

Minutes

Meeting of the Working Group, The Water Dialogues- South Africa
Friday 24 November 2006, The Mvula Trust boardroom, Johannesburg

Present: Abri Vermeulen (DWAF), Antonino Manus (DWAF), Hameda Deedat (South African Water Caucus), Neil MacLeod (eThekweni Municipality), Martin Rall (The Mvula Trust), Mary Galvin (WD Coordinator), Jeff Rudin (SAMWU), Jean-Pierre Mas (JOWAM), Jessica Wilson (EMG), Doug Reeler (CDRA facilitator), Alana Potter (recorder)

Apologies: Kathy Eales (City of Johannesburg), William Moraka (SALGA), Tony Sanders (WSSA), Bheki Ngubo (DWAF), Ndala Duma (WIN), Jay Bhagwan (WRC), Bheki Ngubo (DWAF), Karen Breytenbach (Treasury), John Connolly (SAAWU), Robert Giron (Siza Water), Bricks Mokolo (APF)

1. Welcome and Apologies

Mary explained that Abri was running late, opened the meeting, and accepted apologies.

She introduced Doug Reeler from CDRA, who the ManCo selected to facilitate the research part of the meeting. She explained that, following an organisational development process, the ManCo had recommended that the Working Group select a permanent facilitator. This facilitator would not only facilitate Working Group meetings, but would also play an important role in process recording and assisting the group to remain on track in terms of process. Doug gave a brief introduction to CDRA and himself.

2. Acceptance of Agenda

It was agreed that the main purpose of the meeting was to work through a preliminary research design. The last half hour of the meeting would be left for the process section. Reports would not be presented, but members were welcome to raise issues arising from the reports.

3. Approval of Minutes

Minutes were accepted with the following changes:

- Correct spelling of Karen Breytenbach
- Since minutes will be placed on the website, briefly describe the reference in point 3.3
- Make changes submitted by Jessica Wilson

4. Matters Arising

It was agreed that, while reports on action items are provided in the Coordinator's report, they would be reviewed under the reports section of the agenda, time permitting.

5. Research Section

See Appendix 1.

6. Process Section

6.1 Sub-committee for Forum planning

Mary asked that a small sub-committee be established to support her in planning a Forum meeting for February 2007. Since everyone was willing to help, it was agreed that she would email the WG listserv for feedback on issues and set up a teleconference as necessary.

6.2 World Social Forum plans

Mary motivated that she attend the WSF as a representative of The Water Dialogues-South Africa. She indicated that it was expected to cost around R8000 and that there is R10 000 per month in the budget for such expenses.

It was agreed that she will attend and will only talk about the WD process (not indicate any position). She will provide feedback on the debates and discussion through the submission of a report after her return.

6.3 WG Facilitation

It was agreed to invite Doug Reeler from CDRA to facilitate the next meeting, to see his report, and to ask him to provide a short motivation of what he can offer before making a long term decision about a facilitator.

6.4 IWG representation

Jessica and Hamedra explained that the IWG indicated that Jessica is welcome to serve as both the founding member and the link person, but encouraged the South African NWG to allow Jessica to serve as the founding member and to elect an additional member as a link person. The WG agreed that having another member would increase our ability to influence the IWG. Mary went through proposed criteria in her report, under the headings "what the IWG needs" and "what the Working Group needs".

DWAF and SALGA were nominated, but their representatives declined. It was then suggested that the Coordinator or WRC be asked to serve on the IWG and this began to be discussed. Mary recused herself so a decision could be made.

The Coordinator was asked to serve as the IWG link person. It was agreed that Jessica would also serve as the link person in the event that Mary could not attend a meeting or teleconference, and that no alternate would be put forward.

7. Reports

7.1 Coordinator's Report (including financial report, ManCo minutes, and OD report)

Jeff asked Mary to avoid using "market" language in her reports, e.g. "buy-in".

It was agreed that the ManCo would only bring administrative or management issues to the WG if necessary. The WG would concentrate on the research process as well as the ongoing process of dialogue.

Mary noted that SALGA, SAAWU, Siza, Treasury, and the Coalition Against Water Privatisation had not yet signed the Code of Conduct. Neil McLeod asked Mary to email a reminder to him and said he would take it forward.

7.2 IWG Report

Jessica referred to the email that she sent to the listserv about the IWG response to our letter. She also indicated that she would circulate the minutes of the IWG meeting when they become available. In the interim she highlighted:

- discussion about the possibility of a dialogue in Ghana
- communication strategy that nothing about the NWGs will be presented internationally without their approval. Only the WD process will be discussed.

Next meeting: 1 February 2007, 10 am- 2 pm, Mvula Trust, Johannesburg

The meeting closed at approx 2pm with thanks to the Mvula Trust for hosting.

The Water Dialogues South Africa Working Group Meeting
Notes from Research Design Session
24 November 2006
Mvula Trust Board Room

This report captures the main discussion points, agreements and actions of the Working Group of the South African Water Dialogues concerning key elements of the research design.

1. Discussion: “Toward a Research Design for the Water Dialogues South Africa” PP Presentation by M Galvin, Co-ordinator

It was proposed that the research explore how various institutional approaches affect outcomes, while staying open to other explanatory factors and variables.

The Working Group (WG) felt that variables such as political commitment and regulation had significant impacts on outcomes and were important to consider. This was agreed.

The point was raised that the purpose of the research is to address the question “what role, if any, does the private sector have?” It was agreed that possible institutional arrangements for water services are far wider than private versus public sector options and that public-public, CBO and NGO approaches would also be investigated. It was also confirmed that this approach is within the ambit of the international framework. Although the proposed research question is broader, the introduction will explain the purpose of the research and how the above question will be addressed.

The key purpose of the study is to understand ‘what makes or breaks service delivery.’

Specific points for clarity were addressed. The research question was accepted by the Working Group, and it was agreed that this discussion would focus on the three key elements of the research question, viz. “capacity”, “institutional approaches” and “outcomes”.

2. Discussion: Proposed research question – “Given the varying capacities of Water Services Authorities, how do different institutional approaches affect outcomes?”

2.1 “Capacity”

A more holistic focus on WSA ‘challenges’ rather than ‘capacity’ was proposed. This approach would consider the WSAs challenges relating to water resources, human and financial resources, service delivery and socio-economic conditions.

It was proposed that the National Treasury (NT) capacity classification (based on annual budget turnover) be used as it was simple, tested and clear. It was suggested that the NT system be used with consideration of challenges, plus management and decision making issues, political will and the enabling environment.

After some debate it was agreed that a simplified version of NTs system would be used (i.e. 3 categories – A, B and C, rather than 7) and where there are significant differences in findings within a ‘cell’, the factors suggested above would be analysed in more depth.

It was also agreed that the cases represent a spread of challenges including environmental issues, and that summary sheets would be prepared for each case study, setting out the challenges and contextual issues.

Actions:

- M Galvin to show how each proposed case fits into the NT capacity classification system, and to prepare preliminary summary sheets.
- WG to send M Galvin available information on the cases, e.g. findings from Project Consolidate and the Demarcation Board's capacity studies.

2.2 “Institutional approaches”

The point was raised that the proposed institutional approaches were a mix of (i) Water Services Providers (i.e. mechanisms) and (ii) contracts (i.e. ways of structuring the relationship/ partnership and allocating risk), and this was problematic.

It was agreed that the WSA was the contracting partner and common denominator and how the WSA structured service delivery arrangements.

It was proposed that the complexity of arrangements would be narrowed down if the national scoping exercise identified the most common/ prevalent institutional arrangements and that these be explored. However it was felt that the scoping exercise would take too long and delay this research, and that there was sufficient knowledge within the WG to agree on types of institutional approaches to be studied.

The question of which aspect of service delivery the study would focus on was also discussed. There are four parts to the service:

- Implementation of infrastructure (design and construction)
- Operations
- Effluent treatment
- Regional bulk

There are also different water users such as commerce, industry, environmental, recreational and domestic. Given that the overall purpose of the study was focused on achieving the MDGs, it was suggested that the focus should be on services for domestic users.

However, it was also felt that the study needed to look at how municipalities obtain revenue and invest, which links to other users such as industry and commerce. The need to address the question of private sector involvement also implies the need to explore other users, and to capture a different perspective on innovative ways of engaging the private sector, outside of domestic water services.

It was also proposed that the key issue is municipal management of all four aspects of service delivery. The co-ordinator said that the research could address a management focus as it is using a case study methodology.

It was agreed that the research focus on operations but also explore management where cases present that opportunity. A focus on management can be addressed by defining operations more broadly.

A more detailed discussion on which aspect of the service to focus on, followed:

“*Operations*” was defined as what the WSP does, i.e. the water services business. It was agreed that this was the primary focus of the research but where the WSP also did implementation, this would be explored and written up. It was agreed that the operations aspect of service delivery was the key focus of the research.

“Regional bulk” – water boards like Rand Water were established to address water scarcity. In the current focus, where water boards are providing retail services (e.g. Harrismith/ Odi), they would fall into the scope of the study, but where they focused on bulk/ regional supply they would fall outside of the scope.

It was agreed that follow up research be recommended to address the differences between WSAs and water boards undertaking service delivery, and that regional bulk provision was important as context for this research.

“Effluent treatment”, e.g. ERWAT in Ekurhuleni and WSSA in Ugu DM. This should not be excluded from the research, eg can be considered as a possible case.

“Other” such as the PPP in Emfuleni for water demand management, plus other examples of auxiliary services (e.g. meter reading) and other components of the water service delivery cycle, can be included and the research will explore these components as well as the whole.

Actions:

Using the WSP vs. contracts matrix as a starting point, M Galvin will propose a revised set of institutional approaches.

2.3 “Outcomes”

Time limits did not allow for a detailed discussion of this element of the research question, but the following **actions** were agreed:

- WG to send comment on the ‘four boxes’ to M Galvin.
- M Galvin to send a deeper explanation of the logic of the ‘four box’ balanced scorecard.
- M Galvin to consider how the research questions generated by the task team be allocated to each of the ‘four boxes’.
- The MSP Cape Town sanitation study will be added to the list of potential cases.