



# **Partners for Water and Sanitation**

## **Note on project reports**

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**GREATER SEKHUKHUNE DISTRICT MUNICIPALITY**

**LIMPOPO PROVINCE**

**SOUTH AFRICA**

**PAWS PROJECT NO: SA 67**

**SUPPORT TO GREATER SEKHUKHUNE DISTRICT MUNICIPALITY FOR POLICY  
DEVELOPMENT AND IMPLEMENTATION**

**Report by David Sutherland (from UK PAWS Partner Atkins) on visit to the  
Municipality 22<sup>nd</sup> January to 2<sup>nd</sup> February 2007**

**PAWS PROJECT NO: SA 67**

## **Support to Sekhukhune District Municipality for policy development & implementation**

### **PURPOSE**

Greater Sekhukhune District Municipality (GSDM) has developed policies and strategies to guide and direct the provision of water and sanitation services to its customers. These policies are critical in the sense that they provide a strategic guide to the day to day running of the water services business. An observation has been made that an independent review of these policies is necessary to ensure they are fit for purpose in covering all the relevant aspects of water services, to establish whether or not they can achieve the intended objectives, and finally, whether or not they are realistic and achievable in their current scope.

### **Original Terms of Reference**

- Review water related policy (Specific to water supply and sanitation)
  - Fit for purpose
  - Whether achieves objectives
  - Whether realistic
- Create policy inventory
  - Identify gaps
  - Recommend improvements
  
- Deliverables – review and updated policies

### **Revised Terms of Reference**

- Above points plus
- Key constraints to implementation of policy
- Possible ways to address the constraints
  - Internally within GSDM or
  - Externally with PAWS, SALGA, DWAF support

### **GSDM INTRODUCED**

GSDM serves the district of Sekhukhune in Limpopo Province at the northern most point of South Africa. It is one of the poorer districts in South Africa, with Presidential Nodal Assistance, with some areas of the approximately 1 million population facing 70% unemployment. Mining and agriculture are the primary providers of employment and wealth creation. GSDM has five local municipalities under its jurisdiction - Groblersdal, Marble Hall, Makuduthamaga, Sekhukhune and Greater Tubatse. Across most of the district water is a scarce resource. A new dam, De Hoop, is being constructed to serve the expanding mining business, other districts of Limpopo Province and GSDM. However, this water will be 3-4 times more costly than current water supplies, in an area reliant on much Free Basic Water.

GSDM is currently served by seven departments, headed by a Municipal Manager. The main implementation departments are Planning and Economic Development, Technical Services and Community Services, supported by Strategic Management, Finance and Corporate Services, as well as the Office of the Mayor. Technical Services has the main responsibility for delivering infrastructure services.

## **Documents Reviewed:**

Integrated Development Plan, by GSDM

Water Services Development Plan, 2005/2006

DWAF's Guide Framework and Checklist for the Development of Water Services Development Plans, Revision 10, January 2006, DWAF.

Section 78 Process Closeout Report, for GWDM August 2005

Implementation of the outcome and recommendations of the Section 78 Process.....  
....Progress Report 2, April 2006

Municipal Entity - Sekhukhune Water Company (Proprietary) Limited. Business Plan Aug 2007 to June 2009, by GSDM

Organogram for Municipality Entity, GSDM

Water Services Department Business Plan Aug 2007 to July 2009, by GSDM

Organogram for Water Services Department, GSDM

Interim Service Delivery Agreements between SDM and Marble Hall, Greater Tubatse and Groblersdal Local Municipalities (July 06)

Sekhukhune District Municipality Water Services Bylaws, GSDM

Local Municipality Financial Bylaws

Local Municipality Credit Control Bylaws

Water Services Authority Capacity Development Business Plan for GSDM, Sept 2006

Development of Water Services Tariff Policy and Tariff Structure Framework, Draft Final Report March 2006.

Cost Recovery Assessment within GSDM, Dec 2005 for GSDM

- Status Quo Situation and Closing Report
- Strategy and Prioritisation of all Settlements
- Business Case and Implementation Plan
- Human Resource Requirements
- Implementation Guidelines, Infrastructure Requirements, Operation Guidelines

Municipal Infrastructure Grant 2004-2007: From programme to projects to sustainable services. By Department of Provincial and Local Government (dpig)

Greater Sekhukhune District Municipality Five Year Review Report, 2000-2006

GSDM Revised Exit Strategy Framework, Mr. Zama Nofemela, C

Various informal Accounting and Progress Reports, including:

- KPI Report June-September 2006
- MIG Monthly Progress Summary Report
- PMU report to GSDM Mid Year Review

## Diary

Monday 22 <sup>nd</sup> January	7.00 am 9.30 am 11.00 am 3.00 pm 7.00 pm	arrive Johannesburg Airport arrive Riverside Lodge, Groblersdal Meeting with Municipal Manager and Greater Sekhukhune District Municipality Team (list attached) and Thuli (PAWS Coordinator) Meeting with PMU Manager (Muriel) and Assistant Manager (Koos) and Provincial Adviser (Octavia) Meeting and dinner with the Executive Mayor, Mr. Dickson Masemola, and members of the Mayoral Council
Tuesday 23 <sup>rd</sup> January	9.30 am 10.30 am 2.00 pm 4.00 pm	Observer at Meeting between PMU and GSDM Project Manager (Komo) Meeting with DWAF Adviser to GSDM (Nicho ) Meeting with Provincial Adviser to PMU (Octavia) Meeting with Municipal Manager GSDM
Wednesday 24 <sup>th</sup> January	12.00 pm	Meeting with Financial Director GSDM
Thursday 25 <sup>th</sup> January	All day	Mid Year Review Meeting, Loskup Aventura
Friday 26 <sup>th</sup> January	All day	Mid Year Review Meeting, Loskup Aventura
Saturday 27 <sup>th</sup> January		Document reading
Sunday 28 <sup>th</sup> January		Document reading and presentation preparation
Monday 29 <sup>th</sup> January	10.30 am 6.00 pm	Meeting with Technical Services and PMU (Pasha, Jackson and Muriel) Meeting with PAWS Chair (Ashley Roe), PAWS SA Coordinator (Thuli), Fred von Zyl (DWAF) and Melissa Fourie (DEET)
Tuesday 30 <sup>th</sup> January		PAWS South Africa AGM, Pretoria
Wednesday 31 <sup>st</sup> January	9.30 am 10.30 am PM	Meeting with PMU and some of the Project Managers (Anna, Elias, Gilbert, Komo, Reginah, Raymond, Thomas) Site visits to STW and WTW in Groblersdal with Project Manager (Reginah) and PMU Policy inventory and map
Thursday 1 <sup>st</sup> February	All day	Site visit to Frischgewaard (Makuduthmaga), Jane Furse, Ngwaabe (Tubatse), Burgersfort and site of De Hoop Dam with PMU (Koos and Muriel) and GSDM Project Manager (Komo).
Friday 2 <sup>nd</sup> February	Morning Afternoon	Groblersdal – Wrap Up with GSDM and PMU To airport

## MAIN ISSUES RELATED TO POLICY

Before entering a critical analysis of the policy as it has been developed thus far, it should be noted that the level of development and progress within GSDM has been impressive. GSDM is one of the newest District Municipalities in the country, as much of Sekhukhune was under cross-border jurisdiction (Limpopo and Mpumalanga Provinces) until recently. Thus, GSDM is essentially playing catch-up with many of the more established District Municipalities.

Each of the policy and associated documents above has been read and is summarised briefly below. First of all some general observations can be made:

- all policy issues appear to be covered with the exception of **water demand management policy** and **operation and maintenance policy**.
- Overall, whilst the policy documents generally seemed to cover all relevant state legal requirements, many of the **policy documents were confusing**. Most if not all of the documents neglected to set out their purpose and objectives but there was also no attempt to setting any policy document within context of GSDM's wider activities. In none of the documents was there a sense of purpose, ownership and clear responsibility allocated within GSDM. Much of this is surely because the policies have been developed to satisfy many different legal requirements from different Ministries and consultants have been commissioned to prepare the documents – just so that the legal requirement is satisfied. With the exception of the Integrated Development Plan (IDP), to which it would appear all departments within GSDM have been involved, I would **question the ownership** of GSDM staff of the Water Services Development, Tariff, Cost Recovery and Alternative Service Delivery policy documentation. It is also noted that the IDP only sets out the vision of the policy in Chapter 3 quite late on.
- I have tried to set out a simple policy 'map' and to summarise the main policy points here but it would require more substantial input to revise the policy documentation. Much of it could well be in the form of an Executive Summary that starts with **Vision, Goals and Context**. It would help to provide one to two page summaries for each policy document showing these points plus summarising implementation issues.
- As was seen during a field visit to Ngwaabe in Greater Tubatse Municipality, where a 28 million Rand project is now not working because of a lack of O&M, it is **essential to have an O&M policy** in place and implemented as a matter of urgency.
- O&M is not financed from the capital works programme so it is also essential that the **Cost Recovery Policy should be implemented at the same time as the O&M policy**.
- Whilst not necessarily requiring a policy document of its own, there is **no mention of monitoring** policy or implementation. Monitoring of process and performance against delivery targets will help improve efficiency and planning over time, and increase understanding of the policy process over time.
- Partly because of the lack of ownership, it would appear that there is little dissemination of policy information – what is disseminated, and everyone seems aware of, is the legislation requiring such policy development. This is not unique to GSDM. The WSA Capacity Building Development Plan states that 90% of institutions don't execute strategy, primarily because
  - Incentives, budgets and monitoring not linked
  - Only 5% staff understand the strategy
- GSDM is probably one of the 90%.

## POLICY MAP

GSDM Function	Policy Driver	Policy Context	From Policy to Implementation
<b>SUSTAINABLE</b> delivery of municipal services	Integrated Development Plan	At the apex of policy documentation. All other policy feeds into this document, but especially the Water Services Development Plan.	Comprehensive Quarterly Review Process. Could do with more tangible inter-sectoral management to support Technical Services.
Delivery of <b>SUSTAINABLE</b> Water and Sanitation Services	Water Services Development Plan	Summarised situation analysis and implementation programme feeds into IDP. It seeks to develop plans for: 1. Delivery of sustainable water services 2. Integrated water resource management 3. Institutional arrangements for delivery of services	The WSDP is meant to illustrate how it will implement the plan through institutional, financial, customer care and project delivery. It sets out an implementation strategy but this is a list of things to do rather than how to do.
Institutional structures for delivery of water services	Section 78 (of the Water Services Act) Reporting and Business Plan development	The Section 78 process identifies whether the water service provider (WSP) should be a body internal or external to GSDM.	Section 78 only makes recommendations. The Business Plans for the Water Service Authority (WSA) and WSP set out the costed work plan.
Construction and rehabilitation	Municipal Infrastructure Grant programme of the Department of Provincial and Local Government (dplg).	Sets out the Programme and supports a Project Management Unit to assist the Technical Services Department deliver the programme.	Sets out a project process from feasibility (feeds into IDP) through design to construction and (supposedly) operation.
Tariff Setting	Tariff Policy	Sets out the basis for charging given the variety of subsidised (e.g. Free Basic Water) and non-subsidised customers	An implementation plan has been developed. Community consultation should (but doesn't) play an important role as well as GSDM political will to pass the tariff.
Cost Recovery	Cost Recovery Programme	Details how the tariffs will be collected.	As for tariff setting.
Operation and Maintenance (O&M) (suggest OM&M – operation, monitoring and maintenance)	Operation and Maintenance Policy	Allocates roles, functions and targets for operation and maintenance – funded from tariffs collected	Plans developed locally and for any new construction or rehabilitation projects
Community participation	???	How GSDM will link with communities	

## OBSERVATIONS OF CURRENT POLICY DOCUMENTATION

Policy Document	Observations
<p><b>Integrated Development Plan</b></p>	<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Overall problem identification – gaps</li> <li>• Institutional challenges - SWOT analysis</li> <li>• Summary of Strategic Priorities</li> </ul> <p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• No sense of vision, purpose and context up-front</li> <li>• Not clear how gaps will be filled (MDGs achieved)</li> <li>• Not clear how projects listed will reduce gaps</li> <li>• Workplans – short on data</li> <li>• Monitoring Strategy absent</li> </ul>
<p><b>Water Services Development Plan</b></p>	<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Strategic analysis of gaps</li> <li>• Database of projects</li> <li>• Water quality monitoring near sanitation areas</li> <li>• DWAF transfer complexities</li> <li>• Skills shortages</li> <li>• Good for use as a management tool once it has been prepared</li> </ul> <p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• No sense of vision, purpose and context</li> <li>• Many mistakes/'guesstimates' by consultants leaving a document that cannot be entirely trusted</li> <li>• Size</li> </ul>
<p><b>Alternative Service Delivery</b></p> <ul style="list-style-type: none"> <li>• Section 78 Reporting</li> <li>• Municipal Entity Business Plan</li> <li>• Water Services Department Business Plan</li> <li>• Service Delivery Agreements between DM and LM</li> <li>• Bylaws</li> </ul>	<ul style="list-style-type: none"> <li>• Reasons for internal/external arrangements under Section 78 are clear and reasonable</li> <li>• ME Business Plan is clear and reasonable</li> <li>• Water Services Department Business Plan is confused (Section 20 Water Services Act) particularly in relation to the responsibilities and functions of the District Municipality as a WSA and WSP. This is being addressed in a new Technical Service structure from 1st March</li> <li>• Service Delivery Agreements between DM and LM seem clear and reasonable. Not signed by LM's - why? No WSP Business Plans – no O&amp;M strategy? Inter Government Relations a constraint?</li> <li>• Bylaws – OK. Why not accepted?</li> </ul>

<p><b>Water Service Authority Capacity Building Development Plan</b></p> <p><b>Good document – should consult and develop plans based on this</b></p>	<ul style="list-style-type: none"> <li>• Common understanding of capacity building “activities aimed at enabling the municipality to perform its functions”</li> <li>• Good matrix identifying comprehensive capacity building – see below</li> <li>• Identifies several gaps including: <ul style="list-style-type: none"> <li>○ Assets database, O&amp;M manuals, licensing, WSP regulation</li> <li>○ Community consultation (tariffs), hygiene promotion, water demand management (esp. metering), skills audit</li> </ul> </li> <li>• Whilst clear and comprehensive on what needs to be done it is weak on the detail of how it should be done</li> </ul>
<p><b>Tariff Policy and Comprehensive Cost Recovery Policy</b></p>	<ul style="list-style-type: none"> <li>• Policies prepared</li> <li>• Hard to disagree with Tariff Policy – also has associated Implementation Plan – OK</li> <li>• Comprehensive Cost Recovery Policy in place <ul style="list-style-type: none"> <li>○ Situation analysis</li> <li>○ Priorities in implementation (top to 4th - metering should follow this process)</li> <li>○ Support for implementation (Lapelle Northern Water)</li> <li>○ Priority of settlements and areas</li> <li>○ Business case, infrastructure requirements, implementation guidelines (by FlexiBill)</li> </ul> </li> </ul>

## ISSUES RELATING TO IMPLEMENTATION

The constraints and possible interventions set out below are based on discussions with staff within GSDM and PMU, at both management and non-management levels, and on observations of the mid-year review meeting. The constraints are identified in the left hand column and possible interventions are set out in the right hand column.

### Political

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Political will <ul style="list-style-type: none"> <li>– Particularly for tariffs, water demand management, hygiene promotion</li> <li>– (Note – there is support from the Executive Mayor for the PAWS work)</li> </ul> </li> <li>• Political understanding <ul style="list-style-type: none"> <li>– Lack of knowledge on the part of laymen dealing with highly complex issues</li> </ul> </li> <li>• Political process</li> </ul> | <ul style="list-style-type: none"> <li>• Power of persuasion and negotiation – regional support</li> <li>• Community awareness and action</li> <li>• Training</li> <li>• Absorb LMs into DM</li> </ul> |
|--|--|

## Conceptual/institutional

- Appears to be some lack of understanding as to the wider picture and where own activities fit in the wider scheme of things
- Lack of clarity in allocation of responsibilities either for organisations (e.g. LMs) or individuals
- Lack of ownership of activities and process
- Management – clarity of vision and purpose
- Possible role for LFA
- Clarity in allocation – in both policy and implementation
- From above

## Technical

- Facilities – standards improving, knowledge of resources available maybe still lacking (including MIS, GIS, internet capacity)
- Networking skills (distribution analysis) – whole WSS – software?
- Under MIG
  - No critical evaluation of consultant reports
  - Consequent frustration in Project Registration
  - Below par supervision and contract management of contractors
  - Lack of monitoring of activities and progress against targets
  - O&M planning preparation
- Need to continue to improve to support workload and output obligations
- Training – from ex-DWAF consultants/PAWS Partners/Zululand Province (who have worked with Yorkshire Water through PAWS Network software?)
- Increase on-the-job training – mentoring
- Training for design, project management and IT systems/packages. Make better use of the training budget available.
- Develop system and train in how to monitor and enter data
- From management

## People

- Lack of ownership of processes
- Lack of incentives for improved performance
- Uncertainty over what skills available (DWAF skills audit not completed)
- Staff recruitment and retention
- Inter-governmental understanding still lacking over some issues (people/political? – down to people)
- Many points of implementation within WSACbBP
- Consider pay incentives for good performance
- Do the skills audit
- Incentives, On-the-job training
- Consider annual staff appraisals to discuss performance, areas for improvement, training requirements and general levels of satisfaction
- Training, clarity over roles and responsibilities

## POSSIBLE APPROACH TO CAPACITY BUILDING INITIATIVES

This capacity building matrix has already been presented to GSDM by the consultants who prepared the Water Service Authority capacity building Development Plan (WSAcBDP). It sets out a logical and comprehensive approach to capacity building which would seem to be in line with the needs of GSDM and within the competence of GSDM management to deliver. This should be developed by GSDM themselves, either alone or with the support of consultants or PAWS.

Area of Capacity Building	Action
Office accommodation	
Organisational Structure	
Staff Training	
Development and installation of systems	
Equipment and Tools	
Transfer of Assets, Powers and Functions	
Legislative Development	
Service Delivery	
Funding	
Monitoring	

The policy and implementation sections above were presented at the PAWS South Africa Steering Group Meeting in Pretoria on 30<sup>th</sup> January 2007 and there was much commonality with other District Municipalities and thought is being given as to how cross-cutting interventions on the part of PAWS could be introduced to many municipalities at a time.

**FINAL POINTS ON ACTION REQUIRED AND RECOMMENDATIONS FOR RESPONSIBILITY FOR ACTION**

ACTION	RESPONSIBILITY
Policy summary documents	PAWS in partnership with at least one GSDM Manager PAWS can start the process in the UK
Operation, Monitoring & Maintenance Policy (also SOPS and Manuals?)	GSDM – with PAWS support if required PAWS to provide advice on Monitoring Strategy
Reorganisation of Technical Services	GSDM – to ensure that Planning, Construction and O&M are all given due attention. MIG process should be split within GSDM to Planning and Project Management functions – clearly defined staff and responsibilities.
Cost Recovery	Highly recommend seeking advice/contract with Lapelle Northern Water to set up cost recovery system across the Municipality. They operate a successful system in some areas of GSDM and in other Districts in Limpopo Province. GSDM to lead.
Network analysis for water supply system	GSDM to identify someone to manage the system PAWS to identify appropriate software, prepare installation process and training programme
Training for Project Managers	GSDM/PMU/Project Managers to identify suitable on and off-the job training programmes. Management to support training.

David Sutherland  
1<sup>st</sup> February 2007