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Water and sewerage branch in transition

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INTRODUCTION

General Background

Located in Southern Africa, Lesotho covers a relatively small area of 30,350 square kilometers and is a landlocked country surrounded on all sides by South Africa. The country is generally mountainous, with a highest point of over 3,300 meters above sea level. It is situated at the highest point of the Drakensberg escarpment on the eastern rim of the South African plateau, and is dissected by numerous valleys and ravines making it a country of great beauty. To the West the land descends through a foothill zone of rolling hills to a lowland belt along the border where two thirds of the population live. The capital and largest town is Maseru which is the administrative centre and is where the Water and Sewerage Branch (WSB) has its Headquarters. The population of Lesotho was 1,619,000, according to the Government's official estimate in 1987, with the great majority of the population residing in rural areas.

Appreciation of the Water and Sewerage Branch

The WSB is responsible for water treatment and water distribution, sewerage and sewage treatment in Maseru and 13 outlying towns. In Maseru, water supply is provided from surface water reservoirs or abstraction from the River Mohokare.

Water is treated in the Maseru Treatment Plant which has a production facility of 17-20Ml/d and a maximum capacity of 32Ml/d. Maseru operates a distribution system and a sewerage system. Sewage is pumped to the Ratjomose Sewage Treatment Plant, which has a capacity of 5Ml/d and is currently being extended to increase the capacity to 10Ml/d.

Water sources for the 13 outlying towns vary between surface water, river and boreholes. Water treatment can be non-existent, basic chlorination, or slow sand filtration. Production ranges from 2.5Ml/month to 29Ml/month.

RATIONALE FOR THE TRANSFORMATION

In 1982, the Government of Lesotho (GOL) and the African Development Bank (ADB) agreed that steps should be taken to transform WSB into a public corporate body.

The momentum for transformation had already been established with the input of expatriate personnel and the acquisition of fixed assets such as buildings, treatment plants, vehicles etc, but it was still important at that stage to make every effort to avoid the creation of an organisation which would be ill-prepared and ill-equipped for its purpose.

PLANNING FOR THE PARASTATAL BODY

The ADB required GOL to engage a consultant to undertake a study into the structure of WSB with a view to making recommendations for the transformation of WSB into a public corporate body. Under the auspices of the World Bank, a reconnaissance study was carried out in July 1983 and identified in broad outline, the steps to follow for the successful transformation of WSB. The study developed a phased programme viz:

- Phase 1 - Formation of a coordinating committee.
- Phase 2 - Consultants to prepare draft procedures and policies for approval by the co-ordinating committee.
- Phase 3 - Consultants to finalise details of procedures and policies.
- Phase 4 - After incorporation of the procedures and policies of Phase 3 into the WSB organisation for a suitable period, the parastatal body should be established.

IMPLEMENTATION OF THE TRANSFORMATION

The Study

In late 1985, Messrs Price Waterhouse of Zimbabwe were appointed consultants to carry out the transformation study. They had been selected from five international firms who submitted tenders.

Their recommendations included:

- . Transformation to be effected about the year 2000.
- . Additional autonomy be granted to WSB as soon as possible.
- . Upgrade the accounting function and introduce computerised billing.
- . Be granted the authority to hire and fire staff.
- . Rationalise the existing legislation.
- . Develop a flexible tariff structure.
- . Create and maintain a fixed asset register.
- . Appoint an interim Board of Directors.

It was re-assuring to find that the detailed study supported the recommendations of the reconnaissance study and the GOL decided to proceed cautiously through each stage.

Interim Board of Directors

A Co-ordinating Committee had been formed in 1986 to review, comment upon and approve the transformation study prepared by Price Waterhouse. This committee consisted of the Principal Secretaries (PS) of the Ministries:-

- Finance
- Public Service
- Water, Energy and Mining
- Interior

Planning Employment and Economic Affairs

together with a representative of the Public Service and the Director of WSB. This committee was by necessity, intimately involved in the study per se and following the GOL acceptance of the study recommendations, became the interim Board of Directors. The present intention is that this body will become the Managing Board of Directors when parastatal status is achieved. The board is and will continue to be responsible for the successful operation of WSB and will be accountable to central government.

Tariff Structure

Discriminatory pricing was introduced in 1986, but at a relatively low differential between domestic and non-domestic consumers. Upto that time, water was charged on a volumetric basis and sewerage on the number of toilet units, with no distinction between domestic consumers and others. The policy had been to recover operational costs only. No attempt had been made to recover the costs of building and equipment replacement and loan repayment.

The GOL has been particularly sensitive to not increasing prices above acceptable limits. The greatest pressure to view charges as a form of taxation exists where average income levels are low and concern by GOL about affordability is therefore high. In practical terms, this has resulted in levying charges on a "progressive" basis, which means that those less able to pay, per less per unit.

The differential between domestic charges and non-domestic has steadily increased, but even so, prices have been increased only three times in the past five years.

Twinning Arrangement

In 1990 a proposal was made to Overseas Development Administration(ODA) to twin WSB with a UK water authority during the initial period of autonomy. the proposal was favourably received and arrangements are currently being made for this to materialise in 1991.

In principle, the twinning arrangement will proceed in two stages viz:

Stage 1 - An assessment, over a period of two months of the manpower and organisational requirements of WSB.

Stage 2 - Supplementation of the WSB manpower shortages over a period of two years. The aim of Stage 2 will be to train the incumbents to efficiently run a parastatal body and to introduce suitable systems for the organisation.

General Aspects of Transformation

WSB now operates its own banking account, which was established at the beginning of 1991.

With the assistance of ADB, a number of expatriate staff was appointed to Senior Management positions in 1988. The localisation process has commenced and should be completed by June 1992. It is hoped that in this way, staff training and transition will proceed hand-in-hand in a smooth and orderly manner.

The computerisation of the billing function was always recognised as an essential part of transformation.

This was started in 1987 and all accounts in the Maseru area are now on computer. Shortage of funds has prevented extension of this system to the district towns, but once funds are available, transfer will be completed in months.

Service conditions and salary scales are being reviewed and the new policy will be introduced upon establishment of the parastatal body.

The enabling legislation necessary for the creation of a parastatal organisation has been prepared by United Nations Development Programme. Once adopted, this legislation will facilitate the establishment of WSB as a parastatal body.

A fixed asset register is currently being prepared and will be in place when transformation takes place.

REFERENCES

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