

# Minutes

Meeting of the Working Group, The Water Dialogues- South Africa  
23 February 2007, The Mvula Trust boardroom, Johannesburg

---

**Present:** Abri Vermeulen (DWAF), Neil MacLeod (eThekweni Municipality), Martin Rall (The Mvula Trust), Laila Smith (The Mvula Trust), Mary Galvin (WD Coordinator), Jeff Rudin (SAMWU), Jean-Pierre Mas (JOWAM), Jennifer Makoatsane (Coalition Against Water Privatisation), Tony Sanders (WSSA), Bheki Ngubo (DWAF), Jessica Wilson (EMG), Geraldine Schoemann (Afrosearch -facilitator), Nazreen Kola (WIN-recorder), Kathy Eales (City of Johannesburg)

**Apologies:** William Moraka (SALGA), Hameda Deedat (SA Water Caucus), Ndala Duma (WIN), Jay Bhagwan (WRC), Tumi Moleke (National Treasury), John Connolly (SAAWU), Robert Giron (Siza Water)

---

## 1. Welcome and Apologies

A list of absentee was suggested in addition to the apologies list to highlight regular non-attendees.

## 2. Acceptance of Agenda

It was agreed that the main purpose of the meeting was to work through the research section of the Agenda. However, since Kathy Eales (City of Johannesburg) would be arriving late, the Research Section of the Agenda was shifted to follow the Process Section to allow for her participation.

## 3. Approval of Minutes

Minutes were accepted, with correction to spelling of Tony Sanders and noting that they are posted on the WD website following approval. It was noted that all members should send comments on minutes within two weeks of having received them.

## 4. Matters Arising

Mary reported that, at a meeting with Miguel Solanes of the international academic review board and at the World Social Forum, it emerged that it is important to look more broadly beyond seeing the private sector just involved in water services. There is a need to look more widely at issues around private sector involvement in water resources as it affects water delivery, particularly through investment treaties that impact on private sector involvement in the water sector.

At NEDLAC, SAMWU was promised a list of all MOUs in relation to treaties, but it has not yet received these from the DTI. Questions were raised about how to gain access to investment treaties and how to go about making a formal request for investment agreements. This should be flagged for discussion at the next meeting as it could be an interesting area for WD to commission research. It could also be useful to place this in an international context, for example an international paper on this topic with a South African component to it.

**ACTION:** Investment treaties to be placed on the next agenda. In the interim, Mary to request copies of investment treaties from DTI. Mary/Jessica to raise the issue with the International Working Group, as a potential research topic relevant to all countries.

## 5. Process Section

This section was facilitated by Geraldine Schoemann (Afrosearch).

### 5.1 Forum Meeting

#### 5.1.1 Review of Aims

All members indicated that they accept the aims of the Forum, brainstormed by ManCo and noted in the Working Document that was circulated. Although there are no research findings to present yet, this is the Forum's launch at which the research design, case studies, and areas of research including capacity, institutional approaches and outcomes need to be discussed. One of the aims is to get people on board and to determine how communication and discussion of research findings should take place. If possible, researchers should be present as well as people from the municipalities where case studies may be selected.

Comments were made around Public Private Partnerships (PPPs), noting that the role of the private sector in service delivery is being investigated. PPPs have been given a relatively broad definition. Martin Rall raised the point that the definition of privatisation has not yet been defined, eg one could have a public entity that runs along commercial lines.

#### 5.1.2 Rapid brainstorm around participants: who else should be a part of this process?

The following organisations were suggested: AWARD, PDG, CALS, Palmer Development Group (a consulting firm)- on the basis that it has worked on many issues relevant to WD, Centre for Civil Society, participants from constituencies for example members of the South African Water Caucus, the Municipal Services Project, ESSET- a faith-based organization, South African Council of Churches, University of Western Cape's in-house water group that is quite technically oriented but could provide a different perspective in terms of academia, SALGA, City Water Managers Forum, District Water Services Managers Forum, Rural Support Services (Eastern Cape), Masibambane Civil Society Steering Committee (get them to use the linkages that they have on the ground), rural networks and organizations, and APF affiliates.

*- How should this be taken forward? There are 70 places, how should these be allocated?*

It was agreed that the importance was maintaining *balance* between the sectors, not necessarily which specific organisations were invited. The places should be divided according to sectors:

National government, local government, private sector, NGOs, CBOs, Research/Academic, Unions, and water utilities. It was decided that experts and consultants

would be invited through sectors that they work with, and would not have a category of their own.

*- How many representatives are allowed to participate from within each of the above categories? How should the categories be weighted equally, or does local government get a larger share?*

Municipalities who are being researched must be included since we want to ensure as much cooperation as possible from these municipalities, which is important in obtaining data and interviews.

**ACTION:** As this process is an exercise in consultation, Mary to invite 24 local government representatives from the case studies should be invited; 6 from each of the other categories with space to motivate as to why they need more representatives. Mary Galvin will liaise with active members from the working group to determine who will be invited from each category, bearing in mind the organisations that were brainstormed above by the WG.

### *5.1.3 Proposed dates*

It was agreed that the Forum be held on 3 April 2007 in Johannesburg, with a meeting on 2 April to get CSOs on track. The meeting should begin at 08h00 or 08h30 so people should arrive the night before. It was noted that, although this is a tight timeframe for planning and organising the Forum, a later date in May would mean that pilots would already have begun and people would only be able to review content rather than make inputs into the design. Should there be insufficient responses to the April date, the Working Group will look into changing it.

## **5.2 Representation of Masibambane Civil Society Programme**

It was decided to invite the Masibambane Civil Society Programme to the Forum. There will be space at the Forum to reflect on the composition of the Working Group, and if appropriate draw them and others into the WG.

## **5.3 Outstanding Signed Codes of Conduct from SALGA, Coalition Against Water Privatisation, National Treasury, SAAWU, and Siza Water**

Stakeholders which do not sign the Code of Conduct will no longer be included as members of the Working Group. The membership of the Working Group presented at the Forum will be members who have signed the Code of Conduct.

**ACTION:** Mary to send a letter to members which have not signed the Code of Conduct to alert them to this decision.

A concern was raised that people who don't or can't come to a WG meeting could do something to derail the process at a later date. This might be an unfounded worry, but seemed important enough to pre-empt. The following points were made with respect to the Working Group attendance and participation:

1. If a person cannot make a meeting, s/he must accept decisions made by the Working Group. However they can respond to minutes when they are circulated through the listserv and points can be re-visited.
2. The agenda is sent out well enough in advance, so people not able to attend have time to comment.

3. Representatives may and should send alternates to meetings. Mary has taken the initiative to have telephone conversations and one-on-one sessions with key people unable to attend. The point was made that people who are regular non-attendees can comment on minutes when received but the process cannot be stopped when someone who has been absent returns with issues.

#### **5.4 Municipal Services Project Conference**

It was agreed that Mary will make a presentation on behalf of the Working Group and that any new points will be circulated to the Working Group for input and comment.

#### **5.5 Report on the World Social Forum**

It was agreed that the report circulated by Mary on the WSF could be placed on the WD website.

**ACTION:** Mary to place WSF report on the WD website.

#### **5.6. Schedule of dates**

All members seem fine with the proposed dates. It was noted that future Working Group meetings will be held in case study areas, meeting with local groups and individuals on the first day and holding the Working Group meeting on the second day.

### **6. REPORTS**

#### **6.1 Coordinators Report**

This report was circulated a few weeks in advance in preparation for the date originally scheduled. The Coordinator circulated a Working Document a day or two prior to this meeting, with issues that arose in the interim period, but most members had not had time to review this document. Members recognised the reasons for its late circulation, while reminding the Coordinator to send documentation at least one week in advance of the meeting.

#### **6.2 IWG Meeting**

The meeting will be held on the 16<sup>th</sup> to 17<sup>th</sup> of April 2007 in London. Mary and Jessica will attend.

Aquafed's letter asking to join the IWG will be discussed at this meeting. Since the South African Working Group has not discussed this specifically, Mary will only reflect issues we raised in our discussions and letter to the IWG on its composition.

On other issues, she will represent the diversity of South African views in London. There will be an email discussion around anything that arises prior to the London meeting.

### **7. Summary of progress on research question**

#### **7.1 Review of progress from last meeting**

Mary summarised the main agreements reached at the last meeting:

- To draw on the National Treasury system (although cannot be called this since it has not been accepted by NT), which provides a breakdown of municipalities into seven levels. Our categories collapse the seven levels into three: high, medium and low capacities.
- To focus on domestic services
- To focus on operations and management where possible

Mary presented the chart she had revised based on direction given at the last meeting. This included potential case studies in each cell. She indicated that case studies had been placed on a map, and that there were no cases in North West and Northern Cape provinces.

## **7.2 Discussion of Chart**

### *7.2.1 Ringfencing and the Benchmarking Exercise*

Kathy said that we need to have categorization where possible to be able to compare case studies. However the research will assess cases past categories, for example to see if the public sector is able to deliver and how is it doing so. She circulated a handout on ringfencing from SALGA's benchmarking exercise, which highlights the importance of ringfencing in looking more broadly at the challenges of municipal service delivery. It is not just the role of the private sector and also how the public sector is organizing itself. Johannesburg has a ringfenced service as well as accounting; we need to differentiate and distinguish what really makes the difference.

It was agreed that ringfencing and public sector organisation needs to be assessed as part of case studies.

### *7.2.2 Private/ Public Labels*

The chart should not just label categories as internal or external. It was agreed to group cases under PPPs, CBOs, PuPs, and Public. A concern was raised that we need more public cases, but Mary pointed out that 18 of the 25 categories are public arrangements. Abri suggested that we distinguish more categories within the internal category.

Are we looking at institutional forms or contractual relationships? Need to look at the relationship between the WSA and WSP as a broad category.

### *7.2.3 Outsourcing*

There is no operational risk transfer with outsourcing, so this is an overarching mechanism in service delivery. Outsourcing is one aspect of service contracts that we will try to make sure comes through; for example, Cape Town outsourced contracts to small contractors. It was decided that we will look at outsourcing as a cross-cutting issue, perhaps in a paper that draws from our research and highlights the variety of these experiences.

Abri raised the problem that not all municipalities mentioned are water service authorities, some are part of the district and there are a broad range of institutional arrangements within the district. It was agreed to look at the WSA in general and

then to focus on various WSPs with that WSA-doing this in order to have some kind of comparable categorization.

#### *7.2.4 Use of Chart*

The point was made that the original intention of the chart and its boxes was to ensure a breadth of municipalities. Categories are an entry point for selection, but once researchers arrive in a municipality they will look at a range of issues. Categorization is useful as a catalyst, but need not be the defining element in a report. A key part of the research is how stakeholders' views shifted based on seeing from the research what resulted in successful outcomes. It will be important to draw the comparisons from the reports about why outcomes were successful. We will have an overall report, but also have some comparative reports as well.

#### *7.2.5 Suggestions for eliminating cases*

- Number 4 is to compare with another lease arrangement. Have it as part of case study 6.
- No. 26-doing an update on this.
- 21, Cape Town sanitation will be part of the internal research on Cape Town.
- Need to determine a case in Rustenberg, North West and Namaqualand in Northern Cape. Mining companies ran water schemes that just handed the schemes over to the municipality. This would be an internal case. This could have relevance in other parts of the country where mines need to go into discussion with municipalities about various aspects of partnership with regard to service delivery. For instance, some municipalities have just recently signed arrangements with mines. Suggest this as number 27 for now.
- 16-Erwat in comparison to uThukela-
- 11 (D)- will look at Emfuleni in two different boxes. Started off as a municipal entity than changed into a management contract. Now becoming a ringfenced unit within the municipality.

### **7.3 Phase One of research (pilots)**

Mary wants to start with cases that are not essential to the study, such as metros, to gain experience. In particular, she suggested researching more contentious cases in late phases of research.

### **7.4 Identifying Outcomes and selecting indicators**

Mary referred to the proposed outcomes document that was circulated. She said that it will be necessary to quantify and weight data from outcomes, and that it will be important to draw on as many existing data sources as possible. In particular, the benchmarking exercise seems to include data that we will be able to use. Some Working Group members stated that it was disappointing that she had not attended the benchmarking conference; Mary asked that members inform her about relevant meetings.

It was agreed that research proceed with the four quadrants proposed by Mary as a starting point.

**ACTION:** Members of the Working Group who have suggestions or issues related to the outcomes to liaise directly with Mary.

### **7.5 User Satisfaction**

Mary raised the issue of user perceptions instead of user satisfaction. It is difficult to obtain valid and representative data on user satisfaction. We need to have objective criteria, such as response time from users, for assessing user satisfaction, which is a huge challenge. Jeff suggested that we hire researchers and then develop actual questions regarding user perception with them.

### **7.6 Selecting Researchers**

Mary proposed that we have pairs of fieldworkers for each case, eg seven pairs or 14 researchers who conduct three to four cases each, so that they balance each other in terms of skills and ideology. Jean-Pierre proposed a template of research skills that are required:

- a) industry knowledge, o&m, management
- b) economics, finance
- c) user/consumer care
- d) community social, labour issues

It was agreed that teams comprise as many of these skills as possible, and that we seek researchers who are intellectually honest. It was also agreed that we advertise researcher positions widely to promote The Water Dialogues in the process.

Mary circulated a list of researchers who she suggested the WD invite to apply for the position of researcher. A few members indicated that they did not know most of the individuals on her list. It was suggested that we consider consultants engaged by DTI and MIIU. A couple of members said that they did not consider individuals with strong ideological positions as objective enough to conduct research.

However it was agreed that individuals with strong positions be invited to review our research design and make more general input since their input would be valuable and important. It was agreed that Mary convene a once-off seminar to get feedback from a group of academics regarding the research, which should help move research forward (not to rubbish the process).

The importance of regular meetings with research teams to provide feedback to each other was noted.

Mary said that, although WD has a budget to hire a senior researcher, she would prefer to use funds to hire skilled individuals with specific expertise, for example financial, social, and technical, to serve on an "expert team" which would review and monitor data being collected.

**ACTION:** Working Group members to suggest individuals to serve on the expert team.

**Next meeting:** 16-17 May in the Dolphin Coast outside Durban.

*The meeting closed at approximately 2pm with thanks to The Mvula Trust for hosting.*