

Built to fly?

Public-private partnership in providing water services to poor communities

An evaluation of the
BPD Kwa-Zulu Natal Pilot Project

Final Report to the WRC

by

Business Partners in Development

We might have had a Dakota or a Concorde, there are so many ways of flying. We have flown far and wide, and when we look at some of the things we have done, it's quite outstanding. In the future we need to know whether we should design a plane which does not necessarily have to fly, or one which has to fly far; we need a common design to build something that flies and keeps flying.¹

WRC Report No 1139/1/03

ISBN No 1-77005-082-5

September 2003

¹ Quotation a composite of a number of contributions made at the final evaluation workshop at Nagle Dam on 12 March 2002.

1. Acknowledgments

The Business Partners for Development is an international partnership in a number of sectors working to bring together companies, government and civil society to bring social development. The KwaZulu-Natal Pilot Project has been located in water and sanitation sector and has operated from March 1999 to March 2002 to bring water services to the poor on the urban periphery.

The research team was constituted by Dr David Hemson, who directed the Social Policy Program at the University of Durban-Westville, and Herbert Batidzirai, a doctoral student. The final evaluation has been the responsibility of David Hemson.

Thanks goes to the participants in the partnership who have given of their time, been frank in discussion, and have been prepared to be quoted directly in interviews. Particular thanks goes to key individuals: Neil McLeod (eThekweni Municipality), for a dispassionate view of the whole, Patrick Rousseau (Vivendi), for exemplary manners and enthusiasm, Ken Duxbury (Msunduzi Municipality), for his wide comparative knowledge of water services, Isaac Ngwenya (Umgenei Water) for cheerfully dealing with often difficult issues, and, not least, to Rob Dyer (Mvula), who helped explain a complex setup and provided friendly guidance throughout. Thanks also to Ken Caplan and David Jones (Water and Sanitation Cluster), Mike Greatwood (Msunduzi Municipality), Martin Rall (Mvula), Reg Bailey and Simon Scruton (eThekweni Municipality) and Eric Tranchant (Vivendi).

2. Summary

Partnerships are being actively discussed at many international fora and sharply opposed positions are being adopted. At one level they are seen as the instruments to bring together the strengths of a variety of institutions in pursuit of social development, at another the abrogation of the responsibilities of the state and the ascendancy of the interests of the private sector. These contrasting positions were vigorously debated at the WSSD in Johannesburg where 'Type II' outcomes have been proposed with partnerships in place of binding and enforceable agreements.

The Business Partners for Development (BPD) which was formed in 1998 under the aegis of the World Bank aimed to put communities at the centre of sustainable development. Among experienced observers the conclusion is that has not generally been achieved. The BPD KwaZulu-Natal Project is, however, commonly seen to have been an unusual variation on the theme of tri-sectoral partnerships fostered by the Business Partners for Development internationally. The partnership has been described as "innovative", "explorative" and even "experimental"; and one of the tasks of evaluation has been to separate out what the similarities and differences have been with the general model of tri-sectoral partnership. The partnership has brought together the 'traditional' tri-sectoral partners of local government, NGOs and the private sector; but in addition also a wide variety of relevant partners including water service utility, the Water Research Commission, a university directed innovatory research project, and educational agencies. Around the foundation partners of the eThekweni and Msunduzi Councils, Mvula Trust and Vivendi Water; a cooperative agreement was drawn up which set out tasks, roles and responsibilities. The BPD KwaZulu-Natal Pilot Partnership which has been operating from March 1999 has now come to an end in March 2002.

As a pilot project, the partnership set itself fairly modest and concrete goals; but what was unusual about the arrangement was that the tasks were taken up tri-sectorally on a consensual and non-contractual basis. Unlike other projects in which the private sector was contracted by the state to provide services with the state standing back from close involvement (as in a concession), in this project each partner brought funding to the table and decisions on projects were made on a cooperative basis. The project attempted to synchronise technical with social activities towards the developmental goal of all-rounded provision of water services combined with health and hygiene for the urban poor. But in the nature of a pilot scheme relating to particular communities generally on the periphery of the city, the processes were explorative, and, while orientated to delivery, were not finally measured by progress on the ground. This is a key point which possibly has led to misunderstandings between the political leadership of the municipalities and the participants in the partnership. The former tended to see the partnership as a platform from which delivery would be launched at an accelerated pace and the latter saw the partnership as a cooperative agreement among fellow professionals to work together and learn new methods of work which would only be evident in higher levels of delivery in the future.

There has been a continual debate within the partnership over the relationship between knowledge sharing and learning and the need for measurable delivery. A majority of participants feel the partnership did not achieve higher levels of delivery and the matter is fully explored. There have been problems in delivery for two basic reasons: firstly there were problems in getting housing projects launched according to anticipated deadlines in Durban which in turn delayed the provision of water and sanitation, and secondly there were a series of internal problems relating mainly to funding difficulties of Mvula Trust. Despite these difficulties, there has been a relatively high level of delivery with 24 projects completed in Pietermaritzburg and 22 in Durban in a wide-ranging field including water loss management, free water, customer management, and health and hygiene awareness. During its three years of operation it initiated a large number of projects in upgrading of services, GIS of networks, education and awareness, water loss management, anaerobic baffle reactors, and in other spheres which have contributed to improving services in the areas where the Pilot Project was implemented and to a greater capacity for managing water services generally. These areas were situated generally on the outskirts of the city, in poor areas which were targeted for upgrading and development. Many of these projects, however, related to improved management of water services and coordination rather than direct impact at the community level. The consensus among the participants is that the Partnership has been a success even if all the initial targets were not met and delays have been experienced.

Despite difficulties the partners feel there has been a generally high level of project management and as the Partnership progressed more attention was given to benefits of collaboration, lessons were learnt, and (at times) there was a 'cross-over' of responsibilities. The Partnership took up forms of engagement with the growing numbers of poor on the periphery of the city facilitating higher levels of consultation and examined appropriate means of delivery. In Newtown, in the Msunduzi Council area, ground tanks were introduced and later modified after exploration with the community; this was regarded as the most significant technical innovation. Participants have found, however, that the greatest innovations have been institutional. At one level the partnership was first of all a collection of individuals who are bringing to the table professional commitment and preparedness to engage creatively with others, at another level it operated as a collaborative institution working within a rapidly changing political context.

The different components of the partnership; individuals, professionals, institutions, beneficiaries, government, civil society, and the private sector, were combined in different ways to build a partnership which was stated to be quite unique internationally. The question is how such a partnership was established, what dynamics were developed, and whether such a partnership has had a lasting effect on local government policy and practice.

An assessment of the evaluation has to examine its achievements and problems, its problem solving capacity, and the evidence of its successes and failures. It also has to explore the strategy of the partnership, what other possibilities were present, and its potential replicability. Despite the anticipations of many participants, the partnership did not culminate in a concession. To what extent can the private sector participate in service delivery in communities in which policy is vigorously contested? The arguments of key participants in relation to private sector engagement are examined in conclusion.

TABLE OF CONTENTS

1.	Acknowledgments	i
2.	Summary	ii
3.	Method	1
4.	Approaches to evaluation	4
5.	The international context	6
5.1	The South African political environment	7
5.2	The local context	9
5.2.1	The character of the local political/institutional culture	11
6.	Political leadership and community	13
7.	Institutions, conflict and trust	19
7.1	Number of hours spent per month	20
7.2	Private sector participation	21
7.3	Municipal strategy and the private sector	23
8.	Innovation, information and change	26
8.1	Innovation through learning	27
8.1.1	Learning and exchange of expertise	28
9.	Delivery and impact	32
9.1	Obstacles to delivery?	35
9.2	Innovation and effective management	40
10.	The project balance sheet	43
10.1	Types of projects initiated	43
10.2	Projects of the BPD KZN Pilot Project	45
11.	Partners on the partnership	47
11.1	What improvements could have been made?	52
11.2	Assessment of competencies	54
11.2.1	Assessed competencies and contributions to the partnership	55
11.2.2	NGO Participation	56
12.	Drawing conclusions	59
12.1	An exceptional success?	62
12.2	The end or a new beginning?	64
12.3	Propositions on partnership	66
13.	The environment for public-private partnerships	69
13.1	Corporate interests and governance	71
13.2	The South African environment	72
13.3	Better contracts, better partnerships?	73
14.	Has the partnership succeeded?	75
14.1	Evaluation of projects	76
14.2	Lasting lessons?	77
15.	Bibliography	80
16.	Interviews and workshops	83
17.	Publications of the BPD	84

3. Method

This evaluation is based on continual observation of its operations over some eighteen months, participant observation in the Task Team and Steering Committee meetings, access to key documents, an extensive questionnaire, and interviews with leading members.

There was a formal meeting of the key participants in the partnership which made a general review and evaluation on 12 March 2002. At this workshop they sought answers to certain general and basic questions and tried to avoid exploring details to keep the broad questions in sight. A set of key questions were circulated to register insights and assessment of the partnership with the intention of:

- Seeking answers to the problems set out from the beginning of the partnership;
- Assessing how problems were resolved and structures worked;
- Conducting a general review of the management of projects and collaboration within the partnership; and
- Drawing out lessons from the project at a personal, institutional, managerial, and partnership level.

In the in-depth interviews the following questions were explored:

- How perceptions had changed from the original impression of the Partnership;
- Whether the partnership really made a difference in the way projects were implemented;
- In relation to knowledge sharing
 - What kind of information was shared,
 - What processes of information sharing arose, and
 - What individuals particularly learnt through the experience;
- Whether the partnership was able to achieve more than the municipalities on their own account;
- Whether it was more cost efficient than conventional projects by pooling relatively small resources;
- Whether participants felt more confident in undertaking collaborative work because of the experience;
- Whether participants changed their attitude towards the involvement of the councillors and community in project as a result of the partnership; and
- Whether participants felt there could be a stable cooperative relationship between the private and public sector.

These methods (participant observation, documentary research, in-depth interviews and workshops) have been designed to explore the inner nature of the partnership; the motivation of individuals and institutions, broader issues of interests, the basis for trust and mutual obligation, ideas of competence, etc. In the baseline study a demarcation was identified between the 'inner core' of water service professionals and other participants, and the 'outer circle' of political structures and leadership. The evaluation relies largely on the views and judgements of the participants of the 'inner core' identified in the baseline study largely because these were the individuals who were most conversant with its activities and

who had given considered judgement on its workings over considerable time. At the same time the project environment is examined and its impact on the partnership assessed.

The questionnaire which ran to 12 pages was exacting and demanded frank responses on a wide range of individual, institutional, and social facts and issues. It was undertaken by the participants at the following occupational level:

-
- 1 Project Director
 - 2 Program Manager
 - 3 Divisional Engineer – Water and Sewerage
 - 4 City Engineer
 - 5 Senior Engineer
 - 6 Executive Director
 - 7 Project Manager
-

The questionnaire was generally by these seven participants generally with comprehensive comment as invited, although there was some reservation expressed by one participant in relation to judging the level of commitment of other partners in one question.

This questionnaire canvassed a range of opinions on partnership, conflict, and cooperation under the following headings:

- General: achievements, problems, improvements
- Individual and Partnership
- Environment and partners
- Knowledge and learning
- Building the Partnership
- Operating the Partnership
- Partnership Projects
- Political leadership and community
- Evaluating the Partnership
- Partnership and diversity
- Partnership and delivery
- Competences of the partnership.

The method has attempted to explore a variety of perspectives on partnership from various participants; local government officials on NGOs, NGO officials on the private sector, etc, to be able to present divergent perspectives on participating institutions. Not all individuals have been prepared to participate in this exercise as some have regarded such assessment as appearing to undermine the notion of partnership. The responses have, however, been very useful in understanding the structuring of partnership in terms of the differing capacities and abilities of the various institutions.

These comprehensive responses were analysed, sorted, and ranked according to order of importance to the partnership.

The method appears to be successful in going beyond standard responses and eliciting a wide range of reactions to important issues. On most important issues there have been important and thoughtful minorities and there has not been a blanket uniformity of opinion despite a

general loyalty to the partnership. Rather there has been an attempt to employ self-critical appraisal and a weighing up of the issues, and the extensive questionnaire has succeeded in capturing both immediate responses and arguments in support of those opinions.

In this evaluation every attempt has been made to capture the voices of participants, to represent the range of opinion in the words used by individuals, and to take seriously their considered arguments.

4. Approaches to evaluation

Although there have been an increasing number of partnerships of various types in international experience and partnerships are proposed at international conferences as a key instrument for intervention, there is a surprising lack of research on specific case studies or in writing which links forms of institutional cooperation found in partnerships to wider theoretical approaches. Partnerships are here understood to be cooperative arrangements negotiated between distinct institutions on a consensual basis which does not significantly impinge on their autonomy to achieve social or business goals over time. As has been pointed out in relation to 'wider countryside' planning there are a considerable range of actors who have to negotiate agreements which are then subsequently vulnerable to dissent (Selman and Wragg, September 1999). That study focused on aspects of such innovation and the durability of such partnership in attaining environmental objectives, while in this case the BPD partnership has been for a specifically limited duration and to achieve distinct and limited negotiated goals. The focus on the consensual nature of collaboration is, however, common to both forms of collaboration.

It has been argued (Holmberg, 1998) that the water sector is the terrain in which there has been a high level of cooperative arrangements arising from water being essential to human existence and in evidence, for example, in the requirements of administering catchment areas. It is hard to say whether there is a higher density of partnership in the water sector than in others, but a search of the literature has tended to provide some evidence for this. If this is the case then studies of partnerships in this sector could have application to other sectors.

One of the most common concepts employed in partnerships is that of trust which brings the study into the realm of social and institutional analysis. Trust can be of various forms; unconditional, as in the trust of a child in a parents' judgement, or limited in the sense that it is exercised in specific contexts (as in the case of a professional with expertise) or in various ways conditional in social or financial transactions. In this study trust is used in the conditional sense i.e. in the context of a specific negotiated agreement in which trust is advanced in the expectation of agreed reciprocity. Trust is not entirely independent and distinct from distrust which is also present in social exchanges but which can wax or wane over time with the proven experience of repeated reciprocity.

There has recently been renewed interest in development studies in institutional arrangements necessary for economic growth and social development. Are partnerships an institutional form which will increasingly provide a basis for reciprocity in information, resources, and combined action? Central to the question of reciprocity is the exchange of information or in the combination of information and judgement in knowledge. This question is explored in research which concludes that tacitness (actions arising without express contract or agreement) is the most significant determinant of the transfer of knowledge within a

partnership. This in turn is affected by levels of collaborative experience, the duration of a partnership, and the size of the partners (Simonin, 1999).

In this study the development of theory and research within the ambit of new institutional economics will be kept in mind without the author accepting its tenets. This approach is useful in providing a general context for partnership within market capitalism. There has been renewed interest from the World Bank in institutional development which is now identified as being central to development effectiveness; with one of its department now researching and encouraging social capital among other concerns and initiatives. This marks a shift from neoclassical formulations, but is sharply distinct from previous theoretical writing on institutions by an emphasis both on competition as a necessary condition for efficiency, and a belief in the right incentives to induce socio-economic change (see Schneider, June 1999).

In some ways the BPD which is an exploration of the possibilities of institutional collaboration in a number of sectors, reflects this renewed interest in organisational effectiveness, and the KwaZulu-Natal partnership an attempt to bring together a denser network of institutions and agencies in pursuit of knowledge sharing and strategies of service delivery.

5. The international context

The context of the pilot partnership needs to be examined against the backdrop of BPD internationally. At times partnerships are seen to be a new form of development discourse, promising innovation and collaboration without carrying substance. A wide variety of partnerships have, however, emerged from a number of different strategic contexts: environmental groups seeking to reform environmental practices, urban renewal coalitions, educational inter-institutional collaboration, etc. In the recent period there have been initiatives from the World Bank and other international finance institutions which have been seeking new forms of institutional reform specifically by developing relationships between the private sector, government and civil society. The emphasis here has been on ‘state failure’, on the incapacity of the ‘traditional’ public sector to maintain, quite apart from expanding and improving, current services. Private involvement is promoted as a poverty alleviating measure through providing “management expertise, stronger incentives for efficient operation, improved financial performance, and enhanced responsiveness to consumers” (PPIAF brochure). Governments are encouraged to withdraw as owners and operators of infrastructure services and to work as facilitators and regulators of services provided by private firms.

The Business Partners for Development (BPD) which was formed in 1998 under the aegis of the World Bank aimed to put communities at the centre of sustainable development. The local initiative, which carries a reputation for genuine innovation and flexibility, has been the product of international collaboration arising from the Business Partners for Development and more specifically with its Water and Sanitation Cluster. The history of the project which is fully developed in the Baseline Study (September 2001) will not be traced here, but (in short) the project resulted from the initiative of a leading figure in Vivendi Water (then named Générale des Eaux) firstly in cooperation with Umgeni Water and then subsequently with the local eThekwin and Msunduzi Councils and Mvula Trust.

The KwaZulu-Natal partnership was brought into existence and encouraged into maturity through the BPD initiative internationally, but the stimulation from international organisations found fairly ready acceptance and led on to a high degree of cooperation between local and international parties.

Trisectoral partnership have been promoted to bring together business, civil society and government in strategies leading to the development of communities. These partnerships, it has been argued, could provide long term benefits to business and meet the social objectives of civil society sector and at the same time meet the social objectives of civil society and the state by helping to create stable social and financial environments. On this basis the BPD Kwa-Zulu Pilot Project was established at a signing ceremony in March 1999. In addition to the ‘foundation’ members providing the tripartite nature of the project (the private sector represented by Vivendi Water, the state by eThekwin and Msunduzi Councils, and civil

society by Mvula Trust), Umgeni Water, the local Water Board and bulk supplier, and the Water Research Commission made up the partners. In addition there were working relations with such agencies such as the English Language Educational Trust (ELET) in school educational projects and UWP Engineers in technical work. The project also absorbed the Anaerobic Baffled Reactor experimental project of the Pollution Research Group of the University of Natal, Durban, to explore alternatives in sanitation provision in peri-urban areas. The local project established its agreements and working procedures autonomously from the cluster but liaised actively with the BPD Water and Sanitation Cluster office and participated in its workshops. All-in-all the KZN pilot project has been regarded as one of the most 'genuine' tripartite partnerships internationally in the sense that relations between partners were consensual rather than proceeding on the basis of a contract between state and the private sector. This issue will be further explored below.

The local initiatives of the BPD can be compared to the creation of the Global Water Partnership (GWP) in December 1995 which was a response to the water crisis in the developing world, a lack of leadership, and the need for new approach to water resources development. It is presented as operating by consensus and more of a 'reinforced network' rather than a formal institution (Holmberg, 1998). Unlike the GWP which appears as an international forum, the local projects of the BPD have moved beyond theoretical and policy explorations and have operated to carry out agreed tasks in implementation and operation of water services.

5.1 The South African political environment

The political environment and leadership, although often absent in the detailed discussions of the partnership, has been vital to its existence. There have been basically two factors leading up to exploration of forms of partnership at the level of local government:

Firstly there has been a drive from government and international organisations to encourage the involvement of the private sector in forms of infrastructure delivery. A recent review has made a fundamental critique of the role of the state in development. This critique of the 'development decade' of the 1980s and forms of aid to developing countries has been based on the understanding of the state as an institution fundamentally unsuited to delivery, tending towards employment of political appointees, and fundamentally incapable of reform and development.

In South Africa this view has been influential in the review of the old apartheid state, in the appraisal of forms of development initiated in the rural areas (such as the state-driven 'homeland' water and irrigation schemes) and the ineptitude of 'homeland' governments in meeting the needs of the people.

Tied to this is the new concept of developmental local government which has been presented in the Local Government White Paper in 1998 as follows: "Developmental local government is local government committed to working with citizens and groups within the community to

find sustainable ways to meet their social, economic and material needs and improve the quality of their lives” (1998: 17). The White Paper expands on the concept by spelling out has four inter-related characteristics:

- Maximising social development and economic growth
- Integrating and co-ordinating development activities of a variety of actors
- Democratising development by empowering communities to participate meaningfully in development, and
- Providing leadership, promoting the building of ‘social capital’, and creating opportunities for learning and information-sharing.

Following the White Paper two key pieces of municipal legislation have been enacted to give substance to these ideas through innovations such as Ward Committees, cross-border municipalities, a code of conduct for Councillors, integrated development planning, performance management, development partnerships, and alternative service delivery. In short there has been a flurry of activity in reorganising local government, and a strategic turn by government to place the implementation of services squarely on the shoulders of the emerging forms of local government.

To what extent has the environment limited or encouraged the partnership? The South African policy framework (government support for PPP, the reorganisation of local government and financial austerity) in a context of rising social demands encourages the involvement of the private sector. Firstly local government has been placed at the forefront of development, but without sufficient resources. In South Africa the ambitious policy objectives of post-apartheid reconstruction and development hinge on the successful creation of a democratic tier of government close to the people. An entirely new system of ‘developmental local government’ has thus been introduced and the partnership has been part of this approach.

Secondly there is the large identified infrastructural gap between black and white in South Africa, which is identified as requiring between R12 to R18bn investment (a large but not huge sum) to bring infrastructural development and services to the majority (RSA, 1999). Since the accession of the African National Congress to power there has been a fairly consistent emphasis on local forms of government as the instrument of development and the sphere of government most in touch with the people. This is a major innovation in Africa where during the past decades and until quite recently the emphasis has been on centralised forms of delivery, of state departments of rural development, and forms of overlordship by national departmental of cities.

The impulse towards the development of the local state has been that of democratisation, reallocation of resources, and on capturing all levers of power by the emerging political forces stating they are representing and speaking for the poor. This strategic direction has placed forms of local government which has passed through the fire of institutional, political and geographic transitions in the front line of delivery. Often poorly resourced, with financial support from the central government which many complain is inadequate, this sphere of government has to seek solutions to the problems of inadequate services, poor health in the townships, and high levels of unemployment. As is commonly known municipalities are

under severe constraints in raising local revenue because of the poverty of the mass of the population, and limits on raising of revenue through rates and service charges through forms of restraint on the increase in rates and political resistance from local elites.

5.2 The local context

It is important to provide some context to the particular initiative embodied by the Partnership, in particular its emphasis on community liaison, engagement with political representatives of poor communities, and on appropriate levels of service. To what extent has this represented an interesting, worthy, but ultimately marginal experience or has it wider implications for delivery in South African municipalities? This is an issue which will be taken up here and returned to in conclusion.

The work of the partnership has concentrated on pilot projects in communities marginal to the city in the informal settlements largely on the urban periphery. Although this is an important focus on the poor in itself, to what extent is this activity critical for the work of water services managers? The figures for Durban illustrate the relevance of this work to water services generally and to redressing the inequalities of modern South African cities. Durban has about 653 000 households and of these some 200 000 or roughly a third of Durban's population (some 1m people) live in informal settlements, largely beyond the reach of municipal services connected to 'formal' housing. There are deep levels of poverty and unemployment within the city; just under half the economically active population is unemployed and some 44% of the households have an income less than R30 000 per annum (less than \$2 per person per day). There are startling contrasts in living conditions between the better-off white areas (which have a Human Development Index (HDI) of 0.864, comparable to that of Western Europe), and the poverty-stricken informal areas with a HDI of 0.087, comparable to the poorest countries of the world. Wealth and desperate poverty exist in close proximity (Goga, 2001) and the policing of the boundaries between rich and poor has taken the form of extreme forms of urban segregation in which the geography of the past is only slightly tempered by recent change.

These inequalities are also found in water consumption. In the better-off suburbs in Durban household consumption is 24kl a month or 800l per day while in the townships it is 15l per month or 500l per day. These inequalities increase dramatically in the informal settlements and research initiated by the partnership found that consumption drops dramatically here to 75l per household per day in communities which are served by standpipes (Stewart, 2001). Until recently (these communities are now receiving free access to water) the tariffs at these standpipes were the highest in the city. According to municipal officials, those not paying use 2000l per day: paying makes a big difference in water consumption. There is a link between the Unaccounted For Water (UFW) which is not metered or lost and which is reported by the auditor to be 32% of total consumption or by municipal officials as 23%. The consumption of informal areas amounts to about 6% of this figure as much water is stated to be wasted in standpipes. A municipal official considers that currently "this is the big challenge" in water services (Interview with Reg Bailey, 19 June 2002).

From the perspective of municipal management, the questions of service delivery to the peri-urban and even rural areas of the municipality are currently regarded as a priority area. On the urban periphery populations, which are living in rural settlements or in a mixture of shack and traditional housing, are often widely dispersed which makes the extension of mains and particularly sewerage pipes expensive particularly when there are constraints in capital expenditure in extending the existing infrastructure to the most distant areas.

In the eThekweni Council a municipal director makes the following observation about these target areas, contrasting the relative permanence of life in townships to a perceived transitory life in the shacklands.

It is clear to us that the shack areas are not good areas whereas the townships are more communities. People are more keen to stay in townships with their friends and families but the shack situation is not nice. We tend to find most people want to stay in those areas (even our mayor stays in Umlazi); he says he's lived there all his life, his friends are there, his family is there. So the whole social family that he has come to know is there.

But I think the average time a person spends in a shack settlement in our areas is about six months and then they move. They are forever moving to where the jobs are and where they trade up from one mjondolo (shack) to a better mjondolo so they get nearer to where they want to be. So they are not communities, they are transient (Neil Macleod, 12 March 2002).

Difficult though delivery to these areas is, there is currently a preoccupation with this 'difficult' sector. The issue of the unserved and partially served occupiers is stated to take up an undue proportion of the time of municipal officials. Altogether there are hundreds of informal communities in and around the formal setting of the city which amount to about a third of the municipal population, but their needs and strategizing for delivery occupies most of the time of upper management.¹ In this sense the objectives of the BPD partnership (developing partnerships in delivery, prioritising the marginalized areas, extending services to shack areas, etc) do help meet the preoccupations of the municipality even though only a small number of pilot areas were selected.

The social and political setting of the municipalities in Durban and Pietermaritzburg will be reviewed as a particular form of local government in which there have been attempts to provide for the urban poor through involving the private sector in service delivery. The BPD pilot scheme has arisen as possibly a unique form of partnership in which the various parties have come together without a contract or other form of legal document. What local factors have encouraged this development?

It is common cause that there is a rapidly changing institutional and social context in South Africa and the region. In local government there has been a period of extensive changes in boundaries through demarcation largely to overcome the extreme inequalities of urban

¹ Interview Reg Bailey, 22 June 2002.

society; extending the ambit of large councils even further, and bringing municipal services to the widely dispersed communities on the periphery.

Legislation has been changed, updated and new institutional arrangements inaugurated. Although a number of respondents found it difficult to characterise the way they perceive the general political and institutional project environment there were a number who did and their responses are tabulated below. The perspective which emerges is one of uncertainty and continuing change, with points of stability and others of crisis, which, while not providing a firm starting point, provides the environment in which partnerships are made and projects mature.

5.2.1 The character of the local political/institutional culture

Within the region	Within the local authority	Within your institution	Within the targeted community?
Stable institutions battling with disorganisation	Bumpy transformation	Crisis management	Homogenous and fragmented
Unsure	Stable	Stable	Sometimes volatile
Strong in Durban, weak elsewhere	Diverse	Transforming	Poor and lacking capacity

When asked specifically on this matter the majority felt there was a stable environment for the partnership to grow, but there were two dissenting voices, one arguing that there was not a good environment and another expressing reservations about the environment.

In addition to the external environment there are also important issues relating to the internal arrangements within the municipalities. In addition to the crucial question of the transformation of municipal bureaucracy, which is currently understood as the replacement of white officials by black and the reorientation of municipal departments to delivery to the needs of the previously disadvantaged, there are important internal contradictions. One of the principal internal difficulties faced by the partnership in succeeding in delivery has been the poor coordination between water services departments and those of housing. The housing department in eThekweni is perceived to have had difficulties in securing funding for planned township development which has led to delays in providing water services in these areas; in interviews there are frequent mention of poor communication and coordination between departments in the Msunduzi Council as well.

As the Project Director has stated in relation to the eThekweni Council, there were major problems in carrying out projects in conditions where information was not available:

The public sector has different actions, departments exist next to each other but are not together; there is a Chinese wall between the two. We worked to open doors and tried to find the necessary information and bring all parties to endorse the partnership and its strategy and the response was very positive. We have worked to create informal links where there was not working together and that has changed behaviour (Patrick Rousseau, 10 December 2001).

This received mention from other participants as well and was clearly a general phenomenon. The Executive Director of eThekweni Water argues there should be more coordination between departments and expresses frustration over the difficulties in getting BPD projects off the ground.

There should be more coordination; at the moment we are trying to achieve service delivery in an integrated fashion out of sheer desperation. We need the drivers of the development like Economic Development and Housing to actually and really go ahead. They should run the projects and we just come along and support them which is the way it should be. We should not have to try and second guess them (Neil Macleod).

It should be mentioned that the perception among public authorities nationally and internationally is that the two councils involved in the partnership are competently managed and aspiring to become model cities at the centre of a revived regional economy within KwaZulu-Natal. Despite this there is evidence that delays in carrying out supportive work were often linked to delays in the original projects.

6. Political leadership and community

One of the most significant issues raised by the key participants in assessing the partnership has been the lack of significant participation in the partnership itself and in providing effective oversight by the political leadership of the councils. At times the partnership appears to have regarded itself as an inner circle of engineers and managers and often taking a defensive posture against 'political interference'. After the political leadership consented to the Cooperative Agreement and the initial doubts, questions and opposition from various sources was overcome, the political leadership appear to have retreated. At other times there was an expression of the need to bring and keep the political leadership at city and local level 'on board' to ensure better outcomes. In preparing the Guidelines participants agreed that two key weaknesses evident in the partnership were undeveloped communications particularly within the field of the partnership itself and insufficient attention to maintaining the support of politicians throughout the course of the partnership. The question is of significance, but various participants have seen the issue from rather different perspectives.

A direct question was posed in the questionnaire as to whether there had been effective oversight of the BPD water and sanitation projects by political representatives (which would have brought together professional/administrative and political direction): all participants felt that there had not been effective political oversight except one who stated "only modestly so, and only where there were problems".

A consensus emerged at the evaluation workshop that more time could have been spent at the beginning in sensitising senior management, councillors and political figures to have a complete understanding and 'buy-in' for the project; and that later a concerted effort should have been made to brief management of progress, to be more ambitious, and to work in a larger arena to achieve a significant service delivery so that the partnership would be more representative of a possible future developments within the two cities. These points were all, in a sense, responses to the dilemma.

Although many participants have expressed some anxiety about the lack of political participation, some key participants have felt that the politicians were exercising a *laissez faire* attitude to the partnership because things were going well. As a leading participant put it:

The councillors tend only to get involved when things go wrong, if they are not involved then it means there are no problems, it means the thing is a success. They know very well what's going on at the community...if something is working well they do not need to waste time on it. To all intents and purposes they left the project alone; which means we were not a political threat; water services were going in and service problems are being sorted out (Neil Macleod, 14 February 2002).

From this perspective councillors were perceived not to have had the time to waste as they had the priority of participating in the demarcations of sub-councils at public hearings during the life of the partnership, a process which took months. This period has been one of extraordinary municipal reorganisation with fundamental legislation and policy revision which encouraged an inward looking view towards reorganisation while retaining a stable administration.

Despite this perspective which was unchallenged by others, there were a number of items in the questionnaire which explored a range of perceptions of the relationship between politicians and the partnership and recorded varying responses. A question which explores attitudes to the participation of the political leadership (“One of the key problems within the Partnership has been the distance and misunderstanding between the political leadership and the Partnership”) had had a range of responses which generally supported that view. Among the respondents, four set out the need for better participation, two felt that the nature of the partnership did not lend itself to meeting the immediate interests of politicians, and one stated that participation had dropped off from an initially higher level of participation. A composite² of these responses is as follows:

More better liaison and communication was required to tackle the political side; the politicians should have been involved from the very start and on an ongoing basis; the new council needs bringing on board.

[To have secured] greater involvement from politicians would have required the project to have offered more tangible, concrete benefits; and unfortunately, not all work in communities can result in construction of assets and work opportunities, which often what politicians look for. Councillors find a partnership difficult to understand when it does not bring in votes.

It is true there is political distance now, but was not the case before the December 2000 elections.

There were two ways of assessing the lack of political participation and oversight of the partnership. In discussion these views have gathered around two poles: the view (expressed above) that the indifference of the political leadership signified that there were no problems of account and that the partnership was a success; or secondly that there were serious difficulties which were not being expressed and which had lead to ambiguous attitudes among politicians. One important argument is that the distance between the politicians and partnership was accelerated by the elections; presumably as councillors concentrated on political survival and that, in the aftermath of the elections, there were a number of new councillors who had no knowledge of what had been previously discussed.

² A number of respondents made the same points, and the method adopted was to compile basic statements from the variety of statements made.

The issue was further probed by the question whether the political leadership of the municipalities was proud of the work achieved in the field of water and sanitation. Three felt that they were, one gave an ambiguous answer and the others declined to comment. The perception among participants generally was that “politicians tend to be impatient and want unrealistic progress”. The views are as follows:

The mayors of eThekweni and Msunduzi were supportive although they had had little exposure to the progress of the partnership.

Possibly in Durban but doubtful in Pietermaritzburg.

This question is difficult to answer. The partnership did not bring about new infrastructure except in Ashdown.

A participant identified the councillors themselves as being under considerable pressure and contrasted their position to the relatively secure prospects for politicians in the European context.

The relationship between councillors and the partnership is a complex one. The role of politician at the local level is not one of stability and gradual accumulation of experience. In the past elections there was a complete change although the same parties were in power.

At one level the political leadership is enthusiastic in welcoming an initiative which could bring some delivery, at another cautious when finding that the first objective is not necessarily delivery.

A further question was raised in response to this perception: whether the project would create the basis on which there could be more stable political representation within the pilot communities. When asked if leaders were more likely to be re-elected in targeted communities as a result of the Partnership, five agreed and two declined to comment. The issue was felt to be complex due to the change in councillors, because the new demarcation of wards which made it difficult to assess, and because the project was only of a pilot nature. In response to the question “Do you feel councillors are working energetically towards the involvement of people within projects?” four agrees partially, two disagreed, and one was unsure. In support of their conclusions respondents made the following composite points:

It depends, for most ‘energetic’ is probably too strong
Some are very involved and others are indifferent
No, but probably as much support as could be expected.

The role of councillors in the development of projects is further examined in another question which asks if there is a difference between ward councillors who are directly elected by communities and proportional representation councillors who are elected according to a party list. The participants felt that only the ward councillors were really involved; that they acted as gatekeepers to community structures, and that some were active and others not. There was “good and active involvement in Ashdown and Amatikwe...very little or not at all in

Bhambayi”. Their participation seems to have been linked to the cycle of elections; initially active but less active in the run-up to the 2000 elections, although somewhat more cooperative again following these elections. While one participant felt that those who have been active have been rewarded with some credibility in their communities, another felt that generally councillors were not pro-active and often in conflict with community structures with “open fighting at times between councillors and local committees”.

If the councillors were able to act as gatekeepers to the community the question is what effective and direct communication existed between the partnership and communities. In answering this point four felt that this was achieved, two disagreed, and one had a divided opinion. The responses were expressed in the following composite responses:

This was partially achieved, more effective communication would have required proper initial consultation, more time and more money, with more resources (people) from municipalities.

There was effective communication, particularly through the Msunduzi urbanisation unit, Mvula Trust and consultants.

But what channels were activated and how effective were these? The responses reflected the varied organisational landscape of different communities, some of which have active civics and others development committees, and that changes have taken place during the period of the partnership. In relation to civics many participants expressed that they had no knowledge of these in the relevant communities except in Ashdown and would have liased with them if they had existed. Development committees were much more in evidence and there was reported to be close consultation particularly in the Msunduzi Council areas, although the new demarcations and the new legislation which emphasises ward committees instead had introduced some added complexity and confusion. The participants expressed some interest in other community organisations such as churches but generally felt that they were peripheral to the consultation process.

Analysis of political oversight of and participation in the partnership is needed at two levels within the governance of the partnership which had a Steering Committee to include the political leadership and a Task Team of participants to plan and report on project implementation. At the highest level there was initial participation by the mayor and councillors giving their consent to the Cooperative Agreement in signing ceremonies which constituted the launch of the Partnership. The active interest of the politicians in the Steering Committee appears to have waned with the 2000 elections and there has been little oversight from councillors and senior politicians. This has been identified as one of the primary weaknesses of the Partnership and its sustainability by a number of key participants who identify the need for the public sector to be fully engaged to increase the possibility of the partnership being replicated. A contrary view, firmly expressed, was that the ‘hands off’ attitude of the councillors was not a problem and signalled that the partnership was working well.

In interviews it was generally agreed that the 2000 elections had significantly disrupted relations between councillors and the project, the necessary processes of democratic elections

had preoccupied politicians and communities. It is generally agreed that the elections diverted councillors from broad developmental concerns to the immediate problem of political survival. Significantly the elections led to most councillors being replaced not because their party had lost but through internal party processes which led to them not being re-nominated. This is evidence of a high level of leadership conflict at the local level, a fact which was noted by many participants. The ex-councillors have been very difficult to locate to interview and the one finally contacted after many attempts expressed considerable bitterness over her displacement. The generally low level of political capital available to communities is shown by none continuing to be active in community affairs and allowing their experience to be used. This general displacement has broken a line of continuity within the work of liaison within the partnership. As a key participant put it: "I think everyone of them was replaced, there was not one left in our project and we got new people coming in who basically had to learn what it is to being a councillor and what local government is, and in fact they are still learning" (Neil Macleod, 12 March 2002). He expressed some sympathy for councillors and the difficulties they were experiencing in working actively with the partnership.

In addition there has also been the conception of a general shift in approach by councillors from quite cooperative to somewhat antagonistic attitudes towards NGOs.

I have noticed with the new councillors far more reluctance to work with civil society and NGO's although I am sure it eventually it will get worked through. You almost get double-speak about the need for projects to be community based and devolved to communities. At the same time they are saying "but I represent the community". I think we going to have to establish the need for NGO's and to re-establish their role (Neil Macleod, 12 March 2002).

Other participants feel there have been some changes for the better with the new councillors and that new prospects for genuine cooperation were opening up:

[The councillor I deal with] now is a far more amenable guy, far more ready to act on behalf of his people and in doing so you far more willing to work with him (Mike Greatwood, 11 December 2001).

The issue seems to be one of political perception. As one participant argues NGOs or civic organisations can be extremely threatening to political representatives, as the facts are clear that political displacement is a reality particularly now that councillors earn what in their communities is a good salary for their political work.

There is almost a fixation about controlling: "I have appointed staff from this area, I got them jobs". That's how they think they are going to get re-elected no matter what the mayor or some senior politician tell them.

But the same participant also notes a contrary tendency emerging with the new councillors:

Others see it as important that any improvement happens in this area by whatever means. They are more hands off, more accommodating, and less threatened by other structures and it depends on the maturity and the history and the education of the person involved. And so opinions shift from one view to the other, from the councillors that do not want any committees of any kind as they are threatened, to the ones that are quite happy so as long as it gets delivery (Neil Macleod, 12 March 2002).

The diversity of views on the question of the changes in political leadership in communities provides evidence of the importance of councillors, not only in the somewhat negative role as gatekeepers to the communities, but also as essential components in a structuring of social capital.

The question of the councillor's attitude towards participation raises the broader issue of communications between the partnership and communities. A question "Has there been effective communication between the Partnership and the communities in which projects have been initiated?" found four participants in agreement, two in disagreement and one unsure. The relationship between key participants and councillors was examined in the question, "Have you met and discussed developmental issues with a councillor?"; a majority (four) said they had not while the other three had.

Many participants felt clearly that the relationship between the partnership and councillors required a two-way process of communication, if necessary parallel to the structures of governance within the partnership which provide for this.

The leading participants worked, initially in a focused manner, on integrating the partnership with the ruling political structures but without all-round success. The mutual relationship was summed up by one of the participants in the following way:

I think the councillors have got so many issues distracting them. This is a kind of interesting project that's happening on the side...it has not become internalised into the workings of the council (Neil Macleod, 12 March 2002).

This assessment tends to reinforce persistence of the trend previously identified in monitoring and evaluation of an inner circle of professionals loosely supervised by an outer circle particularly exemplified by local politicians and structures.

7. Institutions, conflict and trust

In this section of the assessment the question of social capital, trust and institutions will be examined, both in the broad context of the relationship of markets and state, as well as in the specific context of the institutional arrangements of the partnership. The varying responses to private sector participation will be developed here. Critically important to any partnership is the development of trust, the ability to establish projects without extensive contracting (the cost of transactions which raises the cost of management), to change course while maintaining confidence in other partners, etc.

The kinds of questions which are explored are as follows:

How have very different organisations been able to come to work together in an atmosphere of trust?

How has trust been engendered?

How is feedback within each organisation taking place?

What kinds of conflict has there been within the Partnership?

How have conflicts been resolved within the Partnership?

Extrapolating from Karl Polanyi (Dalton, 1968:148), integration is in evidence (here within the local economy and government) in the form of reciprocity, redistribution and exchange: government is necessary to public infrastructure, rates on property provide the basis for investment in marginal areas, and the market in the current dispensation provides the basis for incomes. Insofar as such categories are in balance there is integration and the basis for the well being of citizens; the alternatives are dis-integration, the polarisation of communities and races, and resultant economic and political regression. But the terms of integration are constantly being renegotiated through institutional arrangements; political, social and economic. Underpinning these are the social and psychological factors of trust and conflict resolution and the management of resources on an agreed basis. Here the attitudinal basis for the partnership is gauged, the commitment of individuals, the reciprocal relations between partners, within the general setting of current policy.

Despite criticism that has been made of the partnership in terms of its difficulties in achieving delivery there has been a remarkable level of support from the participants and institutions they represent. The key individual participants have felt that their institutions have also provided the requisite level of support: all respondents and all key participants surveyed felt that their institutions had been constant and loyal supporters of the partnership. The sense of teamwork among the key participants was highly valued with four feeling it was excellent and three feeling that this was good.

These and other factors have led the key participants to feel there was a high level of morale and confidence within the partnership (with fluctuations over time) although the following reservations were expressed:

- Frustration with certain funding problems;
- Irritation over municipal bureaucratic methods;
- Some misgivings from the NGO.

The high level of commitment expressed by many participants is evident in the hours they devoted to the partnership itself in addition to their ‘normal’ hours of work as presented in the table below.

7.1 Number of hours spent per month

Hours per month	
<10	2
10-20	1
20-30	2
>30	2

Among the participants the least time was ‘a few hours’ and the most 100% of his time in a month. The two participants who spent over 30 hours a month on the project were those individuals directly engaged in project management. Even though this is an important indicator, the commitment to partnership cannot be directly measured from the time allotted to direct work on its projects and directing its projects, within the division of labour between participants there were those who ensured the continued support of their institutions and directed personnel within their department to give their time to undertaking tasks related to the Partnership, and others whose main work activity was the partnership itself.

This issue is explored in the question on how the participation of individuals was governed. Excluding the two who acted as the project management, the participants responded generally in seeing *themselves* as being responsible for their participation; an indication of the generally high level of professional and work responsibility held by the respondents.

Their time was prioritised according to the following criteria:

- Targets and happenings
- My own planning
- Constant overall management
- My diary and the latest panic
- Program what you can – do the stuff you can’t
- Prioritise issues – focus on strategic issues

Very largely the key participants felt that their time allocated to the partnership was determined by themselves, although they also recognised it was necessary to relate their experiences back to their colleagues to maintain the support for the partnership. In a question on how participation in the partnership is reported back to the wider organisation the participants mentioned the following: verbal reports, minutes and emails, and written reports.

The participants were questioned to give substance to the notions of the tacit arrangements essential to partnership and necessary to cooperation outside the direct field of contractual obligation often expressed as trust. Trust between the various institutions, it was felt was evident in the following composite views:

- The keenness of partners to want to carry on in the absence of a contract
- The manner (transparent, open) in which partners communicate
- The sharing of the responsibilities
- The development of friendships.

The participants felt that these qualities were evident in the partnership, although some related that it took time for these qualities to grow.

7.2 Private sector participation

Critical to perceptions of the partnership are attitudes to the involvement of the private sector in municipal services. This is undoubtedly the most important issue in relation to attitudes towards the partnership. The partnership has been innovative in developing an organisational form lying somewhere between an outsourcing contract or a management contract (the most conventional forms of private sector engagement) or, on the other hand, an entirely loose arrangement to work together. It has been built on a detailed cooperative agreement which sets out objectives, projects have been identified around these objectives, and business plans developed to implement them.

It is useful to relate the local partnership to the context in which the BPD was established internationally to understand the central role of the private sector. As related by a key participant, the BPD internationally was founded on the initiative of the companies in the water sector who felt that the BPD was an exercise in reputation building and information sharing to advertise the benefits of closer cooperation with the private sector. The companies put in high quality personnel who were genuinely taken with this idea even though at one level it appeared as something of a marketing exercise for the eight original projects which were brought into the BPD fold and the companies associated with them. The BPD, however, in his view actually evolved somewhat differently. Over the course of one or two years the various partnering experiences became challenging situations which involved a number of transitions and the public relations aspect slipped into the background as new solutions had to be sought in changing circumstances. What originally appeared state of the art projects often had to be reworked and the simple exchange of ideas and experiences through the BPD internationally was not enough.

The KwaZulu-Natal BPD pilot project was different in the sense that it was fashioned from scratch although with some knowledge of other existing projects internationally. Preliminary discussions were extensive and agreements negotiated. Within each of the fields of activity identified in the Cooperative Agreement is the assumption of complementary relations between the private and public sector. The matter was thoroughly explored as participants were asked of their attitudes towards the private sector, privatisation, and regulation. Unexceptionally, most (five) support private sector engagement in water and sanitation in

genuine partnership, although significantly one disagreed and another declined to comment. None agreed with the proposition that privatisation might be more efficient but would be against the interests of the communities served. Only one supported the statement “from my position I am strongly opposed to privatisation of public goods” while five disagreed and one declined to comment. Despite this most (five) felt that without a strong regulatory regime privatisation could lead to excesses, although the two remaining were not neutral and disagreed.

Taken together these responses show a fairly general acceptance of collaboration between local government and Vivendi, one of the most significant water multinational companies internationally. At the inception of the partnership many municipal officials felt that it would probably lead on to something more directly in the interests of the company: either a management contract or a concession. During the partnership many of the contrary pressures for and against forms of privatisation were identified and assessed.

Many municipal officials felt that politicians preferred public sector provision as privatisation appeared to give evidence of the failure of a municipality. Most would probably agree with the senior official who argued that the trade unions were solely opposed to privatisation for fear of losing their membership and that this was “a very self-centred opposition”. At the same time they were also anxious about the final outcome of partnership: would it be a stepping stone to much greater private sector involvement or could a partnership of this type (one of genuine and balanced collaboration) continue. The interests of each party were reflected in the partnership and within the bounds of the partnership participants felt these were accommodated. The question was what would follow; was there a hidden strategy which would only reveal itself in the fullness of time?

In the baseline study many officials expressed such fears and anticipated that the partnership would conclude in concession or with some definite advantage to the private sector. In the final assessment these issues were returned to and a leading official made the following appraisal of private sector interests in the partnership:

Vivendi is a lot less avaricious than I thought they would be. We thought they were trying to position themselves for a concession or trying to drive something that would position themselves, although that may have been an intension of theirs, it has not come across. They have been genuine partners. They really have been willing to share more than I thought they would...they have been very generous and very open and they have contributed to the partnership (Neil Macleod, 14 February 2002).

From the perspective of the company the emphasis on benefits has been in terms of learning. As the project director said:

Our company is quite familiar with forms of public private partnerships, the unknown was the NGO and civil society, we had no background here. For us this experience was totally new and we felt we were making a full discovery. We have had some 150 years of experience of working with the public sector, what would be the impact of the third partner? (Patrick Rousseau, 10 December 2001).

There has been a general perception among those particularly in the trade unions that a multi-national company would impose high levels of technology in the implementation of water services which would leave the councils and communities vulnerable if they withdrew. The project manager responded in the following manner:

To speak on behalf of Vivendi, Vivendi always tries to accommodate the local environment in fact each contract is specific to the local environment...from a technological point view there's everything in this country, so what can we bring?

The issue was seen as one not of exercising technological dominance, but largely one of improved management.

We could bring new ways of managing services customer management for example or maybe improving certain aspects like revenue management or stuff like that. But Vivendi is not a manufacturer of technologies, we are not here to bring technology. Technologies are only a tool to improve the management of the services (Eric Tranchant, 13 February 2002).

From both the public and private sector, professionals across the table could identify benefits to themselves arising from partnership; the question was how this translated into wider social benefits achieved through delivery.

7.3 Municipal strategy and the private sector

Senior officials envisaged potential relationships between the public and private sector ranging from technical assistance to management contracts and finally to a concession. In a particular view the whole process and choices made depended critically on access to capital rather than to state failure.

I think there are lots of models which are appropriate for different municipalities at different stages of development...it always depends on how easy you can access funds because generally if you can you can manage...With technical assistance there are management contracts and for those who cannot access capital and who are really desperately and have no resources there is the concession.

The alternatives in private sector engagement in this view depend on the strengths and weakness of local government.

There are two kinds of weaknesses. There's financial weakness and institutional weakness. If you are an institutionally weak and go for a concession you will get ripped off. If you are financially weak because you cannot access sufficient funding and are still institutionally strong you have alternatives. If you are in an institution you have to know what the situation is, what your problems are. You do not want to commit yourself to a twenty-five year concession because you cannot find out how good or bad the situation is then you'd wish you'd the ability to change and ask for more.

There was a sense of exploration among many of the participants. From the perspective of Umgeni Water, Isaac Ngwenya found the partnership a new experience "coming cold" to work directly with the private sector.

Although the private sector is supposed to have all the answers it did not; it did not create the threat of being taken over. [The partnership] has been more about sharing information and...the BPD water and sanitation cluster provided the opportunity of comparisons and we started getting more focused.

The partnership provided the opportunity of sitting across the table with the private sector in non-threatening environment; this diffused the threat, allowed “very open discussion” on projects and lead to mutual understanding.

Within the ‘inner circle’ of water service professionals there thus appeared to be little difficulty in working with the private sector, the question was whether the ‘outer circle’ of the political representatives was in broad agreement. Neil Macleod reflected on the relationship as one of non-opposition:

Had they been concerned they would be...complaining about the private sector very very fast.

In responding to an initiative which had largely been largely initiated by the private sector the participants passed through an initial phase of reservations which eased over time. Towards the conclusion of the partnership the views have become much more accommodating and there were fewer feelings of anxiety about relationships with the private sector.

From the side of the public sector there is a orientation towards some form of co-partnership in the future, a relationship in which interests are acknowledged and served, and something greater emerge. Quite what shape this would take was not clear, but the partnership engendered support for such a prospect: Again it is recognised that mutual interests would have to be interwoven, but a key participant felt there was the potential for something between open partnership and formal contract.

The formulations here were vague but certainly there was a growing appreciation that the existing forms of concession were not to the advantage of local government. A leading participant argued that the 250 municipalities in South Africa needed skills and expertise before contracting concessions. There were several negative examples in his mind.

Look at Dolphin Coast: whenever they get into trouble they have to get Pretoria to come and help, Nelspruit is the same. They have got concessions but they cannot manage them without outside help. Now the outside person would never have the same interests in your well-being as you would. It’s like asking your friend to manage your finances, he will do a good job if he’s a true friend but he would not as passionate as you would have. That’s the situation here; we have not the best results (Neil Macleod, 14 February 2002).

Although there is not opposition in principle to management contracts and concessions there is an increasing awareness of the potential difficulties which could be encountered in entering into a long-term engagement with the private sector. The question appears tied up with local government capacity; there has to be sufficient capacity to make an intelligent decision, but this capacity would also make it possible to continue water services on the basis of a revived public sector. The key variable in some discussions is the availability of good quality engineers committed to public service. A senior official feels that the skilled staff situation is “terrible”.

We do not have the engineers; they are all in Australia and Canada and America. We have very few experienced people left now. Disadvantaged engineers that come up go into consultancies, they do not work for municipalities...so they will work for you until they are trained and competent and then they go and either join another company as a partner or set up their own company and they are guaranteed work because of the target ... It's a huge problem, we are not attracting or retaining engineers (Neil Macleod, 14 February 2002).

SA municipalities it is felt have an engineering driven approach and a huge gulf exists between communities and representatives. Participants feel that in municipalities the right service is not proposed, and that links between people who are all part of the solution has not yet really been taking place ("we are all sleeping"). They feel that the partnership brought all of the individuals and institutions together, adapted technology, and brought in an NGO because they understood there "is a huge gap" between the officials and the people. Most felt that it was capable of filling this gap not only through the intervention of NGOs but also through building a new institutional framework.

While the participation of the NGO in the Partnership certainly provided more points of contact and interaction with communities, the challenge to local government is increasingly coming from highly mobilised community based organisations which do not share commitment to the ruling policy framework, indeed these are actively opposed to local government policy in water and housing.

8. Innovation, information and change

The question of partnerships and strategic international alliances has raised the question of what processes are involved in individuals and organisations learning from partners and developing new competencies; these have now been brought into a distinct field of study (Simonin, 1999). In this assessment these theoretical issues will not be exhaustively explored but parallel processes in the management, transfer, acquisition, and impact of knowledge on outcomes will be examined.

In the paper on methodology (2001), the link between knowledge and interests was explored; knowledge has an institution setting in which it is developed, maintained and extended to carry out necessary social functions. In the organisational setting knowledge is regarded as essential to the flow of communication, to innovation, and the engendering of cooperation. In any context involving differing interests and bureaucracies, knowledge and access to knowledge is not freely available as it is the property of specific institutions and individuals. As a network of professionals who are confident in each others' judgment and ability, the partnership operates as a clearing house for the flow of knowledge strategic to the implementation of projects and to the development of the partnership. Although in the information age knowledge appears free-floating, there are key locations, costs of access, and issues of ownership to be resolved, all tied up with the notion of tacitness which assumes trust and respect for mutual competencies. Before knowledge could be shared, there had to be confidence it would be used appropriately to further the aims of the partnership in a secure setting. How a stable but flexible institutional framework could be built in which there would be constant adaptation to unceasing change and the acquisition of knowledge through learning was one of the prime functions of the partnership. Precisely the relationship developed between learning and knowledge, what knowledge was regarded as strategic to the success of the partnership and to meet the specific needs of participating institutions, were issues central to the existence of the tri-sectoral arrangement.

Although in most discussions about the partnership mention is routinely made of the exchange of knowledge and the processes of learning, this central feature of the partnership has not been easily researched. There has been a curious attitude towards the exchange of knowledge and the learning which takes place through partnership. At one level it is widely stated that there are many valuable lessons learnt through cooperation, even that the partnership has been a learning organisation, at another it has been extremely hard to pin down what precise knowledge has been generated and what learning has indeed taken place. The questions relating to knowledge and personal and institutional learning were the most difficult for respondents to answer. There appear to be a number of issues in the minds of participants; in particular difficulties in relation to:

Separating out significant knowledge which is acquired in everyday interaction from the common traffic of information;

Drawing out explicit lessons from experience and putting those into original statements;

Thinking through (and separating out for analysis) the personal and institutional learnings.

From the initial baseline interviews to those in conclusion there has been an extraordinary emphasis on the exchange of knowledge and learning. This emphasis seems to indicate the interest in and need for tacit information and considered opinion in a rapidly changing field of operations rather than facts and technical information alone (although these were hardly unimportant). The work of the partnership in relation to producing Guidelines in a sense is the summary of the knowledge gained through common experience in a set of perceptions and rules, although it is not presented as such explicitly.

The evaluation here attempts to locate what lies behind the preoccupation with knowledge; and the form of knowledge being sought, developed, and utilised. What is the knowledge base required for more effective project management and delivery? What precisely has been learnt through the partnership? What knowledge is essential to the successful functioning of such a partnership? In what way has a learning curve (understood as the improved ability over time to repeat the same action) been in evidence? How have information and resources been shared?

The method has been to relate personal to institutional learning, to attempt to isolate knowledge (which incorporates judgement and learning) from the flow of information and data, and to draw together what lessons have been learnt. The subject has been divided into the personal learning of participants, institutional learning, forms of exchange, etc.

8.1 Innovation through learning

Critical to the partnership has been the notion of innovation. The partnership has been built around the idea of exchange of knowledge and collaborative learning between partners with distinct and differing expertise. Such an exchange has been possible through the perception that a fairly even balance of capacities exists among the partners, that the public sector as well as the private sector and NGOs carries a stock of knowledge and is capable of coming up with new ideas. Innovative practices are most evident in the projects initiated by the partnership but are also seen by participants in the form of exchange of knowledge and information and by collective problem solving.

The most satisfactory method of entering this discussion is initially through exploring the personal experiences of key participants who have, over the past three years, been working and learning simultaneously in a number of new situations. The questionnaire schedule has attempted to capture this data through a number of questions which have, by approaching the issue through a number of avenues, attempted to elicit answers to the dilemmas mentioned above.

The respondents were invited to reflect on the stock of knowledge they brought to the partnership to undertake their part of the work in the partnership and to follow this up with an attempt to quantify the proportion of working knowledge gained through the new experience. The results are tabulated below.

8.1.1 Learning and exchange of expertise

Proportion	Brought to partnership	Gained through partnership
<25%	0	1
25 - 50%	1	4
50% - 75%	5	1
>75%	1	1

It is clear that most individuals felt fairly well equipped in approaching the partnership and that the personal learning gained through the partnership was significant but not huge; indeed they reported bringing considerably more knowledge to the partnership than they had gained. This reflects a certain reality, that experienced professionals would not be likely to come unprepared to the tasks of cooperation, but also that they would be likely to make a significant acquisition of knowledge through participation. The forms of knowledge gained could be strategic to this and other ventures.

Further questions attempted to get respondents to judge in which sectors they had gained most knowledge. The following items were identified as the gaps in knowledge filled in engaging in the partnership:

- GIS, billing systems
- Education, awareness, liaison, monitoring and evaluation
- Institutional framework and local context
- Ability to listen to grievances/comments of a community/language barrier
- Community perceptions and understanding of water and sanitation
- Education projects
- Customer management.

Significantly these relate specifically to the processes undertaken in the partnership rather than to the acquisition of general forms of knowledge. Given the engineering and managerial training of the participants, it is probably unexceptional that the identified gaps in knowledge relate to the social, communication, institutional and information technology aspects of the work.

There is considerable range of responses as quite unique and distinct items are reported by individuals, although the gaps in knowledge can be very roughly clustered around educational aspects, communications, and new aspects of management.

The participants felt they brought the following areas of knowledge, competence and skills to the partnership:

- Managerial
- Technical specialist water and sewerage knowledge
- Communication
- Civics/civil society; ‘An understanding of politicians’
- An open-minded approach.

The respondents identified the following aspects of knowledge as being gained through work on the partnership:

- Diplomacy and listening
- Knowledge about other organisations rather than skills
- Ability to consider other opinions / viewpoints
- Better communication with individuals from other organisations
- Exposure to other organisations and liaison
- Understanding of the issues involved in this form of partnership and the role NGO’s can play
- Management of social projects; education.

These were all specific to the individual questioned; but these items include a number of skills, abilities and forms of knowledge largely about interaction and communication between themselves and a new range of individuals and organisations. In summary these appear as the ‘soft’ aspects of the project, in particular communication skills.

In responding to the question about which partner has been able to provide most of the knowledge needed by the individual, three felt they had learnt most from Mvula Trust, two from Vivendi, and the final two felt that they could not answer the question. The greatest learning appears to have come from agencies outside the general field of local government. There is evidence of quite different attitudes to the time needed for necessary learning to grow within the partnership: most felt that the knowledge needed to operate the partnership could be transferred within a short time although a significant proportion disagreed. This implies that most learning was regarded as undemanding and to be acquired through participation, although the significant alternative view implies a perception that a longer and deeper process of learning was needed.

Further questions explored the individual’s accession of knowledge and learning within the partnership. The responses can be clustered into the following areas:

Knowledge gained through participation and by doing.

This has been the most explicit basis for learning as responses indicate:

For me, what has been more important than the type of knowledge referred to has been seeing how things can be done differently.

Two participants here specifically mention ‘cross-overs’ (i.e. institutions taking up activities normally undertaken by others) resulting from partnering with different bodies. This has allowed individuals greater scope for learning in new fields and for roles to evolve.

Learning through assessment.

A number of participants felt that the feedback from workshops and in written assessments has been a prime learning experience:

I think the detailed assessment and compilation of a report on the workings of the partnership is extremely useful.

Looking in from the outside can help us understand events and your views make more sense because of [a different perspective].

At the inception of the partnership most participants felt that they had the information needed to contribute to the partnership. In response to what crucial information respondents have not found available, most said they found none lacking, only one feeling that knowledge of customer management and another effective education methods were not found. Despite this relative display of confidence all acknowledged that they had learnt skills in the following order:

Communication with communities served (4)
Appropriate technology (2)
Management skills (2)
Education (1)

Although in general discussion all state that the partnership has essentially been a learning experience and its methods those of a learning organisation, it has been difficult to derive precisely what generalised learning has taken place. The questionnaire carried a number of questions probing the sources and transfer of knowledge and the networks which were assembled through the partnership. In a question which probed the source of knowledge most participants felt that they did not learn more of what was really essential for their work through the partnership, although significantly two did feel that they had learned more from fellow participants in the partnership than from fellow employees; an important indicator of effective partnership.

A high value has been placed on the documents and materials generated by the BPD internationally and locally, and learning was seen not only to be a local process.

There’s the learning within the local projects and also the learning internationally that I think has helped move this whole process along.

Despite the difficulties in logging specific instances of knowledge which have been generated through the partnership, there is a general understanding that there has been a close relationship between innovation and learning which has been derived from allowing time for these processes and not working single-mindedly on delivery.

We would not have done the BPD tank stands (in Newtown) if we felt we were being diverted from delivery; by working with the community instead we did a lot of creative thinking which was fun and a learning practise and showed that the private sector can actually get creative and deal with issues that relate to the poor (Neil Macleod, 12 March 2002).

Innovatory interventions resulting from the links between knowledge and learning have been seen as the central thrust of the partnership.

Learning and new forms of knowledge have been concretised in new ways of working in the urban periphery where the councils are active in providing new services. There has been innovation in experimenting with new levels of service, recognising the deep poverty of communities on the urban periphery and providing services which minimise the cost to households.

9. *Delivery and impact*

In this section, delivery, the ability of the partnership to carry out the objectives which it identified in the Cooperative Agreement, is examined. This is not synonymous with assessing the *impact* on communities; *delivery* implies the completion of projects while impact is the measured social change brought out by the effects of these projects, the former being necessary but not sufficient to the latter. In this assessment attempts will be made to draw out what indication there is of such impact. These criteria for success are crucial to understanding both the internal morale of the partnership and its relationships within the wider political context. From the beginning it appears there was some divergence between the professionals and the politicians in the understanding of the partnership. As one participant reflects there were two different impulses: one for immediate delivery and the other for consolidating the tri-sectoral arrangements:

I think that in the beginning the politicians misinterpreted what the project was despite what we told them...they wanted to see deliverables on the ground, something tangible. And when it became apparent that that was not going to happen I think there was almost indifference, they did not want to stop the project but at the same time they were not that interested anymore (Mike Greatwood, 11 December 2001).

Some tension existed between the somewhat 'inner circle' issues of exchange of knowledge and resources within the partnership, and the 'outer circle' issue of responsiveness to overall political priorities and demands. Within the partnership there has been considerable debate about delivery and impact in particular in relationship to health and hygiene awareness. In general there has been some uneasiness among participants about accepting delivery as the prime criterion for its success or failure and a feeling that the partnership should be assessed rather on the basis of the growth of capacity and trust among participants. This has been most frankly expressed by a leading participant in the partnership:

If we measure success in terms of service delivery then we have failed, but I do not think we set out to achieve service delivery. We set out to a new way of working. So I think we defined our objective to prove that this partnership approach was better than each one of us working alone, nothing more, and we had to find vehicles to work together.

At this level of analysis, the vehicle of partnership was sufficient in itself, but it is followed by a complex argument that delivery on a larger scale would then be possible:

We did have a goal and we did succeed but maybe the next time the goal is going to be different, maybe we should have been more courageous and defined a different goal rather than just experimenting in partnerships, I think we should have experimented in partnership and in delivery on a large scale (Neil Macleod, 12 March 2002).

Other participants put forward similar views; that the partnership was essentially explorative in the way in which organisations could cooperate, and, most essentially, that lessons were being learnt for *future* delivery.

Bearing in mind this is a pilot project, we didn't expect to make a big difference in the way projects are implemented in the entire world! However, I really believe that within the different partnering organisations, or at least with each of the members involved, there will be a new way of approaching/working with communities in future water-related projects (Eric Tranchant, personal communication).

This discussion runs to the kernel of the partnership; raising questions of its essential nature, its vision, its functioning and relationship to local communities. It is useful here to reflect on participant's responses to a question about the vision embodied by the partnership. The responses came in the following order:

- To get partners to work co-operatively toward common objectives (5)
- To explore the potential of a trisectoral partnership in servicing the poor (2)
- To add value to service and delivery (1)³

These aspects of the vision identified by the respondents highlight the objectives of the partnership as a cooperative organisation (and in a sense its 'internal' life) first, before the question of delivery is explicitly identified. This ranking relates closely to discussions in the meeting held to make a final assessment in which an important aspect of the partnership was a perceived difference between the political interests of councillors and the *raison d'être* of the partnership.

There was an inevitable tension with a partnership having as an immediate priority building trust and effective cooperation between participants, and the goal of delivery at all costs. This tension continued throughout the partnership as it worked to effect delivery, but found that there were important structural impediments to its operations on the ground. Despite this, the partnership has an output meeting many of its targets; a point returned to in conclusion.

Despite this caution in claiming success on the ground, there was no sense of incapacity among the partners in cooperating and building it as a vehicle for delivery; and general agreement that the partnership had succeeded in working as a team. The co-operation within the partnership was judged as highly effective: four concluding it was excellent and three that it was good.

A question asking what additional resources had become available through the partnership to make it a more effective instrument of delivery brought the following responses:

³ The numbers total more than the respondents as one respondent provided two answers to the question.

Water Research Commission (WRC)
Community resources; contractors found workers
Funding enabled innovation
Access to expertise/NGO perspective
Internal resources from local authorities, community participation
Additional expertise not found within our organisation
None.

As is clear from the rather disparate list, participants did not clearly identify a set of additional resources resulting from the partnership; only two identified the important addition of the WRC, others list fairly minor additions and two list no additional resources. All-in-all the responses do not indicate a distinct stock of additional resources, the question has been one rather of improved use of these existing resources. Despite the satisfaction of the participating institutions with the partnership, all participants felt that there had not been an increased contribution from *other* agencies to the Project.

A follow-up question probed the sharing of resources and information; five participants indicated that there had been real sharing and gave the following examples:

Water conservation approach
Social liaison: one way process from Mvula to BPD and consultants
Customer management
Economic studies, quality of life survey, financial analysis
Present action being made by parties
Sharing on partnership issues: role of the NGO, added-values of partnerships, etc
Common approach to resolve issues has also been of use.

Again there is a wide range of responses which seem to demonstrate that there was not a deep common sharing, or possibly that individual key participants found there was a real appreciation of sharing mainly within their *own* sphere of interest, or, more positively, that the partnership was capable of meeting a range of disparate interests.

Discussion of delivery in itself, though essential to any assessment of the partnership, is somewhat contested and difficult. At one level there is the belief that the partnership is sufficient in itself with rich experience being gained, at another there is a feeling that any project has to be measured by its achievements on the ground. There are some ambiguities about the partnership and delivery which will be explored here; at one level participants argue that the partnership should be judged by the quality of the interaction and the level of trust among parties, at another level it is accepted that an operational project has to be judged by the extent of change that has been brought about in the communities it has served. It is not possible for a model to exist without having visible successes, and the partnership generally claims to have achieved success both as a cooperative organisation sharing knowledge and resources, and as an agency implementing important projects in challenging settings.

When asked if the partnership has ultimately to be judged by the impact it has on the ground only two were in agreement and five disagreed. The minority placed emphasis on achieving deliverables but the majority had the following reservations in withholding their agreement:

Because a good partnership can be badly interrupted by external factors (2), and [Assessment on the basis of impact] would be too harsh, it was pilot project taking risks.

Most did not provide the supporting statements invited to their conclusion. If delivery was not pursued as the immediate objective in what way had the partnership evolved to be able to meet this objective over the longer term? In what way has there been cooperative organisation and decision-making within the partnership been taken forward? The following factors were identified as deepening cooperation and effectiveness of the partnership:

Understanding and growing trust between partners (4)
Flexibility in management (2)
More care taken regarding decisions (2)

It was these questions which have been foremost in the minds of participants. The implications for delivery are now raised and explored.

9.1 Obstacles to delivery?

Although it was generally agreed among participants that the partnership did not target delivery as its top priority, the majority of proposals made in the Cooperative Agreements became concrete projects. These were to a greater or lesser extent implemented (see conclusion for further details). In practice the partnership states it has been able to provide innovative solutions and to implement projects successfully; at the same time many acknowledge that there have been difficulties in carrying out the tasks set out in the Cooperative Agreement.

How can these contradictory tensions be explained? There could be various reasons for the partnership not delivering over time and these were explored in a number of questions and the following issues have been raised:

Firstly there has been the consideration of poor interdepartmental communication and decision-making which has led to a number of projects being delayed because housing projects have not been implemented. It has obviously been impossible to connect water to non-existent houses; and a major weakness was identified in Durban in the Housing Department which encountered considerable start-up delays in projects on the urban periphery.

Secondly there has been the need for extensive public participation in devising appropriate design, planning, and level of service in communities; and

Thirdly there has been the issue of the internal workings of the partnership and whether these have taken time to mature and become effective.

The inter-departmental difficulties have been dealt with in the analysis of responses of participants above. External issues certainly brought difficulties, in some cases, serious delays in projects. In eThekweni Unicity there were delays in housing provision in Amatikwe and poor coordination with housing provision in Bhambayi (where houses were built, apparently on a provincial initiative, without notifying eThekweni Water Services and water provision was not planned) which set back considerably progress in implementation. Other difficulties have also been raised in relation to the provision of funding to Mvula Trust.

Despite many manifestly external questions bringing about delay, most participants felt that the problems in successfully completing projects were not purely external. They identified the following factors as impediments:

- Elections
- Internal differences in communities
- Msunduzi finances, tariffs, billing
- Communication difficulties between departments in eThekweni Council
- Resources and the funding of partners, particularly Mvula Trust
- Internal staff shortages, lack of skills.

Most participants found these questions difficult to classify on a spectrum ranging from the internal to the purely external, and the list above indicates a number of external issues including the general political environment. The elections, for example, were a major diversion for the local communities and councillors, but could hardly be opposed. There were, however, also problems which could be classified as 'internal' such as the bureaucratic and communication difficulties, and problems of funding. In the case of one of the most important innovations, that of the tank stand in Newtown, Msunduzi Council, an important improvement was identified but not implemented due, in part, to internal reservations and funding problems.

Secondly there is the consideration of public participation; has the need to consult the community been a lengthy process bringing about delays in implementation? Four participants were in agreement that participation caused delays but the other three gave variable responses indicating they were not sure that this was *the* cause for delay. The composite responses were as follows:

- Initially yes, but not in the long term
- Yes, but without it in certain communities the project cannot proceed or succeed
- Depends on how much participation and from whom.

The tendency was for participants to accept that participation was both necessary and time consuming. The point was made in one discussion that the provision of services to the better-off suburbs involved minimum consultation, standard forms of project management could be

used, and mainly involved contractual arrangements, while extensive consultation was needed with poor communities. Much closer attention and more time had to be given to projects in poor communities. As one participant rather ruefully acknowledged:

We have a specific time to complete the projects and really poor people do not seem to work on our time. When we have a year to do the job it might take them three months to consult...and [by that time] we run into budgetary problems. Maybe in dealing with the poor we have to factor in that things are very slow (Isaac Ngwenya, 12 March 2002).

Others have seen the need to make a balance between necessary consultation and project implementation:

I feel strongly there is a need to find a compromise between empowerment and effectiveness. Too much community participation can undermine a project. Too little is simply not possible (Eric Tranchant, written communication).

Generally it seems to be agreed within the partnership that extensive social liaison is inevitable and necessary, but that it should not be a major factor in contributing to slowing implementation and delivery.

Thirdly there is the 'warm up' factor which relates to the time taken for all parties to work out a modus operandi and become more effective as a project. Most felt that the partnership had taken less than six months to become operational and effective. The gradual growth in trust and in building a common identity went through a number of stages from suspicion to growing confidence and informality. This was a process taking some time.

There was a lot of suspicion at the beginning with various parties, the unions and various departments questioning just what the real basis for this partnership was. It was really a fear that this was a move from the private sector to get a foothold to eventually move towards a concession.

But I think as the project went along and people got to know each other and interacted in an informal and relaxed manner, particularly through the Task Team meetings, there was real appreciation that we were working towards something positive.

I think the project started off a little bit shaky but I think it developed into something which became very positive (Ken Duxbury, 11 December 2001).

The point was made a little more succinctly by another participant who measured the growth in mutual confidence in the distance between talking and doing.

After maybe four months suddenly there was not too much talking and we just worked together (Neil Macleod, 12 March 2002).

Participants identified the following processes involved in the 'warm up' period:

The project had to become a real entity before we could go to the community
Projects were delayed as they required more partner co-operation; implementation time was longer
There was initial wariness of other partners, and the need for trust and relationship building
We had to get to know each other and agree on work procedures.

These are processes which are probably unexceptional in the starting up of any cooperative venture, but the delays involved in turning the partnership into a project implanting agency had to be significant in completing any particular project. Generally it seems that the projects relating to technical activities were carried out more or less according to schedule, but those involving the communities were at times considerably delayed (see the report on the Education and Awareness Campaign).

Despite qualifications about the start-up period, all participants agreed there has been effective project planning and management for the completion of the various projects. All also agreed that there had been effective communication between the partners, that it had succeeded in getting more from each participant by working cooperatively, and that they had been happy about the way in which work had been allocated within the partnership. There was also the feeling that there had been the evolution of a collective process of decision-making in which all partners could both have a say and take responsibility for the decisions taken.

Taken as a whole these responses indicate a high level of satisfaction with the operation of project management in the partnership. The question arises as to how this congruence over effective management translated into ability to carry out projects to successful completion on the ground.

In relation to the question of communication and cooperation with targeted communities one felt that this had not been achieved, but most felt that it had. In a series of questions relating to effectiveness and community satisfaction with projects there is a complex of responses demonstrating more differentiated attitudes towards project management in the current South African milieu. One of the objectives in social projects is to ensure a greater involvement of black practitioners. The participants had a range of opinions (expressed in the composite of opinions below) as to whether this had been achieved:

Somewhat but not enough; partially, not directly
Depends, some of projects yes
Yes
What is the baseline?

A similar range of views was evident in relation to the greater involvement of women through the partnership:

- Not really, only in a specific case
- Development committees in the Ashdown contract
- Yes in education and awareness
- Don't know

In a few cases these questions were regarded as inappropriate: by questioning whether there was a baseline for such assessments and in declining to respond. These responses indicate some of the difficulties in assessing the empowerment achieved through the partnership where the key participants are effectively white male professionals implementing projects for marginal black communities on the periphery of the city. This contradictory combination was understood by a number of the participants and at times frankly expressed; generally the contradiction was resolved through professionalism--of adhering more firmly to the idea of doing work competently, effectively, maintaining good communications, and with sensitivity towards disadvantaged communities. This issue will be returned to in conclusion.

In the broad context of community involvement and empowerment the partners award themselves high marks; all agree that it has led to greater community involvement than standard municipal projects, and that it has helped strengthen community structures and improved communication within the projects. This, it was felt, had led to greater access to communities (although one participant felt that this had not been fully achieved).

Despite this, and in a way quite surprisingly, most of the participants felt that the partnership had not led to higher levels of delivery in water and sanitation, although one felt it had, another felt it had in "some cases", and one felt that the question was "not applicable". This question goes to the heart of the debate about how the partnership should be assessed and the issue cannot be further explored here, but it does serve as the basis for further question which relate to perceptions of the quality of delivery.

A series of measures have been adapted from the evaluation of other projects internationally to gauge the effectiveness of projects. Most felt that it had led to an increased willingness of staff to work in communities (although one was unsure and one felt that it hadn't). The majority felt that the partnership had not led to increased cost recovery and rising revenue from the areas affected, although one felt that this was "still to be realised". In a follow-up question on whether there had been improved customer service and billing procedures there was a common feeling that this had not been achieved in these composite responses:

- Not achieved due to resistance in local government
- Too early to tell about bill paying
- Will do so when Customer Care Centre is fully operational
- Hopefully still to be realised.

The responses of the participants indicate the limits to innovation in a question whether standards enforced on typical municipal projects had been regarded flexibly within the partnership. The majority felt that these had, one felt that they hadn't, and one was undecided. The responses were as follows:

Technical standards – no, contractual standards – yes
An example would be the Newtown indoor tank system
We innovate to get the solution.

9.2 Innovation and effective management

Despite this the partnership has made much of the need for innovation in delivery and to a large extent they felt that this was achieved. The question is explored in the responses of a participant:

The key word of our partnership is flexibility. The fact is that we have been able to move from our initial roles; Mvula in charge of the social elements; Vivendi and the local authorities more involved in the technical elements. We have been able to change these positions to the extent that Vivendi has been able to learn a lot on education activities and in the end implement education activities in Ashdown for example, and Mvula Trust has been involved in our customer management project in Ashdown and Amatikwe.

So there has been a change in the initial roles that were set out in the Cooperative Agreement. I think flexibility is the word (Eric Tranchant, 13 February 2002).

A key indicator of the social ownership of projects is the decline of vandalism in projects in which there has been substantial participation. Most who felt they had experience on the matter were unsure whether this had been achieved, with the exception of Ashdown in the Msunduzi Council area, an area which has possibly had the most concentrated attention in the partnership. The participants generally felt that there had not been greater use of community labour in paid work in targeted communities than in existing municipal projects. The responses were not universally approving and the full range is as follows:

Yes, when planned for as in the case of Ashdown upgrade, during projects, for liaison, and in Ashdown, Amatikwe and in education activities

Use of local people has always been on the agenda

Nominally– except for specific health and hygiene and education facilitation work.

Other indicators of effective management show a varied range of responses. Two felt that unaccounted for water in targeted communities had been reduced, three felt this was about to commence, and the remainder either didn't know or felt this had not been achieved. In general they felt that this had yet to be investigated in Pietermaritzburg, but had been achieved in specific zones (KN1 and NR3) in Durban.

In a more detailed examination of the effective operation of projects a question which asked whether reaction time to complaints had been reduced had four respondents feeling that it hadn't, and the remainder not about to comment as they did not know. A further question about repairs found that most participants felt that there had not been a reduction in the number of call-outs while one felt that it had been achieved in the water and sewerage division and another that it was not yet possible to ascertain any difference as there had been a minimal baseline data.

There has been considerable debate within the partnership over the use of consultants to carry out specific activities, for example in surveys of water loss management and studies of methods to service full latrines and prolong their life. Generally there has been a positive attitude towards the use of consultants:

- Used when necessary to extend capacity, and to source skills not available within partners
- At times extensive at other times very selective
- Have realised the need for specialists to be called in when necessary
- In fact consultants were readily used to get projects going quickly
- Positive when needed
- Use them, but they have to perform
- Open attitude in selective situations.

There has, however, been a negative attitude among participants to the use by the NGO of agencies which served, in a sense, as sub-contractors. In the case of the health and hygiene awareness campaign and social liaison work, Mvula Trust brought in individual PDI (previously disadvantaged individuals) and social consultants who conducted the work in support of the individual senior manager who Mvula assigned to the work. On occasion Mvula representatives have explained the problems they have encountered in assigning more staff to the partnership and have complained about a tendency, at times, to bypass the organisation when they could have been engaged.

Finally there is the question of 'project creep'; of the partnership taking on additional work beyond its original brief. This is a general phenomenon associated with projects which can have the effect of displacing original objectives and delaying implementation. The partnership has had to be responsive to decisive changes in the political environment in relation to water services but participants did not identify many other additional tasks taken on beyond the following:

- To investigate the sustainability of free water to the poor
- Customer education, monitoring and evaluation.

Over time the participants felt the partnership had evolved into a well co-ordinated and innovative unit able to perform more effectively and efficiently than individual bodies, without being disoriented by new demands and issues. The additional questions landing on the table of the partnership (such as free basic water) have, in a sense, originated from the

political environment in which the partnership operates rather than from enthusiasm to extend its work into new areas.

The partnership has not had a major impact on delivery due to three factors: its concrete and relatively narrow brief, difficulties in implementation beyond the control of the partners (such as delays in housing projects), and problems of internal coordination. The impact on the lives of residents has been limited: many of the projects which would have had a significant effect were delayed (such as Amatikwe), and most projects related to the overall management

10. The project balance sheet

With these attitudes of the participants in mind it is worth assessing the various projects of the BPD. Altogether there were 19 projects in the Msunduzi Council area and 21 in the eThekwini area which were completed on a fairly modest budget of just over R6m⁴. The list of projects appears below. Analysis of these projects shows the following:

10.1 Types of projects initiated

	Management capacity	Education and awareness	Socio- economic studies	Improved or new services
eThekwini Council	10	7	2	2
Msunduzi Council	6	9	2	2
	16	16	4	4

The tendency with the projects has generally been towards extending management capacity through greater use of the information available (such as through GIS projects) and through a variety of other studies which extended managerial knowledge (such as the costing of emptying latrines). Social and information projects such as the free water intervention and water pressure management have tended also to combine in particular ways.

The partnership responded to the national government's policy of providing 6kl free basic water a month to households by initiating studies of improving water management. This would be achieved through the monitoring of unaccounted for water, reducing water losses through pressure reductions, and investigating the use of pressure reducing valves and flow limiters. The intention of the research was to limit the waste of water, estimated in one period to be as high as 32% (Jubasi, 2002), and retrieve the cost of free water provision by significantly reducing losses. A study concluded that at one of the values introduced in a reservoir in Ntuzuma (eThekwini Municipality) over a four month period there were considerable savings which annualised amounted to R670 000. Additional research was initiated into the use of various kinds of flow limiters in terms of functioning and reliability.

Generally the technical projects have satisfied those most affected in the partnership. The possibilities of GIS, for instance, have considerably extended managerial direction of water services, linking various databases on a spatial basis. The GIS work which had been initiated in Durban was accelerated through the BPD project. Through this project the BDP paid for a programmer to write an interface between the billing tables and numbers and service areas which provided a 'extremely powerful' tool to identify where payment and non-payment was taking place. The assessment was that this provided a 'definite improvement' in management

⁴ The figures of the number of projects do not tally exactly in various reports probably due to counting differing aspects of the same project. The final expenditure on the partnership is probably an underestimation as participating organisations made generous contributions of the time of key officials.

capacity in eThekweni Water Services not only in the pilot areas involved in the BPD partnership but in all of Durban and the project is regarded as being very successful.⁵ By comparison municipal officials felt that they had ‘never really got a handle’ on social projects.

These difficulties are shown graphically in the case of the ABR (Anaerobic Baffled Reactor) project which has raised a number of possibilities in terms of alternative levels of sanitation service in poor urban and peri-urban areas. In this context, the partners have initiated a research project which aims to develop an ABR prototype for the treatment of domestic wastewater in remote areas. The expected advantages of the ABR are:

- * simple design, robust system,
- * low capital and operating costs.

It is thought that the application of the ABR could offer an immediate solution to the sanitation problem in peri-urban areas, where it could operate for small communities within an area and eventually connect to a sewer system for further treatment at a wastewater works.

Although the project seems to have been productive in terms of technical papers and academic research, a number of participants felt that it was not well integrated into the partnership. In particular the social aspect of the project has been questioned. Critically it seemed very difficult to integrate the project into community development; the prototype required extensive testing particularly of the quality of water discharged and was not placed in peri-urban domestic conditions which would have presented a realistic social environment. The time scale of the project certainly did not dovetail with the lifespan of the BPD pilot project, a difficulty which undermined .

While this was probably the most explicit example of difficulties in matching technical initiatives with social reality, problems were also experienced on a smaller scale. Some aspects of projects have been started and discontinued. In the Ashdown customer management project it was planned to work towards the empowerment (employment and training) of emerging contractors who could be engaged in the maintenance of internal plumbing in township houses. Difficulties arose over the accreditation of the training and experience of these contractors which appeared irresolvable and this aspect of the project was discontinued.

These examples tend to reinforce the notion that social projects were more difficult than technical projects to complete successfully. The technical projects involved either independent consultation or work undertaken between professionals while social projects involved the challenge of working with a wide range of parties: community, officials, NGOs, etc, a more difficult combination to blend successfully.

⁵ Interview with Reginald Bailey, 18 December 2002.

10.2 Projects of the BPD KZN Pilot Project

Msunduzi Council: Pietermaritzburg

Nature and number of projects	Comment
6 education (PHAST, schools, water and sanitation in Ashdown, Imbali and Newtown; 3 customer education in Ashdown: home visits + workshops, street theatre, video production)	Major projects which were regarded as a successful link with local communities. Reviewed (see publications).
1 upgrading of services (Ashdown)	Preparatory project to customer care; see publications.
1 network location+condition survey (Ashdown and Imbali)	Crucial to establishing a 'clean' database. Reviewed as part of the customer management project.
1 GIS (water and wastewater)	Integration of databases: abandoned.
2 ground tank investigations (Newtown)	Investigated tanks as a new level of service.
1 development of a new water service level (BPD Stand in Newtown)	Important innovation arising from interaction with community over dissatisfaction with previous service.
1 sanitation (study of pit latrines in Newtown)	Professional study of planning and costing the maintenance of pit latrines.
1 socio-economic study (Ashdown, Imbali and Newtown)	3 separate reports by DRA on social conditions in these townships.
1 perception survey on payment for services (Ashdown)	Study whose conclusions led to the customer management project.
1 audit of meters and customer details (Ashdown)	Project to improve the quality of metering and data on customers.

eThekweni Council: Durban

Nature and number of projects	Comment
5 education (PHAST, school health and hygiene, water conservation and sewer uses in Amatikwe, Bhambayi and Ntuzuma; 2 customer education in Amatikwe)	Education projects reviewed (see publications). Educational materials now in general use by EWS.
2 construction of water reticulation (Amatikwe and Bhambayi)	Projects held up by delays in housing projects.
3 water loss management (Ntuzuma, KwaMashu, and now eThekweni)	Projects regarded as successful in significantly reducing water loss.
1 socio-economic study (Bhambayi)	Conducted by DRA on a very poor and conflict ridden community.
3 GIS (water and wastewater)	Pollution watchdog tool (wastewater database integration). Rectification tool for water network data. Various water operation tools (links with customer database).
1 baseline study on water services (Amatikwe and Bhambayi)	A study of services and water use and consumption.
1 study of tariff elasticity	Conducted by post graduate student from Vivendi Water, Paris, but inconclusive. Further research being conducted.
2 sanitation (ABR and blockages in Umlazi)	The ABR was a substantial project on its own, still continuing.
1 Sanitation: Toilet data collection project	Termination on 5 th of November 2002.

11. Partners on the partnership

The key question raised by participants, repeated perpetually in workshops, and in the final evaluation itself is the outcome of the partnership; has it ultimately been a success? There has been a constant debate in the partnership over this issue and, as importantly, over the criteria on which success or failure can be measured. The partnership has been established on the basis of a cooperative agreement which has set out a series of projects which were to be initiated. Although no specific timelines were set at its inception, it was clear that there was a three year period of operation. As has been mentioned, there has been considerable resistance to assessing the partnership on the basis of progress of projects on the ground, on delivery. Participants argue that it is unfair to hold the partnership responsible for delays in rolling out and completing projects when the partnership existed on the periphery of municipal delivery, where the policy parameters were changing rapidly, and probably most importantly, where there were inter-departmental difficulties which held back delivery. Discussions have centred on the creation of trust and a high level of cooperation among participants as the prerequisites to better delivery.

There have been two ways in which evaluation has been approached; firstly through extensive in-depth interviews around the nature of the partnership, its achievements and failures, ways in which it could be managed differently, debate on delivery versus learning, its evolution over time, its essential differences with conventional projects, and distinctively different methods employed. These interviews were free-ranging and designed to elicit broad responses rather than additional details. Secondly there are the specific issues which are explored in some detail in the questionnaire.

During various workshops and at other meetings there has been vigorous debate over the criteria for assessing success. Some of these issues will be explored here before the concrete responses to key questions are recorded. At various points in the debate there has been agreement that the partnership has been an exercise in building a learning organisation, knowledge sharing, experimenting with trisectoral relationships, and not in delivery. This was most strongly expressed in the quotation in which it was stated that in terms of service delivery the partnership would be regarded as a failure and that instead the partnership was pioneering new ways of working. In this exposition the partnership is presented as something of an experiment and the questions of delivery displaced for a period by explorations of community communications, management issues, and design and planning. At this level, in responses in workshops and in questionnaires, it was regarded by the participants as succeeding in these goals.

Most of the participants concurred in the view of the partnership as a 'learning organisation' and agreed that the purpose of the partnership was to build up confidence and cooperation among the parties making it up, although two disagreed. Some participants, however, felt quite strongly that the partnership was geared around deliverables and that these were

achieved. The mood of many participants has been generally optimistic in relation to achievements.

The partnership was practical with tangible outcomes, we applied the theory and were getting outcomes and we had deliverables in most of the things we were doing; I thought we had done very well on the outcomes (Isaac Ngwenya, 12 March 2002).

There is a tension running through all the discussions within the partnership over the selection and weighting of indicators of successful partnership in a sense ‘internally’ (as a thing in itself) or as a stepping stone to better and greater delivery. The two approaches were not necessarily antithetical and polarised, but they did point to a dilemma within the partnership which reflected the pressures for delivery from the communities and political forces and the professional desire to explore partnering, exchange knowledge, and work to build vehicles for better cooperation. The latter approach was one step removed from service delivery, but was seen to be carrying the promise of better service delivery in the future.

In evaluating the partnership firstly the reflections of the participants will be analysed and contrasted, the partnership will be compared to other conventional forms of partnership within the BPD internationally, and finally there will be an assessment against the criteria for (real) partnership and delivery. The method in evaluation has been to elicit responses from key participants to understand how they rank the achievements, to relate these views to the broad criteria of success, and to return to the issue in conclusion. There has been some difficulty in that the basis for assessment is uncertain particularly as participants at times found it difficult themselves to come to a single conclusion, although there were good responses to a number of crucial questions.

The responses to the questionnaire will now be examined. As has been explained above, rather than accepting the judgment according to the criteria of delivery most participants argued that the partnership had succeeded in constructing a tri-sectoral arrangement and developed an exchange in knowledge: The following arguments were made in favour of the partnership:

It had succeeded in bringing together resources from the three sectors and has drawn in additional resources from other partners

It had established a community voice within the management of projects

There were important innovations in intermediary levels of service such as the ground tanks in the Msunduzi Council.

Participants were asked what they considered to be the achievements of the Partnership. Most provided three specific points in response which can be gathered around two broad conclusions, firstly around added value of partnership and secondly around the issues of achieved trust and cooperation. These qualities in turn, thirdly, provided for the prospects for improved delivery and finally some regarded very specific items being achieved.

- 1) **The added value achieved by tri-sectoral partnership.** Under this heading there are the following items which describe the achievement of partnership as the effective collaboration of divergent institutions and interests:

Getting organisations from three sectors to work well together
Piloting a loose partnership based on a memorandum of understanding that brought organisations together
Has proved the tri-sectoral model can work
Establishment of a genuine collaboration between three sectors
Has demonstrated the ability of three partners to work together in an open constructive way (5)

Here partnership in the tri-sectoral pattern is seen as a considerable achievement in itself and this topped the list of many participants.

- 2) This in turn is related to and followed by a set of responses which takes this further and which can be grouped under the heading of **building trust and cooperation** between the core of the partnership as well as with communities:

Modifying perceptions of the partners
The building of trust between the partners and sharing of expertise
Gradual understanding of other sectors
Taught us to be flexible in defining our roles
Making community involvement a reality
Recognition of the need to adopt a more community centred approach (6)

- 3) On the basis of the achievement of partnership was the **prospect for improved delivery**:

Amount of lessons learnt
The ability to make decisions and translate them into actions on the ground
Proved that this type of partnership adds value
Projects completed bring more benefit to the poor
Improved quality of delivery
Implementation of most of the activities planned
Technological solutions developed (7)

- 4) Finally there are **specific spinoffs** from the partnership exercise which include:

Customer care
Socio-economic studies
Free basic water. (3)

These achievements of partnership as seen by the participants were largely ‘internal’: overwhelmingly relating to the cooperative relations established between the partners, although there are a number of indications from respondents of success in the field of service delivery.

In identifying the *problems* within the partnership, respondents made a shorter list of items which were a little more specific than those listed under achievements. These points can be clustered under the headings below in the order of importance given by respondents.

1) Difficulties between the partnership and the political structures of the municipalities:

- Poor involvement of the political side
- Lack of political buy-in
- Not generally accepted in the public sector as it should have been
- Insufficient commitment from political leadership and some elements in the public sector (4)

2) Financial difficulties which have impeded the progress of delivery:

- Lack of resources for some of the partners
- Funding problem affected parts of the education and awareness project
- Delays by external factors
- Mvula funding
- Lack of NGO capacity
- Independence of NGO compromised by limited funding (6)

3) Imprecise strategic direction and management:

- Lack of initial strategy due to kicking off from scratch
- Lack of overall coherent up front objectives
- Lack of co-ordination of certain projects e.g. education
- A lack of continuity at times in terms of action on the ground
- Sustainability of the approach
- Integration of BPD projects into other city activities
- Unclear replicability.

The sets of problems identified by the participants bore a relation to each other. The partnership required a degree of financial and political backing, and this was identified as lacking as well as (less mentioned) a clearly defined and visible direction towards achievable goals. If the goals were not always immediately distinct, the financial and political support was less likely to be forthcoming. There is some evidence from interviews that these related questions were in the minds of participants.

We were not quite sure of how we were going to work together but obviously we had to start somewhere. One of the things I have learnt is that communication is all important. The partnership can not just work in itself and with others without communication effectively taking place (Mike Greatwood, 11 December 2001).

Communications within the partnership have been regarded as good or excellent, but there have been two identified weaknesses. Firstly communications with communities have not been regarded as excellent: relationships with councillors have been uneven and the NGO has not been embedded in the community and has relied on consultants to conduct community liaison. Secondly communications have not been carried thoroughly throughout participating institutions. Communications internationally have, however, been good; an imbalance which is recognised as a lesson for future partnerships.

11.1 What improvements could have been made?

In reviewing the partnership the participants felt that the following improvements which could have been made:

1. More strategic planning and direction:
 - More emphasis on monitoring achievements and results orientated reporting
 - Reinforcing the various roles particularly as certain individuals were lost to the project
 - Initial strategy should have been put in place
 - Better objectives
 - Timing of activities (synchronisation of technical and social projects)
2. Greater involvement of political leaders:
 - No political buy in
 - Improved involvement of the political side
 - Insufficient commitment from political leadership and some elements of public sector
3. Better communications:
 - Move to improve awareness in the public sector local authority structures
 - External liaison/communication
 - Communication within institutions
 - Communication, especially between the NGO and the local government
 - Establishment of links with external institutions
4. NGO problems:
 - Independent funding for the NGO
 - Lack of NGO capacity
 - Lack of resources for some of the partners – not controllable

Finally there was a mention of the question of trust and motives and the time it takes to mature: “probably there was mistrust to start with from both sides”.

The listing of the items identified for improvement in the table above is significant. Although there has been very little criticism of the management of the Partnership expressed either at the familiar Task Team meetings or at the wider Steering Committee, there appears to have been some frustration with the strategic direction of the Partnership. In particular this appears to be a concern for management by objectives; to clarify the specific targets of the partnership as a whole and to pursue these to a conclusion. Although there were project environmental issues which caused a number of critical delays (in particular delays in the startup of housing projects to which water services are ancillary) there were also problems ‘internally’ relating both to the funding of the NGO and to maintaining a clear set of priorities throughout the partnership period. This was possibly in the nature of a consensual partnership in which there was not a clear dominant director, in which project management was conducted cooperatively, and each step forward dependent on another partner. Although there were a number of opportunities for raising these issues at the final evaluation session, this issue was not explored and appears here as somewhat vague anxieties about the progress of projects within the partnership. The point is that these points are recorded here quite clearly appears as an exercise in self-criticism.

The question of communications gained much greater attention in the general discussion in workshops; it was identified as one of the most important factors which could have improved the understanding of the partnership and its performance; and indirectly solve the difficulty of indifference from the political leadership. This is an issue which was returned to at a number of workshops, from the final evaluation to the discussions undertaken over the guidelines. In interviews the *internal* communications within the partnership were mentioned as crucial to its organisation and success.

We were not quite sure of how we were going to work together but obviously we had to start somewhere. One of the things I have learnt is that communication is all important. The partnership can not work with others without communication effectively taking place (Mike Greatwood, 11 December 2001).

In the final evaluation workshop participants were surprised to realise that there had been much more extensive communication *directed outwards* rather than within the partnership and this was identified as a key structural weakness. There have been numerous possibilities for international workshops, discussions at World Bank fora, and presentations at various levels; but generally it has been concluded that the level of communication within the partnership has been deficient. This point receives mention in the box on improvements and has also received particular mention in the guidelines produced by the Pilot Project.

Despite the reservations which surface in direct questions about the possibilities for improvements there are high levels of satisfaction among participants with the partnership. This is demonstrated by direct questions as to the handling of conflicts within the partnership. Although two expressed some reservations, all expressed confidence that the partnership had the ability to resolve conflicts within itself in their responses. Two, however, indicated that although they felt this was true that more could have been done to have resolved conflicts. When asked to provide examples of how conflict was managed the following responses were elicited:

Minor conflicts resolved on a consensual basis rather than by authority process
All issues have been dealt with openly and not allowed to escalate into conflicts
Through negotiations by leading members of organisations or by cancelling or downscaling projects
Through interaction at the task teams from my perspective, although there could also be resolution of issues on the ground
Conflict was resolved through lengthy discussion in committee and task team meetings
There have not been any real conflicts to speak of.

All are agreed there has been the evolution of a collective process of participative decision-making, although one feels this has happened only up to a point. All also are agreed that the partnership has managed to strike a balance between different interests in of the various participants in meeting its goals.

Participants also expressed satisfaction with the form of governance of the partnership feeling that it facilitated a high level of cooperation. Despite this participants were prepared to entertain changes to provide greater participation from communities on the project steering committees and made the following responses:

Of course if the community representatives are well informed and can add value.
I think there should have been representation on the task teams.
The political representation on the steering committees has been pitiful. I think the development committees should have been asked to attend, which would have forced the council to attend.
A difficult one, who do you include and who do you leave out, generally I would favour one body acceptable to the community.
Yes, it must be of a nature that gives confidence to the community.
Yes, if the representatives have a good understanding of the project and issues.

11.2 Assessment of competencies

In an exercise which some of the participants found the most difficult to undertake, but which was an essential measure the skills and expertise carried by institutions making up the partnership, participants were asked to rank the competences of each institution. An idea of the perceptions of participants about the quality of each others' contribution is essential to the notion of partnership; both positively or negatively. If there is a sense that there is a rich array and exchange of competencies this is a strong inducement to work together. If not then the potential for the partnership is limited.

Many participants felt reluctant to distance themselves sufficiently to make judgement of each other. They may also have felt nervous at their institution being judged by their peers. One participant did not complete this section of the questionnaire as he felt that he did not wish to make any negative judgment of his fellow partners, and that the partnership should be assessed as a whole. Respondents were invited to rank participating institutions as to their

competence in a number of fields. Generally participants declined to rank their own organisation, although those who did were generally more severe on themselves than others. In response to this the responses on by participants their own organisations were removed. To gain a wider spread of figures, the numbers were scaled up to 10 to allow for a larger range of difference. The responses were added and averaged, and are presented below. The final ranking is an accurate and robust indication of participants opinions as the removal of the highest or lowest response does not change the ranking. The results are presented below:

11.2.1 Assessed competencies and contributions to the partnership

	MT	VIVENDI	eThekwini	MSUNDUZI	UMGENI
Thinks globally	4.0	6.7	6.7	3.7	5.0
Anticipates opportunity	4.3	6.0	7.0	3.3	4.0
Creates a shared vision	5.0	5.0	5.3	4.0	3.0
Develops and empowers people	5.3	3.3	3.7	2.7	4.0
Appreciates cultural diversity	8.0	4.3	6.3	5.3	7.0
Builds teamwork and partnership	5.7	5.7	6.7	5.3	4.2
Embraces change	5.3	5.3	6.3	4.0	3.8
Shows technical ability	4.3	5.7	7.0	4.3	5.0
Encourages constructive challenge	4.0	3.3	5.3	4.0	3.7
Ensures citizen/customer satisfaction	4.7	5.3	4.3	2.3	2.7
Shares leadership	6.3	4.3	5.0	5.0	4.7
Manages performance	2.3	5.3	3.3	2.3	2.7

The eThekwini Council and Vivendi were judged as leaders in thinking globally, a perception probably reinforced by the high standing of the Council's executive director in international water conferences and Vivendi's extensive operations in more than 100 countries. The Council was also regarded as anticipating opportunity, creating a shared vision, building teamwork and partnership, embracing change, showing technical ability and encouraging constructive challenge. This is an extraordinarily positive appreciation among the various partners and significantly comes from peers who have interacted closely with its council officials. Mvula Trust was regarded as leading in developing and empowering people, appreciating cultural diversity and in sharing leadership. In addition to sharing the highest rating in thinking globally, Vivendi is rated highest in ensuring citizen or customer satisfaction and in managing performance.

The rankings tend to reinforce the idea of a matrix of organisational competences being shared through the partnership, an exchange in which certain institutions provide a leading role, passing on expertise and experience to others. The impression is created of a fairly active public sector within the partnership, reinforced by the NGO and private sector.

11.2.2 NGO participation

The participants' responses in the questionnaires and in workshops provide a fairly wide indication of satisfaction, although there are important minorities on many questions. One of these has been the attitude towards the work of the NGO. It is generally agreed that the role of the civil society (regarded in this case as the NGO) is crucial to good community liaison and to highlighting issues which previously have been absent from public-private partnerships: communication, community empowerment, and the combination of social and technical implementation among other issues. This has been most strongly put by the leading participant of the private sector:

South African municipalities have an engineering driven approach and there is a huge gulf between communities and representatives. This ends up with the right service not being proposed. The private sector allowed management to learn new techniques, and the partnership developed links between people who have all become part of the solution and who were all sleeping up until then. In concentrating on the job all were brought together. There was a feeling there is a huge gap which would be met by the participation of NGO; this is cost efficient and fills the gap (Patrick Rousseau, 10 December 2001).

As another participant expressed it, the NGO is essential in working towards something of a social compact with communities:

The NGO is actually a very valuable partner because it brings a totally different perspective from us...we have to stop and say, "Okay let's hear what you are saying" and adjust accordingly.

You need someone who has that heritage, that way of working, that tradition to be able to genuinely speak for communities and represent their views and advise them. That is why I think funding and independence is so important. The NGO has to have the freedom even if you do not like what they are saying at times, because it is part of the process.

You may find they are divergent, they are in opposition but in time the process will bring you back together and that's healthier, it's part of building the confidence of the community in the process. We have done it the other way, we have gone and delivered and walked away and things get vandalized, things get abandoned and destroyed, money gets wasted...just ask the Department of Water Affairs and Forestry (Neil Macleod, 12 March 2002).

In a sense this is an argument for a loyal opposition; a body which has a dual loyalty both to the community and to the partnership even as it exercises the right to disagree and offer alternatives.

The involvement of the NGO in the partnership has been a complex process which has put particular demands and indeed strain on Mvula Trust participants. At an important review of the achievements of the partnership at the Steering Committee, the national director of Mvula

trust spelt out some of the difficulties as seen from the NGO perspective which deserves quoting at some length:

A partnership of this kind needs dedicated participation of a high quality and Mvula has not been able keep this up consistently. For it to have value the NGO needs to have the right level of input and time and in this province these are not freely available. We are not in a strong position and we have to assess our strategic priorities. Our priorities are oriented more to rural water and sanitation. Sanitation now has a much higher profile as well as institutional arrangements in rural water supply.

At one level the problems were identified as being linked to the shift in focus from rural to urban projects, a useful illustration of such difficulties being those encountered in working with facilitators in urban areas who, unlike their rural counterparts, insist on payment. At another level the work of social facilitation and the survival of NGOs in the current period has demanded a businesslike approach.

Working under the new conditions is a complicated business and there are no favours to NGOs. KwaZulu-Natal has biggest budget and we must concentrate on areas where we have relative competence.

Financial considerations and an orientation to the rural areas seemed to dictate that the organisation which was a founder member of the BPD initiative nationally was now withdrawing.

We must focus on our core business in rural water services and have no basis to contribute funding as only a service provider and we would lack something. All this may change in the future but we not in a position to continue indefinitely; we won't contribute significantly in the future. We will review this if the situation changes and if rural tri-sectoral partnerships are possible this would be of interest to us (Martin Rall, Steering Committee Meeting, 5 November 2001).

It is significant that all participants agree that the most significant learning in the partnership has come in the dimension of relating and communicating with poor communities, and that the role of the NGO has been central in this regard.

One of the other things I think that I have learnt is the importance of a role that an NGO organization can play because I think that as engineers we were not designed to be social engineers. (Mike Greatwood, 11 December 2001).

Another official went further to argue that NGOs are essential in stabilising relationships with communities and prod implementing agents to listen to the poor.

The NGO's role with the poor is to articulate and to clearly define the scope of work so that what is delivered is what they want...this is the bridge which we always have needed when we come to the poor. The NGO sensitise us and become part of the project and then they know exactly what is being planned (Isaac Ngwenya, 12 March 2002).

Such enthusiasm has also been accompanied by high expectations that the NGO would make a crucial difference to the partnership, and it is here that disappointment has also been expressed. The problem for one participant was that it appeared difficult in the current political dispensation to get independent funding for NGOs and that this undermined the independence and equal standing of the NGO in the partnership. This participant had further reservations in relation to their relationship to communities:

They were not the peoples' friend; they were a more of a consultant broker and they were marginalized because of the fact that they did not work in the way that people wanted them to. I thought they would bring their people and they would do the work; instead what they did was just out-source to a private sector consultant and then charge their management fee: that's how they worked. They weren't as involved as I thought they would be (Neil Macleod, 14 February 2002).

This same participant was, however, sensitive to the benefits of NGO participation and argued that the NGO was very good at stimulating the process of building teamwork.

They have a totally different paradigm to us. They have got a totally different way of thinking to us from which we have learned something, which means we have been able to avoid mistakes. We are not working like the way we used to, all the staff thinking differently.

It was generally agreed that the civil society dimension, either through an NGO or other organisation, was critical to the success of any partnership working to achieve delivery; this was regarded as the essential innovation of the partnership.

Although essential in delivery to the poor, NGOs are regarded as fitting different contexts:

I see an NGO as necessary in working in any community in this country; however I think that NGO's are specialists in various fields and I think what has come out quite clearly here was that the Mvula Trust was not the best organization for the job in some instances (Neil Macleod, 12 March 2002).

The problem was partly situational; the right NGO had to be selected for the right context ranging from strong advocacy to a highly professional body offering specialised advice on implementation of projects. This was one side of the interface, from the other side there was some expression of wariness to such selection and to the major task of interacting with powerful individuals and institutions.

One big thing I don't like about the project: if you deal with the big development people you need to have senior people to spend time and this drains the organisation and individuals.⁶

It appears that Mvula Trust was caught in a crucial contradiction in its work; not having the financial support necessary to exercise independence by having a greater depth of personnel and a closer and more reciprocal relationship with affected communities.

⁶ Personal communication, 15 June 2001.

12. Drawing conclusions

Running through the responses in questionnaires, workshops, and individual interviews is the considered judgement of participants that the partnership has been rewarding to themselves and improved their institutions' ability to deliver. The partnership has undoubtedly brought a high level of satisfaction for its participants, and in particular a feeling that the cooperation fostered through their interaction has, in some ways, been different and superior to that encountered elsewhere. This is often reinforced in private discussion with international officials who have travelled to the variety of partnerships hosted under the BPD and who feel that the KwaZulu-Natal Pilot Project is indeed different and more 'genuine'. The question is whether the partnership taken as a whole is significantly different from a standard concession and whether it has been a success: has it been able to move beyond generating trust in each participant, and to operate as a vehicle for the exchange of knowledge and resources? Has it ultimately helped local government to deliver to communities of the poor?

To give it its context, the operation of the BPD KwaZulu-Natal Pilot Project has to be assessed against the general policies and assessments of the BPD internationally and in particular the document *Putting partnership to work*. It is worth setting out specifically what the BPD was setting out to achieve when it was launched in 1998; in the preamble to the document it is stated:

BPD was created as a three-year programme, combining practical action on the ground with decentralised learning, testing the hypotheses that:

- partnerships involving business working alongside civil society and the public sector can deliver better social development results than parties from any of the three sectors attempting the same interventions alone, and
- tri-sector partnerships deliver strong and measurable business benefits (BPD 2002a).

In this statement there are two significant points; firstly that 'decentralised learning' is anticipated to arise from implementation and secondly that business is the central actor (although the expression is 'working alongside' the other partners to ultimately derive significant benefits for business).

A summary statement on the website elaborates somewhat on this objective by stating:

BPD was a project-based initiative set up to study, support and promote strategic examples of partnerships involving business, civil society and government working together for the development of communities around the world. It was created, believing that tri-sector partnerships could provide long-term benefits to the business sector and at the same time meet the social objectives of civil society and the state by

helping to create stable social and financial environments (<http://www.bpdweb.org/index.htm>).

Again business interests are placed in the first rank as partnerships are aimed to “provide long-term benefits to the business sector”, and simultaneously meet social objectives by assisting to create “stable social and financial environments”. In these statements it appears that the underlying intention is primarily to encourage business to see that its future (at least in third world countries) is to enter partnerships with the state and forms of civil society. The exposition starts with business interests but continues to argue that these will simultaneously meet social needs, and most significantly encourage the stabilisation of social and financial environments. This is a considerable promise from the interaction of key institutions.

It is commonly understood by the participants in the KwaZulu-Natal partnership and observers internationally that it was more of a genuine partnership than many of the initiatives undertaken by the BPD in other countries and, in comparison with other projects, that business interests were not placed as centrally in this project as in the statements above. The partnership has been summed up by a leading practitioner in the following way: “This is truly an experiment -- three parties working together for the common good of the communities but also in their own interests” (Neil Macleod, Executive Director of eThekweni Water). This participant felt it crucial that interests were frankly acknowledged and seen as providing diverse strengths to the partnership.

In a subsequent interview he recognised the various pressures and particular interests within the partnership:

We recognize individually we are not as strong as we are in a team and we want to use those different strengths to deliver. The private sector is doing it for profit, the NGO for social justice, politicians doing it to get re-elected... the team is working for a common goal.

In this case it was not as much service delivery as learning, but we started to form the partnership and identify the roles and do all those things. We just had a slightly different output which lessened our standing in terms [of delivery] in taps and toilets, but it should be understood in terms of the process of learning.

The partnership was primarily designed to allow for open learning processes which were often stated as the key goal of the partnership even if the results could be uneven and potentially most favourable to the private sector. A participant observed in an earlier stage of the partnership that the benefits of exchanging information and learning from joint experience far outweighed the dangers of possibly giving advantage to the private sector. The situation was seen as somewhat adversarial but also containing reciprocal relationships:

We could get beaten in the later stage, but we are learning about each other. They want to start with something small so you get to know each other. There is always the idea that we could have some sort of management contract to form a concession later on (Simon Scruton, 11 April 2001).

On reflection a year later local government participants expressed awareness of the shortcomings of the private sector in the South African water services context, but were equally committed to searching for a new relationship:

The private sector is no way near perfect and I think it has some strings, the thing is to try and make something of those strings in the relationship.

We need to find a way where the two can continue to act...maybe a kind of modified concession management contract, which has not got a name. That's the relationship that I think Vivendi is trying to find, a partnering relationship that is not just a contract (Neil Macleod, 14 February 2002).

In the interview preliminary to the final evaluation workshop Neil Macleod reflected on the difficulties in the transfer of knowledge. He saw this as a complex interaction between partners of different strengths and employed a medical analogy:

They (foreign companies) are learning because they have expertise, but we gain from them. I think it's like doctors from overseas coming to work in our hospitals. We gain from them, we get their medical expertise and they gain from us they see more cases than they would otherwise see in their lifetime. They go back with a whole lot of learning but they also pass on access to vast pool of knowledge; that's a mutually beneficial relationship (Interview, 14 February 2002).

Again there is an acknowledgment of quite unequal relationships, but that through partnership essential experience and knowledge is transferred. What forms of knowledge were being sought? Various participants have made the point that it is not the advanced technology directed by multi-national companies which is crucial to the information exchange but rather operational and managerial skills.

Technology is not the issue. What we do not have is the skills in making best use of it and they have had it for a lot longer and have learnt more lessons than we could just in one area of operation. The key issue is financial and staff management, it's customer relations, it's managing contracts those are the key issues (Neil Macleod, 14 February 2002).

He saw the foreign companies as having access to a vast pool of knowledge particularly, for instance, in relation the use of information technology in GIS. Local government has had access to GIS technology for some time but had not explored the applications in water services which Vivendi practices internationally.

In an international review article it is argued that in introducing new technologies to a relatively well-established and stable organisation it is essential that there is the ability to share information very quickly with large numbers of people (Costello, 1996). The partnership may be regarded as something short of being a "well-established" and "stable" organisation but it did succeed in allowing the exchange of essential information on a regular basis as well as at crucial points when needed, even when contradictory interests were involved. A significant pointer in this regard has been the cooperation of Umgeni Water in the efforts of the councils to account for waste water and manage water pressure. It has acted in a sense against its short term interest since, as bulk supplier to both councils, it stood to lose income as declining waste water would be reflected in lower aggregate consumption figures.

The emphasis throughout the life of the partnership has been strongly on knowledge sharing and learning from each other. At times this has been contrasted with the need for proven delivery. But at other times the partners have also argued that delays in delivery have been related to constraints in the project environment rather than by difficulties between partners. The partnership has made a virtue of these tensions and difficulties and drawn lessons from managing projects involving communities with high political expectations, with budgetary constraints, and within a changing policy framework. Leading protagonists argue that in the unique conditions of transformation no single agency has the experience and capacity to meet the demands of delivery and that the partnership itself provided canals down which differing institutional strengths could be directed.

But equally the partnership has been concerned about delivery, since failure to deliver would undermine the entire rationale of the partnership. Although the ethos of the partnership has been about knowledge sharing and learning there have been strong defenders of the achievements of the partnership in terms of service delivery:

The way the projects are managed (teamwork to design the scope of work, then responsibility of one or two task team members) is more efficient, bearing in mind the strong 'barriers' or walls that exist within the local authorities in SA. Also the approach to the communities, provided by the NGO, is a further key factor for the successful implementation of projects (Eric Tranchant, personal communication).

In this sense the partnership built the architecture for delivery, the problem was to make the most of its strengths and overcome the internal and external obstacles.

Although there have been considerable difficulties, there has been a relatively high level of delivery with 24 projects completed in Pietermaritzburg and 22 in Durban in a wide-ranging field including water loss management, free water, customer management, and health and hygiene awareness. During its three years of operation it initiated a large number of projects in upgrading of services, GIS of networks, education and awareness, water loss management, anaerobic baffle reactors, and in other spheres which have contributed to improving services in the areas where the Pilot Project was implemented and to a greater capacity for managing water services generally.

12.1 An exceptional success?

Participants were asked whether they finally assessed the partnership as successful or not. The overwhelming majority of interviewees felt that the partnership was, indeed, a success judged by any general institutional notions of success. But the foremost question in the minds of participants was the outstanding features of success or failure. The key element of success has been regarded as good relations existing between the individuals and institutions constituting a good team to make possible a greater capacity for service delivery. This seems an unexceptional benchmark but this criterion was not universally accepted as a key participant felt that, judged at the level of service delivery, the partnership had failed.

The basic premise of successful collaborative partnership is the acknowledgment that working together will produce better outcomes than acting alone (Karasoff, 1998) and at this level the participants are unanimous that the partnership has been a success. A fairly typical response of participants is represented here:

This really is a new concept that's coming in ...I think we are going to see a lot more partnershiping, although not necessarily this type of partnership. One could not say that this in itself has revolutionized what we do, but it certainly has given some positive indications that variations of this sort of thing are going to be the way to go (Mike Greatwood, 11 December 2001).

The point has been made that the emphasis generally was on the growth of partnering skills and learning, flexibility and innovation, rather than primarily on service delivery. The emphasis was also on a frank recognition of different interests and an exploration of the ways in which these interests could become congruent to allow more to have been achieved. Yet the partnership was perceived to achieve considerable cohesion:

[In my work] I think as a partnership, as a group of us together...we were very cohesive and we have the interests of the project in mind but I do not think we have achieved what we could have achieved (Mike Greatwood, 11 December 2001).

At this level the partnership meet the criterion identified in the literature of partnerships of bringing about collaboration identified as both an attitude and process critical to success. This cooperation and cohesion is evidenced when feelings of fear, hostility and cynicism fall away and a collaborative framework emerges. All this is summed up as a

paradigm shift from working independently to jointly; from a singular to an interagency structure; from a discipline-specific to an interdisciplinary approach to providing services; and from competition to collaboration (Karasoff, 1998).

The confidence in the partnership allowed participants to be able to express criticism and differing perspectives which was one of its points of strength. Short-fallings were identified without participants feeling that these were particularly damaging to the partnership or finally to local government because of the partnership's explorative and short term nature.

The nice thing about the partnership being a pilot project is that it allowed you make mistakes without there being a major disaster, things would go wrong but not dramatically so (Mike Greatwood, 11 December 2001).

The nature of the partnership and its peculiarities have been extensively discussed at a number of workshops in particular in the workshop finalising the points which have been embodied in the Guidelines produced by the partnership. Without making an exhaustive comparison with other partnerships the following points are made in favour of this partnership being of a different order:

- The partnership was not based on a legal instrument but on cooperative and inter-organisational relations, this allowed it to be more flexible and innovative;
- It focused specifically on the marginal communities on the periphery of the city and thus sought innovations which would meet the needs of the poorest of urban residents rather than seeking to intervene at all levels in water services;

- The partnership set itself concrete goals in the Cooperative Agreements which reflected the individual objectives largely of local government but also of each partner – this gave each strong incentives to co-operate and work together;
- Each partner did not shed its autonomy; there was no direct financial dependency between partners;
- Through consensus it was agreed that an open learning process was to be followed;
- From the beginning the emphasis was on the sharing of information and understanding amongst very different sectors; and
- Critically important, other agencies became incorporated with the core tri-sectoral partnership with the aim of research and knowledge sharing.

Central to all of this has been the fact that there has not been financial dependence in the partnership; each party has made a contribution in funds and the allocation of time of key personnel. In this context different interests and abilities could be acknowledged and drawn on without direct fear of losing advantage or autonomy.

The final scoresheet for the partnership has to involve the participant's response to the critical question whether it should continue into another phase. A high level of satisfaction with the partnership would be reflected by a unanimous endorsement of the partnership continuing into 'Phase II'. While most participants favoured continuation of the partnership, to complete the projects and to deal with new issues, one felt that "little more can be achieved". There was general agreement there should be a thorough reassessment before a new phase of the partnership could be launched.

There were two conceptions tied up with continuation: firstly a conviction that the participating organisations had benefited very directly from the partnership, and secondly that a new form of organisational framework had to be devised. Participants felt that the governance of the partnership with its frequent task team meetings for partners to discuss progress on projects and the steering committee for partners and councillors to review reports on the whole could not be improved on, but there were indications that some of its internal mechanisms (such as communication and relationship with politicians mentioned above) were not adequate.

12.2 The end or a new beginning?

In considering a future partnership the participants sought a suitable vehicle or in the selected metaphor, an aircraft. The idea seemed to be that the pilot project by definition had a limited scope and life, and that a partnership in the future should be both more encompassing, faster and durable combining the features of a workhorse carrier such as a Dakota and the fastest commercial flyer, the Concorde. The question was to get both the right design for the task and for a plane guaranteed to fly.

We might have had a Dakota or a Concorde, there are so many different ways of flying. We have flown wide and far, and when we look at some of the things we have done, it's quite outstanding. In the future we need to know whether we should design

a plane which does not necessarily have to fly or one which has to fly far; we need a common design to build something that flies and stays flying.⁷

The mood seemed to be to work on something which has many of the features of the pilot project but which was more durable. Despite this there were some reservations expressed about design and participation, particularly from the perspective of the NGO.

An assessment by authors with good knowledge of the pilot project argues that partnerships in water delivery should be both more ambitious and more distinctively pro-poor.

Partnerships can play a very significant role in making regulation more pro-poor, that is if both partners and regulatory institutions understand what they can achieve and what needs to be done to maximise their potential (Trémolet and Browning, 2002).

The question is whether pro-poor policies amount to innovation by which the poor are provided with a differential service, or defence of the interests of poor in a broader policy of livelihood development, democratic control, and improved services.

Finally a judgment of the partnership depends on the mutual satisfaction of the needs of the partners. How did the organisations benefit? The observations of municipal officials have been fairly extensively reported above and in particular their feeling that they had benefited from the partnership through experience gained in information leading to improved management.

Company representatives have stated that they have had considerable learning through partnership particularly of the nature of civil society.

Our company is quite familiar with forms of public-private partnership, the unknown is civil society and the NGO. We have had no background here: this is totally new and a full discovery for us. We have had some 150 years of experience of public-private relations but the partnership raised the question: what would be the impact of the third partner? (Patrick Rousseau, 10 December 2001).

The company representatives have stressed how much they have learnt from the partnership, presenting a composite view of what they had gained.

We have all learnt in dealing with councillors to improve poor areas, the private sector learnt to have a successful project in these conditions: to prepare and implement a sustainable water and sanitation system which is accepted by the community and is financially sustainable. Civil society is essential, but the municipality has to accept that there will not be full cost recovery (Patrick Rousseau, 10 December 2001).

In addition to its direct participation in the partnership, Vivendi has been active in undertaking business in the region in undertakings parallel to the partnership. The company has probably benefited from the association with its existing relationship with the eThekweni

⁷ The quotation is a composite of a number of contributions around the metaphor of flying, Workshop, 12 March 2002.

Council in these ventures, if nothing else than through establishing good public relations with the local authority. A significant development has resulted; in July 2001 it announced that over years it had developed a R74m project to treat sewage wastewater for industrial use, providing up to 47 megalitres of treated water a day. A 20 year Build Operate Own and Transfer (BOOT) contract was awarded to treat 10% of the city's wastewater. The contract was designed to meet the needs of some of the largest consumers such as the Mondi Durban paper mill which produces 500 000 tons of paper a year and draws about 35 000 cubic metres of recycled water each day.⁸ The then regional director of Vivendi Water, Patrick Rousseau, saw this as a forerunner in terms of public-private partnerships in the city.

12.3 Propositions on partnership

The international BPD review (BPD 2002a) presents the key messages from the experience of 'putting partnership to work' which are worth reviewing before moving on to discussing key propositions about the KZN partnership. The authors argue that tri-sectoral partnerships can "in certain circumstances" yield better results than alternatives, that their effectiveness depends on complementary competencies, and that the public sector is central in establishing an environment encouraging partnership. They also argue organisations entering partnership often need to build their capacity to work with others. Partnerships are likely to fail unless they have internal champions and sufficient institutional buy-in and should have an agreed governance structure. They should be considered as "flexible task forces", not as permanent organisations, and be prepared to let partners enter and leave. Partnerships should have to deliver timely results arising from the different schedules of participants. Significantly it is stated that partnering may not always be the best approach and that other alternatives should be considered. These key lessons provide a rather modest assessment of partnerships, making important reservations at times about their potential.

These were the essential lessons learnt through international collaboration. These points were not available at the inception of the KwaZulu-Natal pilot project and, in a sense, the partnership had to arrive at its own rules and lessons. From the analysis conducted in the baseline study, in the specific reviews of the projects such as customer care in Ashdown and the health and hygiene campaign, and arising from this analysis the following propositions are put forward in relation to the partnership:

- The participants conclude that collaboration is better than acting alone, although the processes of interaction and coordination become more complex and have to be specifically provided for.
- Participants express high levels of loyalty and trust arising from professional and personal confidence in each other, although the institutions they represent do not necessarily consistently replicate these values.

⁸ Vivendi Water. 25 July 2001. Press Release: National first as Durban Water Recycling Plant opens.

- The governance structures were regarded as highly appropriate for internal relationships, but there were significant disjunctions between the internal and wider community (or political) control and direction.
- Trust was exhibited between professionals, but was less evident beyond; participants have been more sceptical and detached towards the partnership as a whole.
- Communication about the partnership was directed externally rather than internally, and there were significant contradictions between key individuals and their 'home' institutions at times.
- Information and knowledge has been shared on tacit basis, and a high volume of information and knowledge has been available to participants when requested through the partnership.
- There have been instances of partnership strain; an inability to keep up a high level of participation, particularly when new institutions were introduced and worked with.
- Participants are convinced that higher levels of delivery and greater community participation and peer assessment were achieved through partnership than would otherwise have been the case.
- Partnership roles have changed on occasion without conflict, and there have been new levels of activity and learning.
- Participants felt that there has been a range of partnership collaboration possible between public sector, civil society and private sector without entering into an arrangement under the dominance, and in the interest of the private sector.
- Ultimately it has not been possible to separate out assessment of the partnership from achieved delivery.

There are some important overlaps between the international and local in particular in relation to the following points: an agreed governance structure, the link between delivery and successful partnership, complementary competencies; but also distinct differences at times.

At the level of deeper analysis of partnerships, there are significant conclusions in relation to trust and institutional development; that trust is not unconditional and develops in a specific setting and over time. It appears from the example of the pilot project that working relationships take time to develop and key to this is the emergence of trust based on experience rather than the formal application of rules. The relationship between time, experience, trust and rule-making is well captured in some of the discussions in the evaluation workshop.

It was very fuzzy at the beginning as the rules were made up along the way but we were all willing partners and did not want to fail (Isaac Ngwenya, 12 March 2002).

In a perceptive comment on these propositions a participant reflects on what he considers the "the unanswered (and unanswerable) question" about the relationship between the size of the task and the nature of internal relationships. As he observes:

The 'pilot' nature of the partnership meant that it could operate with fairly loose relationships, each partner retaining a significant degree of independence. To a large extent it was a risk free operation.

If the partnership were less experimental, and the deliverables less modest and more concrete, can it be assumed that the partnership would have had to operate with a greater degree of autonomy, and would the relationships not have had to have been tighter and more formal? And if so, would the partners have been willing to face the attendant risks, and how would the partnership have coped with the inevitable strains?⁹

This is an important question as it relates to the question of 'scaling up' of the tasks, structures, and rules of the partnership. The relatively informal nature of relationships may have been appropriate for an exploratory partnership but would not necessarily have been workable in a more demanding setting. These questions also would relate also to the prospects of transferring the lessons of this experience to a different context. Certainly there would have been greater demands for line accountability if there had been a grander scale in funding and delivery for the partnership; expectations would have been higher, and probably the political structures of local government would have been more intimately concerned with the impact that the project was having on serviced communities.

In a sense a key participant anticipated these probing questions and criticisms made by participants by stressing the spirit of partnership.

I think you are being too hard on yourselves, in other words these things are evolutionary and they *do* transform and you cannot expect that you would have known everything that you know now (Neil Macleod).

In this view the partnership constituted more than the sum of its parts; it represented an exploration and a collective enterprise with the goal of change.

⁹ Communication from Rob Dyer on draft of propositions.

13. The environment for public-private partnerships

One of the key observations expressed by partners has been that the private sector is becoming an essential agency in water delivery in developing countries. This is not accepted uncritically, but regarded as a social fact. Promotion of the private sector has partly been based on the critique of public sector engagement through the 'development decade' of the 1980s and beyond, through powerful advocacy, and through linkages made by international finance corporations between private sector engagement and funding. One of the strongest arguments in favour of privatisation has been the inability of public utilities in developing countries to provide clean water to the poor. John Briscoe, senior water adviser at the World Bank in referring to public utilities has stated: "As a general rule, they're heavily overstaffed, provide poor quality, are unwilling or unable to invest, with not enough money to serve everybody" (Quoted in Tagliabue, 2002).

Although such statements have a degree of acceptance among public sector participants in the partnership, they also see the private sector participation as not without its ambiguities. Senior public sector managers are susceptible to criticism of the public sector but also see uncertainties and hazards in considering more permanent relationships with the private sector. While acknowledging that outsourcing and other contractual arrangements are increasing and that this is a powerful trend which they do not oppose in principle, they also are aware that there are moods for and against privatisation which ebb and flow. The contradictions are well expressed by a participant as follows:

The road is going the way of outsourcing and privatising but just as we (South African policymakers) get on to the band wagon twenty-five years after the rest of the world, this road seems to be going in circles.

We are going to see what is coming out of this partnership in terms of new models, new ways of doing business, it's definitely a road for the public sector without a doubt.

Relationships with the private sector are seen here as a set of possibilities ranging from forms of outsourcing in which specific functions are contracted out to companies to long term concessions in which the assets of the public sector are managed by multi-national companies.

Although the fully-fledged form of private sector participation, privatisation, appears an inexorable trend in this period there are also distinct counter trends. Privatisation is increasingly criticised and opposed in Latin America and, at times, impeded by its own protagonists as much as by the spontaneous social movements who oppose private ownership. A report on a recent opinion poll in the region, which bears some semblance to South Africa. The responses linked democratisation to a growing scepticism of political parties and opposition to privatisation.

Despite the economic turmoil gripping many of their countries, Latin Americans are becoming somewhat more supportive of democracy, but they have little trust in political parties and believe that corruption is widespread and worsening. They have

lost faith in privatisation, and want the state to take a more active role in regulating the economy, but in most countries they have not moved more generally to the left (The Economist, 15 August 2002).

There are reported to have been community and regional mobilisations against privatisation which have forced a number of concessions to end.

Although multi-national companies have experienced fierce opposition to concessions from local residents in a number of countries in Latin America, there are persisting pressures to expand their interventions globally. According to Hans Peter Portner, a fund manager at Banque Pictet in Geneva who handles the bank's Global Water Fund there is a \$200 billion market in water services, growing at a 6 percent rate annually, in terms of population. He predicts that privatised water systems will expand to serve about 17 percent of the world's population by 2015, up from 7 percent now (Tagliabue, 2002). A World Bank publication points to the prospects as well as the risks of going beyond concessions to the full privatisation of assets which alone creates the basis for collateral and facilitates financing. This generates a steady and growing long term future cash flows which can be "especially attractive".

But investment in water and sanitation also carries unique risks; local government is more politicised, the infrastructure underground is hard to assess, governments have a strong interest in extending services regardless of the ability to pay because of health risks, and finally there is significant currency risk (Haarmeyer and Mody, 1998). These are the risks but the potential profits are also attractive. Investors are expecting that the business of water will boom in coming decades, and this provides a constant impetus towards engaging in partnerships which could open the road to wider commerce in water services. At present internationally there seems to be something of a pause in the extension of water concessions in developing countries because of political resistance, sharp devaluation of currencies, and crises within the companies themselves. Despite this the pressure for partnerships is increasing.

Partnerships are ultimately driven by interests, and it is likely that over time they will be reshaped and revived as the business of water extends into the more stable and better-off regions and cities of developing countries. In the present political economy there are two additional features to partnerships, the first is the relative power balance between multinational companies and governments and the favourable policy framework towards their provision of public services, and secondly there is the changing nature of their corporate governance. Research by the UNDP reveals that on the basis of value-added¹⁰ many multinational companies have considerably higher rank than governments. Although there is much argument on the basis by which different institutions such as governments and transnational corporations can be compared what is beyond dispute is the rate of growth of transnational corporations compared with companies. The report states that the sales of the 500 largest firms in the world tripled between 1990 and 2001 while states meanwhile could only manage an increase in gross domestic product one and a half times (Business Day, 20

¹⁰ Calculated on the basis of the sum of salaries and benefits added to pretax income, including depreciation and amortisation.

September 2002). The increases only really serve to demonstrate the blindingly obvious: that globalization is a reality rather than an academic concept and that it is taking place at an increasing rate.

13.1 Corporate interests and governance

The prospects for partnerships are undoubtedly linked to the perspectives for business; its reputation, stability and outlook. There has been a fresh and critical appraisal of the private sector not least following the spectacular declines in a number of ‘new economy’ and established companies. Since the conclusion of the project there have been a number of celebrated cases in which multi-national companies have been associated with fraud, misleading financial statements, and corrupt practices. This has been associated with relentlessly falling markets perceptively described by the respected columnist Ken Owen as follows: “The extent of the crash is masked by the daily prattle of traders who blame each new loss on some trivial event, but the destruction of wealth has been spectacular” (Owen 2002). The new world which is emerging is described as different and dangerous with sudden discontinuities such internationally renowned companies such as Marconi disappearing off the map and other giant multi-nationals clinging on to existence.

In this context there is growing uncertainty about the companies promoting concessions; and from the corporate viewpoint there is also concern about the stability of the currencies of countries in which investments are taking place. In short business is increasingly concerned about the ability to repatriate profits from countries with where there have been sharp devaluations, and South Africa has not been immune to these uncertainties.

The latter fact indicates a decided change in power relations between corporations and states. Not only is there the measurably growing weight of multinational corporations, the policy and legislative climate towards their participation in public services has become more favourable. For those companies dedicated to exploiting deregulated markets in energy, water, and a wide range of public services have had explosive growth. A company such as Enron was constructed around individual directors given carte blanche to make deals. As Sherron Watkins (who blew the whistle on accounting scams within the company) relates, in one month she was in Panama sizing up a copper mine, in the next in Hong Kong financing a nickel deal (Morse and Bower, 2002/3). There was an atmosphere in which anything was possible and immense personal wealth within grasp. Everywhere there was the sense that all public services could be turned into commodities and traded profitably in deregulated markets and that the world was wide open.

Major companies have succumbed to the same processes and it is argued that there are fundamental conflicts of governance within transnational corporates. Over the past period there have been extensive revelations. Over the 1990s, top managers have diverted wealth from shareholders to themselves; a study of recent bankruptcies calculated that \$3.3bn had been extracted by top executives as the companies crashed (Wolf, 2002). Alan Greenspan, chairman of the Federal Reserve, has termed this “infectious greed”. Recent corporate governance is characterised by weak accounting practices which lead observers to conclude that management gets away with almost

everything. Most seriously it is widely agreed that top management captures the information flow (“asymmetric information”) and makes decisions entirely independently from shareholders and often against their interests.

These trends in corporate governance indicate the difficulties likely to be experienced by other parties in a partnership; genuine partnership depends on transparency in decision making and financial accounting which create the conditions for trust. There are likely to be problems in this regard when corporate governance is widely held to lack transparency and honesty.

13.2 The South African environment

Corporate governance has become a major question in international discussion of business and development. In South Africa these questions appear less immediate, but the social context is more sharply defined.

Despite the free basic water policy, the social climate is one of contestation over payment; poor communities have relatively high levels of disconnection and state that they cannot afford the service charges (McDonald and Pape, 2002). The Department of Provincial and Local Government figures for the last three months of 2001 are of 133 456 disconnections nationally which would amount to 533 824 disconnections in a 12 month period and (assuming a 5 member household) to 2.67m people cut off. These are considerable numbers and service delivery is often characterised by sharp and even bitter exchanges over the management of services. The question is whether this is an attractive environment for private investment. Many participants felt that it was not and that a private company would not want to take full responsibility for water services in the current field of delivery in municipal politics. When asked whether there were incentives for the private sector to come in, a participant made the following observation:

I think the risks are far too high. I heard [at an international workshop] that many BPD concessions do not cater for the poor, the really poor. You will find that in these concessions they talk about metered connections. People who want the metered connection pay for that and agree to continue paying or they will be cut off, no questions asked.

These are very different conditions to those in South Africa and participants make implicit comparisons with other projects in relation to disconnections:

There will not be political interference to have them put back on even if there are 100 reasons why they should get water for free, they just pay or they get cut off. So if you are poor and you cannot afford to get connected you do not get connected. That does not happen here (Mike Greatwood, 11 December 2001).

In South Africa which has had a protracted mass struggle for democracy and better conditions of life on the base of a poorly performing economy there have been high expectations for change even in conditions of mass unemployment. There are enormous pressures for delivery and resistance to cost recovery.

I do not believe that South Africa is yet ready for the private sector. I do not believe that our poor will act in a way in which a private company would come and invest and get a concession. I think our people are too militant, I think our people are too expectant. For years to come I think our people will refuse to pay for any form of services, expecting to get it all free...I believe honestly what we do with free basic water is actually a good thing.

This is a general perception of the nature of civic politics within the post-apartheid political economy which possibly exaggerates the 'won't pay' attitude (research reveals that people are concerned with the bills they receive) but does capture one aspect of a political mood in which their aspirations have yet to be met. This local social climate is seen as vastly increasing the risk for private sector participation, a risk which was unlikely to be carried by the sector alone and which a partnership would be the most appropriate vehicle to take up.

There might be some sort of private involvement if the risks of non payment were shared. If, for example, we were to get Vivendi Water coming in and providing a water service to Pietermaritzburg it would have to be on a partnership basis and not a concession.

The majority of the risk would have to be taken by the municipality and the minority by the private sector. If that were the case you would have a stable private-public partnership; without that I do not think that we would get private industry to come in (Mike Greatwood, 11 December 2001).

Other participants have also expressed some scepticism about the possibility of private sector investment outside of a partnership:

Within the partnership I can see the value of a private organization but I can also see that the private sector alone could not become involved in projects that serve the poor because they would not necessarily make a profit in this country (Neil Macleod, 12 March 2002).

The attitude of municipal managers towards private sector participation generally is cautious given their perception of local community attitudes and the history of a contested citizenship in many municipalities. These attitudes may well be replicated in the minds of company officials although they have not been so frankly expressed. At the same time there is not hostility towards the private sector among the executive of municipalities and there is a desire for an exchange in more advanced techniques of management such as GIS and customer management, new technology, and service solutions from other cities internationally. In this sense the companies make a link between first world information systems and those in a developing city.

13.3 Better contracts, better partnerships?

A review of the literature has concluded that the critical point in partnership is the readiness of communities to work in partnership (Karasoff, 1998). This refers to the political environment made up of political and community groupings which are likely to have various contradictory responses to a relationship with a multi-national company. The challenge to a municipal manager is how to gain the advantage of a link to the managerial and technical expertise of such a company without losing control of the partnership. The question is well explained in the following quotation:

To me is the key is you must have a process in the contract or whatever it is that allows you to move as situations change. I think that writing a flexible contract that you can all be accountable to each other is an art and I think that's one of the lessons that we still have to learn. How do you write that kind of arrangement for flexibility in a way does not allow some partners to rip off the others? (Neil Macleod, 12 March 2002).

Here the aspiration for flexibility contrasts with the certainty that there are different interests at play and that these could be destructive of the original notion of partnership. Key partners are looking for a formula which could provide on-going cooperation without dependency.

We need to find a way where the two can continue to interact (Neil Macleod, 14 February 2002).

These issues of flexibility and pro-poor policies are being currently explored in research (Evans, 2002). The development of new forms of contracts appropriate to developing countries is being examined and policy spelt out to ensure that contracts are explicitly pro-poor and have legal force to serve the interests of the poor. Of the contracts examined in a number of international contexts, none have been found to have pro-poor legal provisions and there are limits to the contractual inclusion of those not connected. In short these contracts do not favour the poor.¹¹ In publications, policy and legal provision are now being spelt out to make water concessions explicitly pro-poor.

¹¹ Points made by Barbara Evans at the BPD Workshop on Partnerships, Brussels, 30 November 2001.

14. Has the partnership succeeded?

The World Summit on Sustainable Development (WSSD) held in August/September 2002 provided an extraordinary platform to offer the concept of partnerships as “key to pursuing sustainable development in a globalising world” at a number of different levels; between governments of the North and South, and between governments and major groups. Partnerships are specifically proposed in the water sector for the transfer and dissemination of technologies for safe water, sanitation and waste management, and in the form of public-private multisector partnerships. These, it is suggested, would enjoy international financial support and should include such details as the “specific technology needs of women” (WSSD 2002: 3,1). The BPD seems to offer such models. In concluding the review of BPD activities internationally over the past three years (BPD 2002a), it is stated that tri-sectoral partnerships were capable of providing win-win benefits to all three parties, could be scaled up to national and regional levels, and could be used much more widely throughout the world.

Does this mean a new era for partnerships in the developing world? From one perspective partnerships appear more opportune than ever as they are increasingly promoted by international agencies. Partnerships are being actively promoted but also have been brought under a critical microscope by social movements, NGOs, and also, curiously, by business journals which have a new scepticism of big business interests. The argument is that partnerships contain unbalanced power relationships and are constructed in the interests of business. In reviewing the WSSD’s enthusiasm, the Business Day editorial (2 September 2002) turned its attention to the “much-vaunted public private sector partnerships which have been a highlight of the summit” and argued that it is widely believed that governments are being sidelined and “partnerships do more for business than they do for the poor”. Although partnerships are often, in a general sense, designed to meet the needs of the poor, this can mean that an inferior service is provided which is difficult to upgrade it is argued. Partnerships are also often not pro-poor, in the sense that the interests of the poor are built into contracts, programs and agreements.

The KwaZulu-Natal partnership has explored a wide range of possibilities in potential relationships between business, municipalities and NGOs. The partnership has had the credit of a number of participants receiving international recognition for their role in water management. The National Geographic has praised Neil Macleod for his ingenuity in innovations such as recycled water for use in industry and for “drastically reducing waste in the city’s water system while simultaneously improving water delivery to the urban poor” (Horner, 2002). Chris Buckley of the University of Natal has been invited to produce the UN Environment Program (UNEP) Regional Industrial Report (Africa) for WSSD and has been appointed to the National Water Advisory Council.¹²

¹² Focus, 13(2) 30, 2002.

The partnership has offered a good showcase for the private sector to demonstrate a willingness to adjust and innovate, and there has been time and finance invested. Despite this the private sector has not finally won unqualified support from the public sector managers. In the view of one of the participants:

I am not as sure as I was in the past to allocate everything to the private sector. The private sector is nowhere near perfect and has got some strings, the thing is to try and make something of those strings in the relationship. We need to find a way where the two can continue to interact (Neil Macleod, 14 February 2002).

Experience here has led to a greater knowledge of limits and what is possible in partnership, a desire to continue exploring these possibilities, but this has not led to an unconstrained endorsement of the private sector.

Participants feel that the partnership has led to new approaches to municipal delivery to the urban poor on a tripartite basis. In the future it is likely that its experience will be studied to gain an insight into the possibilities and limits of such exchanges which involve the private sector but which stop short of contractual relationships.

14.1 Evaluation of projects

In addition to the baseline report, methodology, and this final report, there have been other specific evaluations conducted by the research team: of the education and awareness campaign and of the Ashdown customer care project.

The health education and awareness campaign was judged to have been well accepted and to have had an impact in communities; the materials produced at a professional standard; and the messages widely accepted. There were major problems in funding which meant the projects had to start, stop and start again which led to problems in completing on time. There is evidence that inter-departmental coordination between water and health has been improved and that materials and techniques developed in the project have become part of on-going departmental practice.

In the second specific assessment, the customer care project study revealed difficulties in billing and payment in the Msunduzi Council which the project aimed to redress. The aim of the project was to build a model customer care centre in Ashdown, to educate residents on the need to conserve water, and to offer a responsive climate in which customer needs were met and higher levels of payment achieved. This implied better billing procedures by 'cleaning' the database (ensuring that the data of residential occupation, etc, was accurate) and merging the Council's service and billing systems to allow service issues and complaints to be linked to payment questions. Although some of the goals were met, particularly through a community-based educational program, the overall objectives of the project were not. The question of acquiring appropriate software to merge the service and billing systems was particularly controversial. In conclusion there was the establishment of a customer care centre, trained officials, and a slightly higher proportion of residents paying for the service (although amounting to less than 10% of the total billed). The project had been initiated

before the free basic water policy was announced and the local implementation of this policy was a factor in the lack of success in achieving payment.

These were two 'social' projects and some of the issues identified relate to the difficult issues of community communication and liaison. As mentioned above the technical projects were regarded by many officials as the most successful, but the most useful lessons were probably in the 'social' field: in jointly designing projects with communities, winning support for initiatives, discussing innovations, and in successfully completing projects directly benefiting communities. The partnership is regarded as having succeeded in several important ways, in particular in recognising the need to listen to the voice of civil society through effective NGOs, in building a structured relationship with the private sector, and a genuine exchange between colleagues in the same field.

In social development, it is unusual to have a perfect and flawless achievement, and reservations have been expressed. A leading participant felt that the question of civil society participation was not "cracked as it should have been" as the NGO was identified as part of the project implementation rather than the community voice. In addition reservations have been made about the private sector for tending to think pro-profit rather than pro-poor. The difficulty here, it is argued, is that of the social environment: "We are not dealing with a situation where people can afford to pay for the services" (Interview Neil Macleod, 4 February 2002).

The community projects tended to raise all the problems between representative government and community involvement with councilors initially, but not consistently, involved. In the Msunduzi Municipality the BPD partnership went through a phase of initial great enthusiasm, followed by some cooling, and more project-based communications. In eThekweni Municipality the timing of social projects took place later and community liaison was conducted at a lower key. Over time consultation with communities tended to occur through consultants rather than directly between primary partners and committees.

14.2 Lasting lessons?

The explicit lessons which have been derived from the BPD KZN pilot project have been recorded in the document: The BPD KwaZulu-Natal Pilot Project guidelines "Tri-sectoral partnership brings services to the poor".

In a final assessment a balanced appraisal is needed on the overall successes and failures of the partnership from the perspective of a researcher. What did it achieve in itself and what lasting markers has it laid in municipal practice? The partnership has brought a diverse range of questions into service delivery and certainly has made the two participating municipalities more responsive to the problems and to each other. Innovations were sought from a range of consultants, experts, NGOs and from officials within departments themselves; such interaction was made more available within the elastic framework of a partnership conceived on a tri-sectoral basis.

It seems common cause that people and institutions engaged in public endeavour should gather all the resources possible, exchange knowledge and information, work out common solutions to fundamental problems, innovate and share responsibility for innovations; in short, build partnerships. In the best of all possible worlds there could be no opposition to such a proposition. Such partnership could be said to have a common appeal particularly for professionals who tend to share a similar training and outlook and be most responsive to technical solutions. This is one of the themes in partnership and in the context of the BPD probably the dominant one.

But as is evident in the partnership not only from trade unionists but also from principal partners the question of interests constantly intrudes. The tension between cooperation and interest is spontaneously mentioned by virtually all interviewees usually in terms of questions of what could develop in the long term i.e. a management contract or concession for the company involved. From the point of view of the municipal officials this concern was strongly expressed in the early stages of the partnership. The attitude of company officials has been more open-ended, always seeing the partnership in a positive light, but the question of a conflict of interests represented in the partnership has been ever present. It is one of the unspoken doubts in many a debate.

The partnership did not lead on to a more concrete relationship between municipalities and business such as a concession as many had anticipated. There has been genuine concern among participants that a private company, even though cooperative and engaging in the short term, is not likely to enter a partnership in the longer term unless its interests were met. An analogy from another field may be useful to illustrate the issues. In assessing public private partnerships in the field of genome mapping, Sir John Sulsdén, Nobel laureate, mentions the problematic relationship between public initiative and the private sector. In an interview he argues that it is not possible to demand too much of the private sector in working for the public good. This could affect profitability and lead on to negative consequences such as shareholders revolts or takeover bids. The bottom line of corporate activity is making and increasing profits and this means that they cannot take the goal of “serving humanity” as their prime objective. In short companies “cannot be forced to take action out of their line of interest” (Sulsdén, 11 April 2002).

These are considerations in the long-term viability of public private ventures; if there are substantial differences in interests, the pursuit of these interests have to dominate over time. The question arises not only in relation to the need for partnerships to serve the interests of the various partners, but also that of equitable relationships *within* partnerships in which all parties feel their needs are met and that there is a balance of interests and reciprocity.

A World Bank report proposing institutional and policy changes to improve public service delivery argues that the increase in the local knowledge and institutional capacity created by the catalyst of aid projects is crucial. “Knowledge about what works in service provision—and what does not—is one of the most important outputs of development assistance” (World Bank, 1998).

This has been one of the prime concerns of the partnership, coming up with innovations and testing them on the ground (although not on a large scale). The partnership succeeded in bringing an array of different partners together, and holding them to certain limited objectives. These objectives were not defined contractually but spelt out distinctly in a cooperative agreement.

The exercise of setting clear written goals tended to make partners stay together and made each project well-defined and managed. These projects were aligned to the objective of including the marginalized urban poor into water and sanitation services. This was taken up largely by exploring a level of service appropriate to such communities as in the case of the ground water tanks in Newtown, Pietermaritzburg, and the celebrated steel frame indoor support designed Tyrone Perry of UWP, which is regarded as a prime example of BPD innovation.

Although this innovation was not implemented on a large scale, the partnership had created the basis by which much was learnt through exchange in relation to possibilities for urban poor. Technological innovation on the basis of resource efficiency has been experienced by the poor largely as a lower level of service and as the withdrawal of authorities from public responsibility (Napier et al, 2002:30). In the case of many communities within the BPD project area these were new services and an improvement on standpipes or no reliable service at all and this encouraged acceptance. Unfortunately also in many cases, most households in poor communities felt they could not even afford the one-off capital payment for a tank or other equipment which would have led to a considerable improvement in service. The socio-economic surveys concluded that the communities involved were very poor and statistical surveys have shown that poverty has increased in recent years, accentuating these contradictions.

Elsewhere in the BPD internationally a general review has concluded that tri-sectoral partnerships have created an innovative climate: "The study did indeed find that the multi-sector partnership played an important role in each project - providing an environment that fosters innovation and the resources needed to maximise the potential of new approaches" (Colin and Lockwood, February 2002).

The KwaZulu-Natal BPD partnership certainly expanded the range of possibilities in delivery by creating a climate of exchange and innovation. It had a limited objective, depended on joint contribution of funds to projects, and had a greater balance between participants than many other projects internationally. These marked the constraints of its implementation on the ground; but it is widely regarded as having brought about a shift in alignment between communities, NGOs, water service departments, and the private sector in municipal practice. Many participants feel that the character of municipal practice has been changed.

15. Bibliography

Business Day. 20 September 2002. Transnationals' hefty clout.

Business Partners for Development. 2001. Endearing myths, enduring truths: enabling partnerships between business, civil society and the public sector. www.bpdweb.org

Business Partners for Development. 2002a. Putting partnership to work. 1 Main Section. www.bpdweb.org

Business Partners for Development. 2002b. Putting partnership to work: 2 Results and recommendations for business. www.bpdweb.org

Business Partners for Development. 2002c. Putting partnership to work: 3 Results and recommendations for Non-Government Organisations. www.bpdweb.org

Business Partners for Development. 2002d. Putting partnership to work: 4 Results and recommendations for developing country governments. www.bpdweb.org

Business Partners for Development. 2002e. Putting partnership to work: 4 Results and recommendations for Bilateral and Multilateral Organisations. www.bpdweb.org

Cameron, John. 2000. Development economics, the New Institutional Economics and NGOs. *Third World Quarterly*, 21(4):627-626.

Colin, Jeremy and Harold Lockwood. February 2002. Making Innovation Work through Partnerships in Water and Sanitation. Research and Surveys Series: BPD Water and Sanitation Cluster.

Dahlburg, John-Thor. 30 April 2000. Tap Water Around the World Developing a French Flavor. *Los Angeles Times*

Dalton, G. ed. 1968. *Primitive, Archaic, and Modern Economics*: Essays of Karl Polanyi. Garden City: Doubleday-Anchor.

DiMattia, Susan and Norman Oder. 15 September 1997. Knowledge Mangement: hope, hype or harbinger? *Library Journal*, 122 (15):33-36.

Edgren, John. December 1996. Modeling institutional change: Some critical thoughts. *Journal of Economic Issues*, 30(4):1017-1030.

Evans, Barbara. 2002. New Designs for water and sanitation transactions: making private sector participation work for the poor. PPIAF and Water and Sanitation Program.

Goga, Soraya. 2001. Doing City Strategy and Economic Development in Durban, South Africa. <http://www.durban.org.za>

Haarmeyer, David and Ashoka Mody. September 1998. Financing Water and Sanitation Projects --The Unique Risks. Public Policy for the Private Sector, Note 151. The World Bank.

- Holmberg, Johan. 1998. Knowledge-intensive networks for development: The case of the Global Water Partnership (GWP). *Human Systems Management*, 17(1):39-48.
- Horner, Brett. 22 September 2002. Torrent of praise for water man. *Sunday Times*.
- Jubasi, Mawande. 17 February 2002. Fraud and bad debts cost unicity council millions.
- Karasoff, Patricia. February 1998. Collaborative Partnerships: A Review of the Literature San Francisco State University, http://www.dssc.org/pdp/textonly/chap_1.txt
- Kenney, Henry. Fall 1997. South African economic development in the light of new institutional economics. *Independent Review*, 2(2):225-243.
- Liebenberg, Sybert and Peter Stewart, editors. 1997. *Participatory development management and the RDP* Cape Town : Juta.
- Marks, Denton. 2001. Transition, privatisation and economics as a management technology. *International Journal of Technology Management*, 21(5/6):529-530.
- McDaniel, Bruce A. 2001. The crisis in social and institutional integration. *Social Science Journal*, 38(2):263-276.
- McDonald, David and John Pape. 2002. *Cost recovery and the crisis of service delivery in South Africa* HSRC/ZED: Cape Town and London.
- Morse, Jodie and Anmanda Bower. 30 December 2002 – 6 January 2003. The party crasher (Sherron Watkins). *Time*.
- Napier, Mark et al. 2002. Environmental technologies in South Africa: pathways towards sustainable innovation in human settlements? Presentation to HSRC Seminar.
- Owen, Ken. 23 September 2002. New, uncertain world on the horizon. *Business Day*.
- Polanyi, Michael. 1967. *The tacit dimension*. Garden City, NY: Anchor.
- PPIAF. n.d. Brochure. <http://ppiaf.org>
- Republic of South Africa. 1998. Local Government White Paper. Department of Constitutional Development.
- Republic of South Africa. 1999. Municipal partnerships policy. Department of Constitutional Development.
- Research Team. September 2001. Baseline Report: Business Partners for Development (BPD) KwaZulu-Natal.
- Schneider, Geoffrey E. June 1999. An Institutionalist Assessment of Structural Adjustment Programs in Africa. *Journal of Economic Issues*, 33(2):325-335.

Selman, Paul and Amanda Wragg. September 1999. Networks of Co-operation and Knowledge in 'Wider Countryside' Planning. *Journal of Environmental Planning and Management*, 42(5):649-670.

Simonin, Bernard L. 1999. Transfer of Marketing Know-How in International Strategic Alliances: An Empirical Investigation of the Role and Antecedents of Knowledge Ambiguity. *Journal of International Business Studies*, 30(3):463-491.

Sohail, M. 2002. Public Private Partnerships and the Poor. Private Sector Participation and the Poor.1 – Strategy. WEDC: Loughborough University.
<http://www.lboro.ac.uk/departments/cv/wedc/publications/dwss3.htm>

Sulsden, John. 11 April 2002. Interview National Public Radio.

Stewart, Rob. 17 May 2001. Water use survey of Bhambayi. Business Partners for Development.

Tagliabue, John. 26 August 2002. Backlash spreads over privatisation of water. *The New York Times*.

The Economist. 15 August 2002. The Latinobarometro poll: democracy clings on in a cold economic climate.

Trémolet, Sophie and Sara Browning. April 2002. The Interface between Regulatory Frameworks and Tri-Sector Partnerships. BPD Water and Sanitation Cluster.

Wolf, Martin. 20 November 2002. Why it is so hard to fix the flaws of modern capitalism. *Financial Times*.

World Bank. 1998 *Assessing Aid—What Works, What Doesn't, and Why*.
<http://www.worldbank.org/research/aid/aidpub.htm>

World Summit on Sustainable Development. 4 September 2002. Plan of implementation.

16. Interviews and workshops

Ken Duxbury	11 December 2001
Eric Tranchant	13 February 2002.
Mike Greatwood	11 December 2001
Neil Macleod	14 February 2002
Patrick Rousseau	10 December 2001
Simon Scruton	19 February 2002

BPD Final Evaluation Workshop	Nagle Dam	12 March 2002
Guidelines Workshop	Nagle Dam	13 March 2002

Participants:

David Jones	BPD
Eric Tranchant	Vivendi
Isaac Ngwenya	UW
Jay Bhagwan	WRC
Ken Caplan	BPD
Ken Duxbury	PU TLC
Martin Rall	MT
Mike Greatwood	PU TLC
Neil Macleod	EMWS
Reg Bailey	EMWS
Rob Dyer	MT
Simon Scruton	EMWS

17. Publications of the BPD

KwaZulu-Natal Pilot Project:

Ballard, Richard, Robyn Pharoah, Julian May. September 2000. Quality of Life Survey, Newtown. DRA Development report to BPD.

Pharoah, Robyn, and Julian May. September 2000. Quality of Life Survey of Ashdown, Pietermaritzburg. DRA report for BPD.

April 2001. Public-Private Partnership: interests, knowledge and governance. A methodology for monitoring and evaluating the KwaZulu-Natal Business Partners for Development Pilot Project.

September 2001. Baseline Report. Business Partners for Development (BPD) KwaZulu-Natal.

September 2001. The Education and Awareness Campaign. Business Partners for Development (BPD) KwaZulu-Natal.

February 2002. Customer management: the Ashdown customer care project Business Partners for Development (BPD). KwaZulu-Natal.

September 2002. Built to fly? An evaluation of the BPD Kwa-Zulu Natal Pilot Project.

International publications (available on www.bpdweb.org):

Business Partners for Development. June 2000. Guidelines for monitoring progress and learning from the BPD Focus Projects. Prepared by the Knowledge Resources Group.

October 2000. Jeremy Ockelford. Research and Survey Series: Tri-Sector Partnerships Beyond those of Participating Groups in the BPD Cluster.

October 2000. Komives, Kristin and Linda Stalker Prokopy. Cost Recovery in Partnership: Results, Attitudes, Lessons and Strategies. Research and Surveys Series: BPD.

2001. Endearing myths, enduring truths: enabling partnerships between business, civil society and the public sector.

June 2001. Ann Condy, Allyson Thirkell and Erika McAslan. Partnership in Education

June 2001. Partnership in Education and Awareness. Main Report. The Workshop Series.

July 2001. David Jones. Practitioner note series: Conceiving And Managing Partnerships. A guiding framework.

June 2001. Jointly prepared by Ken Caplan, Simon Heap, Alan Nicol, Janelle Plummer, Susan Simpson, John Weiser. Flexibility by Design: Lessons from Multi-Sector Partnerships in Water and Sanitation Projects.

February 2002. Jeremy Colin and Harold Lockwood. Research and Surveys Series: Making Innovation Work through Partnerships in Water and Sanitation Projects.

February 2002. Jeremy Colin and Harold Lockwood. Making Innovation Work through Partnerships in Water and Sanitation. Research and Surveys Series.

April 2002. Sophie Trémolet & Sara Browning (ERM London). Research and Surveys Series: The Interface between Regulatory Frameworks and Tri-Sector Partnerships.

2002a. Putting partnership to work. 1 Main Section.

2002b. Putting partnership to work: 2 Results and recommendations for business.

2002c. Putting partnership to work: 3 Results and recommendations for Non-Government Organisations.

2002d. Putting partnership to work: 4 Results and recommendations for developing country governments.

2002e. Putting partnership to work: 4 Results and recommendations for Bilateral and Multilateral Organisations.