming. It was observed that in the early WD meetings, hours were spent on who is here and who not. If we get to the end, and the Coalition say they were marginalized, it will be really problematic.

Jessica pointed out that this is all part of strengthening civil society involvement in this process, which we need to consider with the Coalition.

If there are process issues that need to be recorded now, how will this be done?
Mary said that the WG had aimed to attend to process issues at the start and end of each meeting, but that did not work.

Laila expressed her anxiety about doing process work when there is such a strong desire to see progress in the research.

8.2 Process reflection

Ann proposed a short reflection: How do you feel about the quality of the conversations at this meeting? Was there anything blocking your participation?

- The CV checking exercise was a good idea, especially doing it in break-away groups. Meetings take place only every quarter, it is always slow to start, but nothing blocks me.
- I think these are well organised meetings, to elicit people to engage and fortunately most people do.
- It worked well, I still struggle with the matters arising taking our energy at first, we should do the creative stuff first.
- We should meet two days – but as we can see from tomorrow’s plans (for the researcher selection) only three from the WG are willing to do the second day.
- So you could have a session, with a presentation, and then dinner together to discuss the presentation.
- I propose that the meetings should be handled by both a chairperson and a facilitator.
- Now that we get into substantive stuff, each case is going to throw up many issues.
- Franceys: as a total newcomer to SA, I found the participation more skewed than I expected, because the WG is primarily white. While the dialogues seems to be very professional, is it really capturing the people who have most angst about changes in the water sector? The WG explained that each organisation put their own person forward. Our Forum in April, with around 60 people, was more representative.
- We may have to be more proactive when people don’t come.
- The dialogue is very stimulating, and handled in a very creative way.
- It worked to break the meeting into groups around CVs.
- I enjoy the WG’s sense of humour.

Next meeting: 22-23 August in the Dolphin Coast outside Durban.

The meeting closed at approximately 5pm with thanks to the Water Research Commission for hosting.