



# **Partners for Water and Sanitation**

## **Note on project reports**

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## **PAWS Visit Report: SA 18 Mogale City South Africa**

**Visit Team: Andrew Southall (Independent PAWS Partner)**

**Dates of visit: 20<sup>th</sup> to 29<sup>th</sup> November 2007**

**Places visited: CBD, Munsieville, Kagiso, hostels and informal settlements plus a visit to the rural areas beyond the existing network.**

### **1 Indication of extent to which Objectives were met**

PAWS needs to give very careful consideration as to how this project is moved forward. In the period between the second visit in May 2007 and this visit in November 2007 the following identifiable progress has been made:

1 There has been a massive re-structuring of Directorates within MCLM which has reduced the number from 13 to 6. Water and Sanitation has become a Division of the Infrastructure Directorate which also has roads and storm-water plus electricity as other divisions. Sandile Mbanjwa (who was acting Director for water and sanitation prior to the re-structuring) has had the additional responsibility of acting Executive Manager for Infrastructure during the appointment period. This has impacted badly on progress in the water and sanitation division and although Sandile was invited to apply for the EM post he has not been appointed. As part of the re-structuring his previous acting Director role has been changed to Manager of a Division which even if the salary package has been maintained must look like a “downgrade”. This has also impacted on his senior staff who have been appointed to re-defined posts, so, overall, I would view the re-structuring (however necessary) as providing a major distraction in the last 6 months. The positive is that this process is substantially complete so there should be less distraction in the next 6 months.

2 The appointment of 12 fieldworkers and 3 Zone Technicians was completed shortly after my visit in May 2007 and there followed a period of training (undertaken by the Mvula Trust). The training information was of a very high standard and the early report post - training was very positive. The one area that has been lacking is in how the fieldworkers can help with community engagement which is crucial given that they are in the field every day. This has been acknowledged and I understand that a week long course is planned in the next 2 months.

3 Having successfully gained a R5.7M grant from DWAF to assist with the WDM programme I have seen several presentations on how the money is being spent and although the numbers suggest they will fulfil the expenditure requirement by March 2008, I do not think that the programme has been clearly planned and it is therefore very difficult for me to confirm if all the monies have been properly directed. I think there have been too many initiatives and this is symptomatic of a “crisis” and reactive approach rather than a proactive and planned approach. One of the key targets from May 2007 was to set out a clear MS Project Plan and this has not been done. I have attended a meeting with DWAF where they sought reassurance from MCLM

about the overall programme and it is absolutely clear that much needs to be done to satisfy DWAF. It is imperative that MCLM provide DWAF with proof of all invoices received against the R5.7M budget and demonstrate “proper use” or they will not receive further funding assistance.

4 The National profile of Water Demand Management (Leakage Management in the UK context) continues to be high and the linkage to climate change and the combined impacts in a “water stressed” country such as South Africa are evident. The National Government is focusing on funding provision for service delivery in local government and MCLM need to prepare adventurous bids to secure funding for a concerted water demand management programme over the next 3-5 years. The budget cycle is currently underway for 2008/09 and the outline figures I have been told are R40M from DWAF with a further R6M from internal budgets. (The outliner budgets I have seen do not match with the headline numbers). If the DWAF bid is successful and is truly ring-fenced for WDM this would provide a good platform for the next 3 years. The concern is that the bid is not accepted or worse still it is accepted but then lost in MCLM’s overall Integrated Development Plan. (The concept of “ring-fencing” monies to particular activities does not seem to be common). It has not been possible for me to get any reassurances from the executive as to how this process will unfold. If they do not satisfy DWAF on the current R5.7M fund the current bid will definitely not be forthcoming.

5 DWAF are continuing to make it clear that significant funds will be released annually, to increase the drive towards “better” and more sustained water demand management. This includes significant monies for social interventions and DWAF have criticised MCLM for not undertaking sufficient community education linked to the planned activities in water demand management. There have been some major successes, such as the acceptance of pre-pay meters in Munsieville, but, this has not been capitalised on because there is no coherent communications strategy. I have, during this visit, discussed the re-activation of PAWS Project SA71 and there is a desire to do so; my concern is over the capacity in MCLM to see this project through. If the project is to be re-activated Sandile needs to appoint a project manager who is able to focus on this task and be prepared to integrate any water and sanitation campaigns into a corporate strategy. This needs serious discussion in the UK before any funds are committed.

## **2 Indication of extent to which Objectives have not been met**

There are a number of areas where progress has been significantly less than expected:

1 The contract with Rand Water has been suspended 18 months in to the 3 year agreement and RW staff have been suspended over allegations about lack of transparency over funds. This is a very serious matter and the impact on MCLM is significant. There has been no progress made on the primary distribution zone infrastructure and worse still, information on the 50 zones that have been set up, has not been properly passed over to MCLM. There is confusion over when such information will be released given the investigation that is underway. On the plus side, this has forced the WDM staff to focus on systems audits in these zones in order to gather information which can be stored on existing electronic, engineering systems and the corporate GIS system. This has meant the Zone Technicians and the fieldworkers have had to undertake this work and this should help the process of instilling local systems knowledge throughout the team. It is not at all clear if the Rand Water contract will be re-instated, if it is it will require considerable re-negotiation. Unfortunately this represented a R36M investment for MCLM which would be paid for out of defined water savings. It seems very unlikely that a substitute funding stream of this magnitude can be realised in the next 6-12 months.

2 The data capture process has highlighted a number of problems in the WDM team and it is vital that these are addressed in the short term or the whole project could drift towards failure. Procurement is a problem right across all municipal functions but the failure to deliver basic tools for the fieldworkers only serves to produce frustration throughout the team. The appointment process (giving them only a fixed 12 month term) needs to be addressed very quickly and permanent posts need to be created for those fieldworkers who have proved themselves over the last 4 months. The work planning process between the Engineering Technician, the Zone Technicians and the fieldworkers is not nearly as good as it should be and there is far too little feedback to the fieldworkers which further engenders frustration. Far too much activity is focused through the Engineering Technician and the failure to appoint a full time Data Analyst (a key recommendation in May 2007) means that information provision is at best patchy. The figures do suggest an overall reduction in unaccounted for water from 26% to 23.7% but I do not attach confidence to either figure and if the overall process was subjected to a proper audit the figures may well not “stack up”. The other key appointment suggested in May 2007 was a WDM manager. This is an urgent priority in order that all activities are planned within a holistic WDM Project Plan. The new water and sanitation divisional structure does not make such an appointment easy and there are certainly no internal candidates who could take on this role. I have suggested that the Manager discuss this with DWAF and DPLG to see if a very bright candidate could be seconded in to the team while this post is advertised and a permanent appointment is agreed.

3 There are still problems with the SAICE engineers being contracted in to MCLM but considerable effort has been expended in clarifying roles, responsibilities and the specific deliverables for each project. Currently there are two engineers within the directorate of whom one is assisting with making the laboratories “fit for purpose” so that accreditation can be gained. The other engineer works in overall programme management but does not have specific WDM skills. The SAICE route to assistance could provide additional capacity but previous experience is making the Manager cautious in this direction. It is not an avenue for further discussion and indeed it could be a distraction.

3 There has still not been any progress on Tariff modelling and there seems to be a measurable reluctance to grasp this nettle in the face of real and acute needs in terms of providing basic water and sanitation in the poorest communities. Nevertheless, the budget deficits speak for themselves and there needs to be a planned approach to establishing budget surpluses for each utility function so that real investments can be made in managing the infrastructure.

### **Recommendations for way forward**

There are some basic steps which need to be implemented in order to get to grips with the problems currently being experienced in creating a cohesive water demand management team, as a discrete unit, within the water and sanitation division at MCLM:

1 The Executive Manager, Infrastructure, needs to endorse the development of the water demand management team and ensure that the team is empowered to concentrate wholly on the tasks defined by a comprehensive project plan.

2 The Manager for Water and Sanitation needs to create an innovative structure (which could, for example, result in separate water and sanitation teams) in which the roles and responsibilities for the WDM team are clear.

3 The Manager for Water and Sanitation must appoint a WDM project manager within 3 months and second in or use a consultant to cover the period prior to a permanent appointment being made.

4 The Manager for Water and Sanitation must appoint a Data Analyst and at least two Data Entry Technicians as soon as possible and use a contract resource to cover the period prior to a permanent appointment being made.

5 The Executive Manager, Infrastructure, needs to endorse the capital expenditure required for all the necessary leak detection equipment and tools and data loggers and ensure that the procurement process is as smooth as possible. The first 60 data loggers, 12 listening sticks, 12 sets of tools and 15 handheld GPS devices need to be in operation by March 2008 at the latest. The requirement for a total stock of 300 data loggers needs to be endorsed and an accelerated route to procurement needs to be found.

6 The Manager for Water and Sanitation needs to develop a detailed business case for the meter replacement programme that has started and, with the Executive Manager Infrastructure, the case needs to be presented to and endorsed by, the Municipal Manager. A separate funding stream needs to be developed for a 10 year programme. Once this has been achieved an exceptional project manager will need to be appointed. It is absolutely clear that this programme will not be undertaken by internal repair and maintenance teams, so consideration needs to be given, at an early stage in the cycle, as to how many contractors should be appointed to ensure a delivery rate of at least 600 meter replacements per month, throughout the programme period. This programme is, potentially, highly disruptive to the operation of the network, so very clear operating procedures will need to be developed.

7 The opportunity to bring key operational staff from the water and sanitation division to the UK to observe large scale delivery programmes needs early consideration by PAWS UK and, if agreed, a clear set of desirable learning outcomes will need to be presented by MCLM and agreed with PAWS before such a visit takes place. This visit should not take place until the structural issues have been addressed and real progress has been clearly demonstrated.

8 There are specific issues in the purchase of leak detection equipment in South Africa as the market is very "underdeveloped" and as a result the quoted prices are extremely high. This will become a national issue as more municipalities develop water demand management programmes and it would be helpful if PAWS (SA) could assist MCLM in lobbying DWAF to see if "more mature market prices" can be achieved so that early WDM programme entrants are not unfairly disadvantaged.

The water and sanitation team at Mogale City have been presented with a revised action plan with targets for the next 6 months. A further visit should not be considered until such time as the revised targets have been substantially delivered. This has been clearly communicated to the Executive Manager, Infrastructure and the Manager for the Water and Sanitation Division.

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